

ASX Release

Level 18, 275 Kent Street
Sydney, NSW, 2000

20 November 2023

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Prospectus for the Westpac Capital Notes 10

Westpac Banking Corporation today lodged with the Australian Securities and Investments Commission and ASX a prospectus for Westpac Capital Notes 10 (WCN 10), including information on the Reinvestment Offer. A copy of the prospectus is attached.

For further information:

Hayden Cooper
Group Head of Media Relations
0402 393 619

Justin McCarthy
General Manager, Investor Relations
0422 800 321

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

Disclaimer

This announcement does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933 (as amended)) (U.S. Person). WCN 10 are being offered in Australia only and will not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person.

This page has been intentionally left blank.

WESTPAC CAPITAL NOTES 10

Prospectus and Westpac Capital Notes 6 Reinvestment Offer Information

ISSUER

Westpac Banking Corporation
ABN 33 007 457 141

DATE OF THIS PROSPECTUS

20 November 2023

ARRANGER

Westpac Institutional Bank

JOINT LEAD MANAGERS

Westpac Institutional Bank
ANZ Securities Limited
Commonwealth Bank of Australia
Morgan Stanley Australia Securities Limited
Morgans Financial Limited
National Australia Bank Limited
Ord Minnett Limited
Shaw and Partners Limited
UBS AG, Australia Branch

CO-MANAGERS

Bell Potter Securities Limited
JBWere Limited
LGT Crestone Wealth Management Limited
Wilsons Advisory and Stockbroking Limited

IMPORTANT NOTICES

About this Prospectus

This Prospectus relates to the offer of Westpac Capital Notes 10 (“**Notes**”) at an Issue Price of \$100 each to raise approximately \$750 million with the ability to raise more or less.

The Westpac Capital Notes 10 offered under this Prospectus are designated as Series 2023-1.

This Prospectus is dated 20 November 2023 and was lodged with the Australian Securities and Investments Commission (“**ASIC**”) on that date. ASIC and ASX Limited (“**ASX**”) take no responsibility for the content of this Prospectus nor for the merits of the investment to which this Prospectus relates. This Prospectus expires on the date which is 13 months after the date of this Prospectus (“**Expiry Date**”) and no Notes will be issued or transferred on the basis of this Prospectus after the Expiry Date.

Status of Westpac Capital Notes 10

Westpac Capital Notes 10 are fully paid, non-cumulative, convertible, transferable, redeemable, subordinated¹, perpetual, unsecured notes issued by Westpac.

The Notes 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).

Investment-type products are subject to investment risk, including possible delays in payment and loss of income and principal invested. Except as required by law, and only to the extent so required, neither Westpac nor any other person in any way warrants or guarantees the capital value or performance of the Notes, the performance of Westpac or any particular rate of return on any investment made under this Prospectus. If a Capital Trigger Event or Non-Viability Trigger Event occurs, Westpac will be required to Convert some or all of the Notes (or, where Conversion does not occur for any reason and Ordinary Shares are not issued for any reason by 5.00pm on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), then: (i) those Notes will not be Converted in respect of such Capital Trigger Event or Non-Viability Trigger Event (as the case may be) and will not be Converted, Redeemed or Transferred on any subsequent date; (ii) all rights in relation to those Notes will be terminated immediately (written-off) on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be); and (iii) Holders will lose all the value of their investment in those Notes and they will not receive any compensation or unpaid Distributions).

If Conversion occurs in these circumstances, Holders may (in the case of a Capital Trigger Event) and are likely to (in the case of a Non-Viability Trigger Event) receive Ordinary Shares that are worth significantly less than the Face Value of the Notes. If Holders receive Ordinary Shares worth less than the Face Value of the Notes, they will suffer loss as a consequence.

Defined words and expressions

Some words and expressions used in this Prospectus are capitalised as they have defined meanings. The Glossary in Appendix A and clause 16.2 of the Westpac Capital Notes 10 Terms in Appendix B define these words and expressions.

A reference to time in this Prospectus is to Sydney time, unless otherwise stated. A reference to \$, A\$, dollars and cents is to Australian currency, unless otherwise stated.

No representations other than in this Prospectus

You should rely only on information in this Prospectus. No person is authorised to provide any information or to make any representations in connection with the Offer which are not contained in this Prospectus. Any information or representations not contained in this Prospectus may not be relied upon as having been authorised by Westpac in connection with the Offer.

Past performance information

The financial information provided in this Prospectus is for information purposes only and is not a forecast of operating results to be expected in future periods. Past performance is not a reliable indication of future performance.

Design and distribution obligations (DDO Laws)

From October 2021, Corporations Act provisions which were introduced by the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 (“**DDO Laws**”) require Westpac to create a Target Market Determination (“**TMD**”) to describe the class of retail investors to whom Westpac Capital Notes 10 are targeted (the “**Target Market**”), and conditions around how Westpac Capital Notes 10 are distributed to help ensure that retail investors are, or are reasonably likely to be, within the Target Market. Westpac has created a TMD, a copy of which is available at westpac.com.au/westpaccapnotes10. The Target Market is described in Sections 1.7.2 and 4.2.

This Prospectus does not provide investment advice

The information in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation and particular needs (including financial and taxation considerations) as an investor. You should consider the appropriateness of

the Notes having regard to these factors before deciding to apply for any Notes. It is important that you read the entire Prospectus (including the investment risks described in Sections 1.5 and 6). If you are a retail investor and wish to apply for Notes, you must:

- speak to your Syndicate Broker (all Applications must be submitted through a Syndicate Broker and no Applications can be made directly to Westpac). **A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory of this Prospectus;** and
- obtain personal advice from a financial adviser to ensure that your objectives, financial situation and needs have been considered in making your investment decision and you are within the Target Market.

None of the Joint Lead Managers or their respective directors, officers, employees or advisers have caused the issue or lodgement of this Prospectus, nor the issue of any Notes pursuant to it, nor have they made any statements in the Prospectus, other than references to their names, and do not accept responsibility for any statements in the Prospectus other than references to their names nor omissions from the Prospectus.

This Prospectus also contains information in relation to (amongst other things) the Reinvestment Offer. Neither Westpac nor any other person is providing any investment advice or making any recommendation to Eligible Westpac Capital Notes 6 Holders in respect of the Reinvestment Offer.

Restrictions in foreign jurisdictions

This Offer is being made in Australia only and this Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Notes or the Offer or to otherwise permit a public offering of the Notes in any jurisdiction outside Australia. The distribution of this Prospectus (including an electronic copy) in jurisdictions outside Australia may be restricted by law.

You should read the foreign selling restrictions (including, in particular, the restrictions in the United States and on US Persons) in Section 8.13. If you come into possession of this Prospectus in jurisdictions outside Australia, you should seek advice on, and observe, any such restrictions. If you fail to comply with such restrictions that failure may constitute a violation of applicable securities laws.

Exposure Period

The Corporations Act prohibits the acceptance of Applications during the seven day period after the date this Prospectus was lodged with ASIC. This period is referred to as the “**Exposure Period**” and ASIC may extend this period by up to a further seven days (that is up to 14 days in total). The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants before the Opening Date.

How to access a Prospectus

The Prospectus will be available via the Offer website at westpac.com.au/westpaccapnotes10 or from your Syndicate Broker.

The Prospectus is only available electronically to persons accessing and downloading it in Australia. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

How to apply

Applications can only be made by retail investors who are within the Target Market and have received personal advice from a financial adviser to acquire Notes or by investors who are Wholesale Clients.

All Applications (both for the Reinvestment Offer and the New Money Offer) must be submitted through a Syndicate Broker and investors must receive an Allocation from a Syndicate Broker under the Bookbuild to apply. You should contact your Syndicate Broker as soon as possible during the Exposure Period to express an interest in applying for Notes or to obtain more information on whether you satisfy the eligibility requirements. Your Syndicate Broker can also assist you with how to apply once the Offer opens.

There is no direct offer to Westpac securityholders and no Applications (including from Eligible Westpac Capital Notes 6 Holders) can be made directly to Westpac.

For more information on who is eligible to apply for Notes under the Offer and how to make an Application – see Section 4.

No withdrawal of Application

You cannot withdraw your Application once it has been lodged, except as permitted under the Corporations Act.

Providing personal information

You will be asked to provide personal information to Westpac (directly or via its agents, including the Registrar) if you apply for any Notes. See Section 8.15 for information on how Westpac (and its agents, including the Registrar on its behalf) collects, holds and uses this personal information.

Incorporation by reference

Information contained in or accessible through the documents or websites mentioned in this Prospectus does not form part of this Prospectus unless it is specifically stated that the document or website is incorporated by reference and forms part of this Prospectus.

Notes:

1. See Sections 1.4 and 2.7 for a description of how the Notes will rank in a Winding Up.

TABLE OF CONTENTS

Important notices	Inside front cover
Guidance for retail investors	2
Design and distribution obligations	3
Key dates	4
1. Investment overview	6
2. Information about Westpac Capital Notes 10	23
3. Reinvestment Offer for Westpac Capital Notes 6	43
4. Applying for Westpac Capital Notes 10	50
5. About Westpac	55
6. Investment risks	64
7. Australian tax summary	86
8. Other information	92
Appendix A – Glossary	100
Appendix B – Westpac Capital Notes 10 Terms	113
Corporate Directory	136

GUIDANCE FOR RETAIL INVESTORS

1. READ THIS PROSPECTUS IN FULL

- If you are considering applying for any Notes under the Offer, this Prospectus is important and should be read in its entirety (including the “Westpac Capital Notes 10 Terms” in Appendix B).
- You should have particular regard to the:
 - “Design and distribution obligations” on the next page and whether you are within the Target Market referred to in the Target Market Determination;
 - “Investment overview” in Section 1;
 - “Information about Westpac Capital Notes 10” in Section 2;
 - “Reinvestment Offer for Westpac Capital Notes 6” in Section 3; and
 - “Investment risks” in Section 6.
- In considering whether to apply for any Notes, it is important to consider all risks and other information regarding an investment in the Notes in light of your particular investment objectives and circumstances.
- Westpac Capital Notes 10 are not deposit liabilities of Westpac, are riskier than bank deposits and may not be suitable for some investors. Their complexity may make them difficult to understand and the risks associated with the Notes could result in the loss of all of your investment. If you do not fully understand how they work or the risks associated with them, you should obtain professional advice.

2. SPEAK TO YOUR SYNDICATE BROKER AND OBTAIN PERSONAL ADVICE

- If you are a retail investor and wish to apply for Notes, you must speak to your Syndicate Broker and also obtain personal advice from a financial adviser to ensure that your objectives, financial situation and needs have been considered in making your investment decision and you are within the Target Market. All Applications must be submitted through a Syndicate Broker and no Applications can be made directly to Westpac.

A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory of this Prospectus.

- ASIC has published guidance on how to choose a financial adviser on its MoneySmart website at moneysmart.gov.au/financial-advice/choosing-a-financial-adviser.

3. CONSIDER THE ASIC GUIDANCE FOR RETAIL INVESTORS

- Further guidance on investing in bank hybrid securities can be found on ASIC’s MoneySmart website. You can find this guidance by searching “hybrid securities and notes” at moneysmart.gov.au or via the link at westpac.com.au/westpaccapnotes10. The guidance includes a series of questions you should ask before you invest in hybrid securities to check your understanding of how they work, their features and risks.

4. LEARN MORE ABOUT INVESTING IN BANK HYBRID SECURITIES

- Westpac’s Guide to Bank Hybrids, a guide to help investors understand some of the typical features and risks associated with an investment in bank hybrid securities, is available at westpac.com.au/bankhybridguide. The Guide to Bank Hybrids provides a brief overview of hybrid investments, including how to invest in an Australian bank and the typical features and risks of bank hybrids. The Guide to Bank Hybrids may be helpful when you are considering an investment in the Notes.

5. OBTAIN FURTHER INFORMATION ABOUT WESTPAC AND WESTPAC CAPITAL NOTES 10

- Westpac is a disclosing entity for the purposes of the Corporations Act and, as a result, is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. In addition, Westpac must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about Westpac that a reasonable person would expect to have a material effect on the price or value of its securities, including the Notes.
- Copies of documents lodged with ASIC can be obtained from, or inspected at, an ASIC office and Westpac’s ASX announcements may be viewed at asx.com.au (ASX code WBC). Further information about Westpac, including Westpac’s half-yearly and annual financial reports, presentations and other investor information, can be obtained from westpac.com.au/investorcentre.

6. USE OF FRANKING CREDITS

- The value and availability of franking credits to you will depend on your particular circumstances and the Australian Tax Rules. Westpac has applied for a public Class Ruling requesting confirmation of the ATO’s views on principal tax issues considered in Section 7.

7. ENQUIRIES

- If you have any questions in relation to the Offer, please call the Westpac Capital Notes 10 Information Line (Monday to Friday, 8.30am to 7.30pm, Sydney time) on 1800 176 125 (free call within Australia) and +61 1800 176 125 (outside Australia) or contact your Syndicate Broker, financial adviser or other professional adviser.

DESIGN AND DISTRIBUTION OBLIGATIONS

Under the DDO Laws, Westpac is required to create a TMD to describe the class of retail investors to whom Westpac Capital Notes 10 are targeted (described as the Target Market), and conditions around how the Notes are distributed to help ensure that retail investors are, or are reasonably likely to be, within the Target Market.

A summary of key elements of the DDO Laws and eligibility requirements to apply under the Offer is set out below.

DDO requirements

DDO Laws require issuers of certain financial products to create a TMD and set certain conditions under which those products can be distributed to retail investors.

Target Market Determination	Distribution conditions	Applications can only be made through a Syndicate Broker. No Applications can be made directly to Westpac.	
<p>The TMD for the Notes describes the class of retail investors for whom an investment in Notes is likely to be consistent with their likely objectives, financial situation and needs, which is referred to as the Target Market.</p> <p>The Target Market is described in Sections 1.7.2 and 4.2 and a copy of the TMD is available from westpac.com.au/westpaccapnotes10.</p>	<p>The TMD also sets out conditions under which the Notes can be distributed to help ensure that retail investors are, or are reasonably likely to be, within the Target Market.</p>	<p>In order to ensure the Notes are distributed in accordance with the TMD, Westpac has determined that Applications under both the Reinvestment Offer and the New Money Offer can only be made through a Syndicate Broker (and not to Westpac directly), and that the Notes are only available to investors who satisfy certain eligibility requirements outlined below.</p>	
		<p>Eligible</p> <p>You are a company or an individual¹ aged 18 years or older with a registered address in Australia, and either:</p> <ul style="list-style-type: none"> • you are within the Target Market and you have received personal advice from a financial adviser to acquire Notes; <p>OR</p> <ul style="list-style-type: none"> • you are classified as a Wholesale Client. <p>You will need to provide evidence to your Syndicate Broker that you satisfy one of these eligibility requirements. Please see Section 4.2 for details of how to apply.</p>	<p>Ineligible</p> <p>Any other investor, including a Westpac Capital Notes 6 holder and any other Westpac securityholder, who does not satisfy the eligibility requirements (for example, a retail investor who is outside the Target Market).</p> <p>There is no specific offer to Westpac securityholders and no general public offer.</p>

If you have any questions about Westpac Capital Notes 10 or the Offer, you should seek advice from your Syndicate Broker, financial adviser or other professional adviser. **You can also call the Westpac Capital Notes 10 Information Line (Monday to Friday, 8.30am to 7.30pm, Sydney time) on 1800 176 125 (free call within Australia) and +61 1800 176 125 (outside Australia).**

A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory of this Prospectus.

ASIC has published guidance on how to choose a financial adviser on its MoneySmart website at moneysmart.gov.au/financial-advice/choosing-a-financial-adviser.

Note:

1. Including as a trustee of a family, hybrid or unit trust.

KEY DATES

Key dates for the Offer

Announcement of the Offer and lodgement of this Prospectus with ASIC	20 November 2023
Bookbuild period commences for the Syndicate Brokers	20 November 2023
Exposure Period <i>No Applications will be processed during the Exposure Period, but investors interested in applying for Notes need to contact their Syndicate Broker as soon as possible if they wish to participate</i>	20 November 2023 – 27 November 2023
Announcement of the Margin and confirmation of Bookbuild Allocations to the Syndicate Brokers	27 November 2023
Lodgement of the replacement Prospectus with ASIC	28 November 2023
Opening Date for investors to apply for Notes Allocated by the Syndicate Brokers under the Bookbuild	28 November 2023
Closing Date for investors to apply for Notes Allocated by the Syndicate Brokers under the Bookbuild (5.00pm Sydney time)	12 December 2023
Issue Date of Notes	18 December 2023
Commencement of normal settlement trading	19 December 2023
Holding Statements dispatched by	20 December 2023

Key dates for Westpac Capital Notes 10

Record Date for first Distribution	14 March 2024
First Distribution Payment Date ^{1,2}	22 March 2024
Option for Westpac to Convert ³ , Redeem ⁴ or Transfer the Notes	22 September 2031, 22 December 2031, 22 March 2032, 22 June 2032
Scheduled Conversion Date ⁵	22 June 2034

Key dates for the Reinvestment Offer

Reinvestment Offer Record Date for determining Eligible Westpac Capital Notes 6 Holders (7.00pm Sydney time)	10 November 2023
Exposure Period <i>No Applications will be processed during the Exposure Period, but Eligible Westpac Capital Notes 6 Holders interested in applying for Notes need to contact their Syndicate Broker as soon as possible if they wish to participate</i>	20 November 2023 – 27 November 2023
Opening Date for Eligible Westpac Capital Notes 6 Holders to apply for Notes Allocated by the Syndicate Brokers under the Bookbuild	28 November 2023
Record date for the Westpac Capital Notes 6 Distribution (7.00pm Sydney time)	8 December 2023
Closing Date for Eligible Westpac Capital Notes 6 Holders to apply for Notes Allocated by the Syndicate Brokers under the Bookbuild (5.00pm Sydney time)	12 December 2023
Expected date of transfer of Participating Westpac Capital Notes 6 to Westpac Capital Notes 6 Nominated Party ⁶	18 December 2023
Issue Date of Notes for the Reinvestment Offer	18 December 2023
Payment date for the Westpac Capital Notes 6 Distribution ⁷	18 December 2023

Note:

- Distributions are payable quarterly, subject to satisfaction of the Distribution Payment Conditions – see Section 2.1.9.
- You should note that the first Distribution Period is a longer period of 95 days and other Distribution Periods will otherwise generally be 90 to 92 days.
- Subject to satisfaction of the Optional Conversion Restriction – see Section 2.4.2.
- The Redemption of the Notes is subject to APRA's prior written approval. There can be no certainty that APRA will provide its prior written approval for any such Redemption – see Section 6.1.2. Any Redemption of the Notes does not imply or indicate that Westpac will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by Westpac. Any such future redemption would also be subject to APRA's prior written approval (which may or may not be given).
- Conversion of the Notes to Ordinary Shares on this date is subject to satisfaction of the Scheduled Conversion Conditions – see Section 2.2.3.
- Westpac lodged a transfer notice on the ASX on 20 November 2023.
- Subject to satisfaction of the distribution payment conditions in the Westpac Capital Notes 6 Terms.

KEY DATES

Key dates for Non-Participating Westpac Capital Notes 6	
Record date for the Westpac Capital Notes 6 Distribution (7.00pm Sydney time)	8 December 2023
Payment date for the Westpac Capital Notes 6 Distribution ⁸	18 December 2023
Optional date of redemption of Westpac Capital Notes 6 ⁹	31 July 2024

Dates may change

These dates are indicative only and may change. Westpac and the Joint Lead Managers may, in their absolute discretion, close the Offer early, and Westpac may also withdraw the Offer at any time before Notes are issued. Westpac and the Joint Lead Managers may also exercise discretion, where reasonable, to extend the Offer period having regard to market conditions, the circumstances of the Offer, and Westpac’s business needs. Material changes to the timetable will be disclosed on ASX as soon as practicable.

Except as otherwise specified in the Westpac Capital Notes 10 Terms, if any of these dates are not Business Days and an event under the Westpac Capital Notes 10 Terms is stipulated to occur on that day, then the event will occur on the next Business Day.

Note:

- 8. Subject to satisfaction of the distribution payment conditions in the Westpac Capital Notes 6 Terms.
- 9. APRA has approved the redemption of Westpac Capital Notes 6. See Section 3.1.2 for further information. The intended redemption of Westpac Capital Notes 6 does not imply or indicate that Westpac will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by Westpac. Any such future redemption would also be subject to APRA’s prior written approval (which may or may not be given).

INVESTMENT OVERVIEW

SECTION 1

This Section sets out:

- 1.1 Key features of the Offer and Westpac Capital Notes 10
- 1.2 Summary of the Distributions payable on Westpac Capital Notes 10
- 1.3 Summary of certain events which may affect what Holders of Westpac Capital Notes 10 receive and when they receive it
- 1.4 Ranking of Westpac Capital Notes 10 in a Winding Up
- 1.5 Key risks associated with an investment in Westpac Capital Notes 10 and Westpac
- 1.6 Comparison of the Westpac Capital Notes 10 with certain other Westpac investments or products
- 1.7 Structure of the Offer and how to apply for Westpac Capital Notes 10

1 INVESTMENT OVERVIEW

1.1 Key features of the Offer and Westpac Capital Notes 10

The information in this Section is a summary only. You should refer to other sections of this Prospectus for more details (as indicated under the heading “Further information” below) and, in particular, refer to the Westpac Capital Notes 10 Terms in Appendix B for the full terms and conditions of Westpac Capital Notes 10.

Topic	Summary	Further information
1.1.1 The Offer	<p>The Offer is for the issue of Westpac Capital Notes 10 to raise approximately \$750 million, with the ability to raise more or less. The Offer includes the Reinvestment Offer to Eligible Westpac Capital Notes 6 Holders to reinvest all or some of their Westpac Capital Notes 6 in the Westpac Capital Notes 10.</p> <p>Applications can only be made to Syndicate Brokers (not to Westpac directly) and Notes are only being offered to investors who satisfy certain eligibility requirements.</p> <p>Westpac will endeavour to give priority to Applications received under the Reinvestment Offer.</p>	Sections 2, 3 and 4
1.1.2 The issuer	Westpac Banking Corporation ABN 33 007 457 141	Section 5
1.1.3 Key features of Westpac Capital Notes 10	<p>Westpac Capital Notes 10 are:</p> <ul style="list-style-type: none"> • fully paid – the Issue Price (\$100 per Note, which will also be the Initial Face Value of the Note) must be paid to Westpac before the Notes are issued; • non-cumulative – they offer Distributions which are discretionary and unpaid Distributions do not accumulate. Holders will not have any right to compensation if Westpac does not pay a Distribution; • convertible – in certain circumstances, Westpac will be required or permitted to Convert the Notes into Ordinary Shares; • redeemable and transferable – in certain circumstances, Westpac may be permitted to repay the Face Value (initially \$100 per Note) of the Notes to Holders or transfer the Notes to a third party (but there are significant restrictions on repayment of the Notes); • perpetual – they do not have a fixed maturity date and could exist indefinitely if not Redeemed, Converted or Transferred (in which case you would not receive your capital back, although you may sell your Notes on the ASX at the prevailing market price to realise your investment. However, that price may be less than the Face Value (initially \$100 per Note) and there may be no liquid market in the Notes); • unsecured – they are not guaranteed or insured by the Australian Government nor are they deposit liabilities or protected accounts of Westpac under the Banking Act or Financial Claims Scheme and they are not subject to the depositor protection provisions of Australian banking legislation; • subject to a Capital Trigger Event and Non-Viability Trigger Event – where such an event occurs (which includes where Westpac suffers significant losses), some or all of the Notes must be Converted into Ordinary Shares or, if Conversion does not occur for any reason and Ordinary Shares are not issued for any reason by 5.00pm on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), the rights of Holders attaching to those Notes will be terminated (written-off) immediately on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), and Holders will lose all the value of their investment in those Notes and they will not receive any compensation or unpaid Distributions; 	<p>Section 2</p> <p>Westpac Capital Notes 10 Terms</p>

1 INVESTMENT OVERVIEW

Topic	Summary	Further information
1.1.3 Key features of Westpac Capital Notes 10 (continued)	<ul style="list-style-type: none"> • subordinated – in the event of a Winding Up, if the Notes are still on issue and have not been Redeemed or Converted, or otherwise had the rights attaching to them terminated, they will rank ahead of Ordinary Shares, equally among themselves and with Equal Ranking Capital Securities and behind Senior Creditors. However, it is likely that a Capital Trigger Event or Non-Viability Trigger Event would occur prior to a Winding Up and the Notes would have been Converted into Ordinary Shares or otherwise had the rights attaching to them terminated; and • listed – Westpac will apply for the Notes to be quoted on the ASX and they are expected to trade on the ASX under the code WBCPM. Following quotation, the Notes may be purchased or sold on the ASX by investors at the prevailing market price. However, the Notes may trade at a market price above or below their Face Value of \$100 per Note. <p>The Westpac Capital Notes 10 Terms are complex and derive from the detailed capital requirements that APRA applies to these instruments. Westpac's ability to pay Distributions or to Convert or Redeem the Notes is subject to a number of restrictions, including APRA not objecting to the Distributions and APRA giving prior written approval to a Redemption.</p>	
1.1.4 Use of proceeds of the Westpac Capital Notes 10	<p>Westpac is issuing the Notes to raise Additional Tier 1 Capital which satisfies the regulatory capital requirements of APRA. The proceeds received under the Offer will be used by Westpac for general business purposes.</p>	<p>Sections 5.1.5 and 5.2.1</p>

1.2 Summary of the Distributions payable on Westpac Capital Notes 10

Topic	Summary	Further information
1.2.1 Distributions payable on Westpac Capital Notes 10	<p>The Notes offer Holders quarterly, floating rate Distributions until the Notes are Converted at their full Face Value (or terminated following a failure to Convert) or Redeemed.</p> <p>The Distribution Payment Dates are quarterly, being 22 March, 22 June, 22 September and 22 December of each year. The first Distribution is scheduled to be paid on 22 March 2024. You should note that the first Distribution Period is a longer period of 95 days and other Distribution Periods will otherwise generally be 90 to 92 days.</p> <p>The Distribution Rate is determined in accordance with the following formula:</p> <p style="text-align: center;">(3 month BBSW Rate + Margin) x (1 - Tax Rate¹)</p> <p>The Margin is expected to be in the range of 3.10% to 3.30% per annum and will be determined at the end of the Bookbuild.</p> <p>Distributions are expected to be fully franked.</p>	<p>Section 2.1</p> <p>Westpac Capital Notes 10 Terms clause 3</p>
1.2.2 Distributions may not be paid on Westpac Capital Notes 10	<p>Payments of Distributions are within the absolute discretion of Westpac, which means Westpac does not have to pay them. Distributions are also only payable if the other Distribution Payment Conditions are satisfied.</p> <p>Distributions are non-cumulative, which means that unpaid Distributions will not be made up or accumulate. Holders will not have any rights to compensation if Westpac does not pay Distributions. Failure to pay any Distribution is not an event of default² and Holders have no right to apply for a Winding Up on the grounds of non-payment of a Distribution.</p> <p>If for any reason a Distribution has not been paid in full for a relevant Distribution Payment Date, Westpac must not (except in certain limited circumstances):</p> <ul style="list-style-type: none"> determine or pay any Dividends; or undertake any discretionary Buy Back or Capital Reduction, <p>unless and until:</p> <ul style="list-style-type: none"> the amount of the unpaid Distribution is paid in full within 20 Business Days of the relevant Distribution Payment Date; all Notes are Converted at their full Face Value, Redeemed or terminated following a failure to Convert; a Distribution for any subsequent Distribution Period is paid in full on the relevant Distribution Payment Date; or a Special Resolution has been passed approving such action. <p>These restrictions would not apply where the reason a Distribution was not paid was because the Distribution Rate was zero or negative (see Section 2.1.3).</p>	<p>Sections 2.1.1 and 2.1.9 to 2.1.11</p> <p>Westpac Capital Notes 10 Terms clauses 3.3, 3.4, 3.7 and 3.8</p>

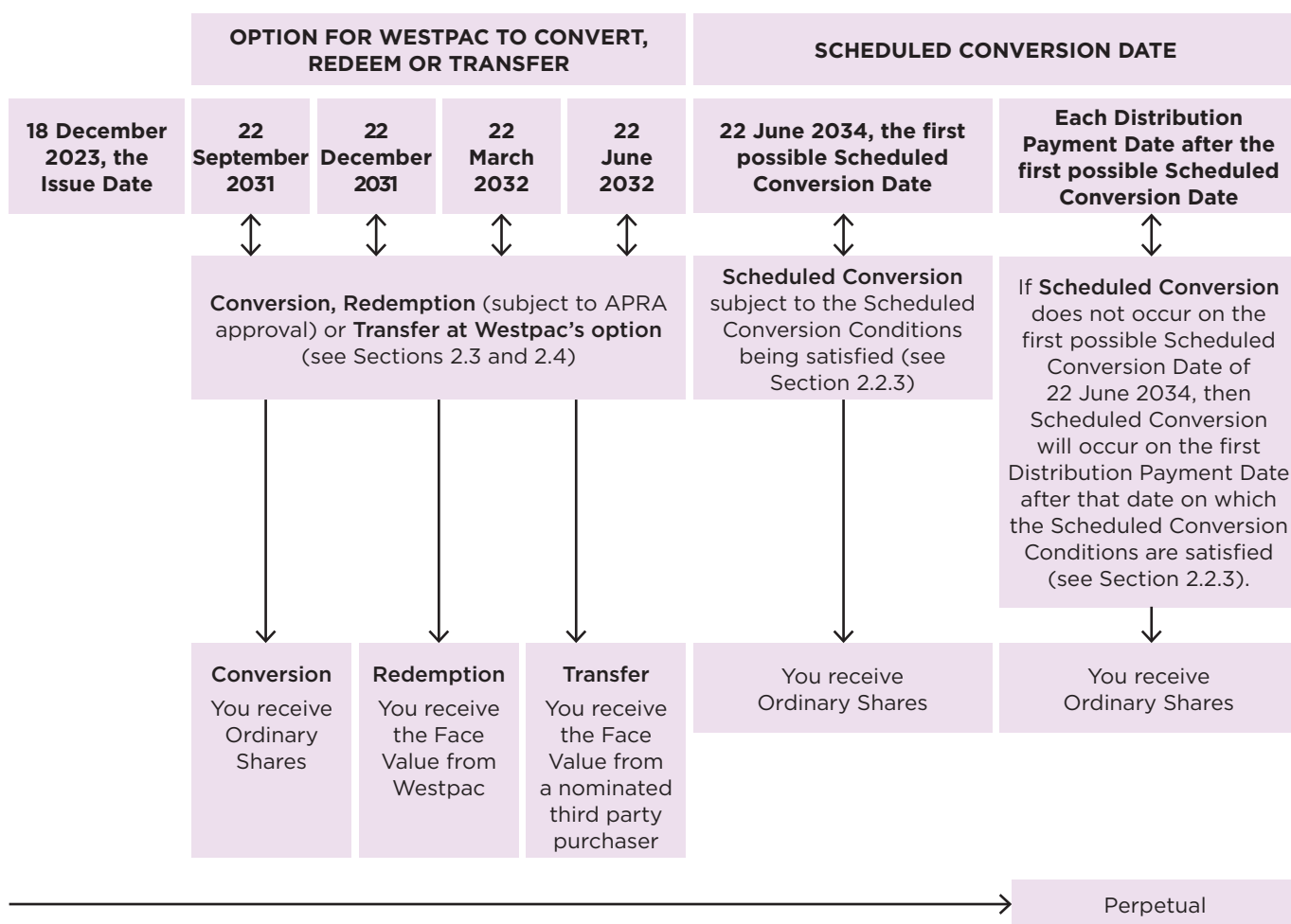
Note:

- The Tax Rate is 30% (or 0.30 expressed as a decimal) as at the date of this Prospectus but that rate may change.
- The Westpac Capital Notes 10 Terms do not include any events of default.

1 INVESTMENT OVERVIEW

1.3 Summary of certain events which may affect what Holders of Westpac Capital Notes 10 receive and when they receive it

Topic	Summary	Further information
1.3.1 Events that may affect the Westpac Capital Notes 10	<p>The Notes do not have a fixed maturity date and Holders do not have a right to request or require Westpac to Convert, Redeem or arrange for the Transfer of the Notes. Accordingly, what will happen to the Notes is uncertain.</p> <p>It is possible that the Notes could remain on issue indefinitely and the Face Value (initially \$100 per Note) will not be repaid.</p> <p>The diagram and table in this Section 1.3.1 summarise certain events that may occur while the Notes are on issue and what Holders may receive in relation to the Notes under the Westpac Capital Notes 10 Terms.</p>	Sections 2.2 to 2.6 Westpac Capital Notes 10 Terms clauses 4 to 8



Event	When?	Is APRA approval required?	Are there other pre-conditions to the event?	What value will a Holder receive?	In what form will that value be provided to Holders?	Where to find further information?
Redemption at Westpac's option	22 September 2031, 22 December 2031, 22 March 2032, 22 June 2032 or if a Tax Event or Regulatory Event occurs	Yes ³	Yes, before or concurrently with Redemption ⁴	Face Value (initially \$100 per Note) plus a Distribution ⁵	Cash	Sections 2.3.1 to 2.3.4 Westpac Capital Notes 10 Terms clause 7
Transfer at Westpac's option	22 September 2031, 22 December 2031, 22 March 2032, 22 June 2032 or if a Tax Event or Regulatory Event occurs	No	No	Face Value (initially \$100 per Note) plus a Distribution ⁵	Cash ⁶	Sections 2.3.1 and 2.3.5 Westpac Capital Notes 10 Terms clause 8
Conversion at Westpac's option	22 September 2031, 22 December 2031, 22 March 2032, 22 June 2032 or if a Tax Event or Regulatory Event occurs	No	Yes ⁷	Ordinary Shares worth approximately \$101.01 ⁸ per Note plus a Distribution ⁵	A variable number of Ordinary Shares plus a cash Distribution ⁵	Section 2.4 Westpac Capital Notes 10 Terms clauses 6 and 9
Scheduled Conversion	22 June 2034	No	Yes ⁷	Ordinary Shares worth approximately \$101.01 ⁸ per Note plus a Distribution ⁵	A variable number of Ordinary Shares plus a cash Distribution ⁵	Section 2.2 Westpac Capital Notes 10 Terms clauses 4 and 9
Conversion upon an Acquisition Event	If an Acquisition Event occurs	No	Yes ⁷	Ordinary Shares worth approximately \$101.01 ⁸ per Note plus a Distribution ⁵	A variable number of Ordinary Shares plus a cash Distribution ⁵	Section 2.6 Westpac Capital Notes 10 Terms clauses 5.9 and 9

Note:

- Holders should not expect that APRA's prior written approval will be given if requested.
- Westpac may only Redeem 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 Notes.
- The Distribution would be for the period from (but excluding) the last Distribution Payment Date to (and including) the relevant Conversion Date, Redemption Date or Transfer Date (as applicable). Payments of Distributions are within the absolute discretion of Westpac, which means Westpac does not have to pay them. Distributions are also only payable if the Distribution Payment Conditions are satisfied.
- On Transfer, Holders will receive the Face Value in cash from the Nominated Party to whom the Notes are transferred.
- Conversion is conditional on Westpac's share price being above a specified level in the period prior to Conversion.
- Based on the Initial Face Value of \$100 per Note and the VWAP of Ordinary Shares during the relevant VWAP Period before the Conversion Date, with the benefit of a 1% discount. The value of Ordinary Shares received on the Conversion of one Note may be worth more or less than \$101.01 depending on the market price of Ordinary Shares before Conversion and the Face Value of the Notes at the Conversion Date.

1 INVESTMENT OVERVIEW

Event	When?	Is APRA approval required?	Are there other pre-conditions to the event?	What value will a Holder receive?	In what form will that value be provided to Holders?	Where to find further information?
Conversion upon a Capital Trigger Event or Non-Viability Trigger Event	If a Capital Trigger Event or Non-Viability Trigger Event occurs	No	No	A variable value, depending on the price of the Ordinary Shares at the relevant time and the number of Ordinary Shares received on Conversion. However, Holders may (in the case of a Capital Trigger Event) and are likely to (in the case of a Non-Viability Trigger Event) receive significantly less than approximately \$101.01 for each Note (based on the Initial Face Value of \$100 per Note), and the value may be nothing if Conversion does not occur for any reason and Ordinary Shares are not issued for any reason by 5.00pm on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be). ⁹	A variable number of Ordinary Shares up to the Maximum Conversion Number. However, if Conversion of the Notes does not occur for any reason and Ordinary Shares are not issued for any reason by 5.00pm on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), then the rights of Holders attaching to those Notes will be terminated (written-off) immediately on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be) and Holders will lose all of the value of their investment in those Notes and they will not receive any compensation or unpaid Distributions.	Sections 2.5 and 6.1.3 to 6.1.5 Westpac Capital Notes 10 Terms clauses 5.1 to 5.8 and 9

Note:

9. Section 2.5 provides further detail on the circumstances in which Holders are likely to receive significantly less than \$101.01 for each Note due to a Capital Trigger Event or Non-Viability Trigger Event.

1.4 Ranking of Westpac Capital Notes 10 in a Winding Up

The table in this Section 1.4 illustrates how the Notes would rank upon a Winding Up, if they are on issue at that time. It is likely that a Capital Trigger Event or Non-Viability Trigger Event would occur prior to a Winding Up and the Notes would have been Converted into Ordinary Shares or otherwise had the rights attaching to them terminated immediately on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be) where Conversion does not occur for any reason and Ordinary Shares are not issued for any reason by 5.00pm on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be).

Illustrative examples¹⁰

Higher ranking  Lower ranking	Preferred and secured debt	Liabilities in Australia in relation to protected accounts (generally, savings accounts and term deposits) and other liabilities preferred by law including employee entitlements and secured creditors
	Unsubordinated unsecured debt	Trade and general creditors, bonds, notes and debentures and other unsubordinated unsecured debt obligations. This includes covered bonds which are an unsecured claim on Westpac, though they are secured over assets that form part of the Westpac Group
	Subordinated unsecured debt	Subordinated bonds, notes and debentures and other subordinated unsecured debt obligations with a fixed maturity date
	Additional Tier 1 Capital securities	Westpac Capital Notes 10 , Westpac Capital Notes 5, Westpac Capital Notes 6, Westpac Capital Notes 7, Westpac Capital Notes 8, Westpac Capital Notes 9 and Westpac USD AT1 Securities
	Ordinary shares	Ordinary Shares

1.5 Key risks associated with an investment in Westpac Capital Notes 10 and Westpac

Before applying for any Notes, you should have regard to the Target Market Determination (see “Design and distribution obligations”) and if you are a retail investor, obtain personal advice from a financial adviser to ensure that your objectives, financial situation and needs have been considered in making your investment decision and that you are within the Target Market. There are risks involved with investing in the Notes and in Westpac. Many of these risks are outside the control of Westpac and the Westpac Directors. These risks include those in this Section 1.5 and Section 6 and any other matters referred to in this Prospectus.

1.5.1 Key risks of the Westpac Capital Notes 10

Topic	Summary	Further information
Distributions may not be paid	<p>There is a risk that Distributions will not be paid. Distributions are discretionary and are only payable subject to the satisfaction of the Distribution Payment Conditions. For example, this includes the Distribution not resulting in a breach of capital requirements and APRA not otherwise objecting to the payment of the Distribution.</p> <p>Distributions are non-cumulative. If a Distribution is not paid in full because the Distribution Payment Conditions are not satisfied, Holders are not entitled to receive the unpaid Distribution.</p>	Sections 2.1.9 and 6.1.1

Note:

10. This diagram and the descriptions are simplified and illustrative only, and do not include every type of security or obligation that may be issued or entered into by Westpac, or every potential claim against Westpac in a Winding Up. Westpac will from time to time issue additional securities or incur other obligations that rank ahead of, equally with, or subordinated to, the Notes. Further, some of the securities represented in the diagram (for example Additional Tier 1 Capital securities) may be converted into Ordinary Shares, which will then rank equally with other Ordinary Shares.

1 INVESTMENT OVERVIEW

Topic	Summary	Further information
It is not certain whether and when the Westpac Capital Notes 10 will be Converted, Redeemed or Transferred	<p>Conversion may not occur on 22 June 2034, being the first possible Scheduled Conversion Date, or at all if the Scheduled Conversion Conditions are not satisfied.</p> <p>Conversion, Redemption or Transfer may occur in certain circumstances before the Scheduled Conversion Date, which may be disadvantageous to Holders in light of market conditions or your individual circumstances.</p> <p>If Westpac elects to Redeem Notes, APRA's prior written approval is required. There can be no certainty that APRA will provide its prior written approval.</p> <p>Any regulatory or legislative change introduced following the discussion paper titled <i>"Discussion paper – Enhancing bank resilience: Additional Tier 1 Capital in Australia"</i> ("APRA Discussion Paper"), may potentially give rise to a Regulatory Event, whereby Westpac could elect to Convert, Redeem (subject to APRA's prior written approval) or Transfer the Notes – see Sections 2.3 and 2.4.</p> <p>Holders have no right to request that their Notes be Converted, Redeemed or Transferred. Unless their Notes are Converted, Redeemed or Transferred, Holders would need to sell their Notes on the ASX at the prevailing market price to realise their investment. That price may be less than the Face Value (initially \$100 per Note) and there may be no liquid market in the Notes.</p>	Sections 6.1.2, 6.1.14 to 6.1.17
Conversion or termination of rights on account of a Capital Trigger Event or a Non-Viability Trigger Event	<p>The value of Ordinary Shares received for each Note that is Converted upon the occurrence of a Capital Trigger Event or Non-Viability Trigger Event 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 approximately \$101.01 for each Note (based on the Initial Face Value of \$100 per Note). This is because the number of Ordinary Shares issued on Conversion is limited by the Maximum Conversion Number, as required by APRA. The Maximum Conversion Number applied on a Conversion of this kind is based on an Ordinary Share price that reflects 20% of the Ordinary Share price at the time of issue of the Notes.</p> <p>If Conversion of Notes does not occur for any reason and Ordinary Shares are not issued for any reason by 5.00pm on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be) (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 Notes in relation to Conversion, or as a result of laws relating to Australian foreign investment laws, Australian financial sector ownership laws, Chapter 6 of the Corporations Act or operational delays (for example, due to COVID-19 related restrictions on access to facilities and systems of Westpac and/or its agents), then:</p> <ul style="list-style-type: none"> those Notes will not be Converted in respect of such Capital Trigger Event or Non-Viability Trigger Event (as the case may be) and will not be Converted, Redeemed or Transferred on any subsequent date; and all rights in relation to those Notes will be terminated (written-off) immediately on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), and Holders will lose all of the value of their investment in those Notes and they will not receive any compensation or unpaid Distributions. 	Sections 2.5.4, 2.5.5, 2.5.6, 6.1.4, 6.1.5 and 6.1.11

Topic	Summary	Further information
Westpac Capital Notes 10 are not deposit liabilities or protected accounts	The Notes are not deposit liabilities or protected accounts of Westpac in Australia 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).	Important Notices and Section 6.1.6
Market price of the Westpac Capital Notes 10 may fluctuate	<p>The Notes may trade at a market price below Face Value (initially \$100 per Note).</p> <p>Circumstances in which the market price of the Notes may decline include general conditions, changes in government policy, changes in regulatory policy, impacts of regulatory change (including those raised in the APRA Discussion Paper), changes in investor perception and sentiment in relation to Westpac, changes in the market price of other securities issued by Westpac or other issuers and 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.</p>	Sections 6.1.1 and 6.1.7
Liquidity of the Westpac Capital Notes 10 may be low	<p>The market for the Notes will likely be less liquid than the market for Ordinary Shares.</p> <p>Potential regulatory or legislative changes (such as those raised in the APRA Discussion Paper) may affect the liquidity of funding instruments (including Additional Tier 1 Capital securities such as the Notes) if they lead to a change in the investor base or a material reduction in future issuance volumes, reinvestment opportunities or secondary market trading activity.</p> <p>Holders who wish to sell their Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for the Notes.</p>	Section 6.1.8
Changes in the Distribution Rate	<p>The Distribution Rate will fluctuate (and may increase and/or decrease) over time with movements in the 3 month BBSW Rate. It is possible for the 3 month BBSW Rate to become negative. 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).</p> <p>There is a risk that the Distribution Rate may become less attractive compared to returns available on comparable securities or investments.</p>	Sections 2.1.2 and 6.1.9
Use of franking credits	The value and availability of franking credits to a Holder will depend on that Holder's particular circumstances and the Australian Tax Rules.	Sections 2.1.6, 6.1.10 and 7.3.1
Credit ratings	Any credit rating assigned to the Notes or other Westpac securities could be reviewed, suspended, withdrawn or downgraded by credit rating agencies, or credit rating agencies could change their rating methodology, at any time which could adversely affect the market price and liquidity of the Notes and other Westpac securities.	Section 6.1.12
The price used to calculate the number of Ordinary Shares to be issued on Conversion may not be the market price	<p>The Ordinary Share price used to calculate the number of Ordinary Shares to be issued on Conversion may be different to the market price of Ordinary Shares at the time of Conversion because the price used in the calculation is based on the VWAP during the relevant period prior to the Conversion Date.</p> <p>The value of Ordinary Shares that Holders receive based on the calculation may therefore be less than the value of those Ordinary Shares based on the market price on the Conversion Date.</p>	Section 6.1.13

1 INVESTMENT OVERVIEW

Topic	Summary	Further information
No fixed maturity date	As the Notes are perpetual instruments and have no fixed maturity date, there is a risk the Notes could remain on issue indefinitely and Holders may not be repaid their investment.	Section 6.1.19
Ranking of the Westpac Capital Notes 10	<p>In the event of a Winding Up, if the Notes are still on issue and have not been Redeemed or Converted, they will rank ahead of Ordinary Shares, equally among themselves and with all Equal Ranking Capital Securities and behind Senior Creditors (including depositors and holders of Westpac's senior or less subordinated debt). This means that if there is a shortfall of funds on a Winding Up to pay all amounts ranking senior to, and equally with, the Notes, Holders will lose all or some of their investment.</p> <p>However, it is likely that a Capital Trigger Event or Non-Viability Trigger Event would occur prior to a Winding Up and the Notes would have been 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. If Conversion does not occur for any reason following a Capital Trigger Event or Non-Viability Trigger Event and Ordinary Shares are not issued for any reason by 5.00pm on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), all rights attaching to those Notes will be terminated (written-off) on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), and Holders will lose all of the value of their investment in those Notes and they will not receive any compensation or unpaid Distributions, those Notes will have no ranking in a Winding Up and Holders are likely to be worse off than holders of Ordinary Shares.</p>	Sections 1.4, 2.7, 6.1.5, 6.1.11, 6.1.25 and 6.1.26
Changes in regulatory capital requirements	Any fall in Westpac's Common Equity Tier 1 Capital Ratio as a result of future changes to regulatory capital requirements (including potential changes to the Prudential Standards pursuant to an Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024, as stated in the APRA Discussion Paper) may adversely impact the market price of the Notes or potentially increase the chance at a later date that Conversion takes place due to the occurrence of a Capital Trigger Event or Non-Viability Trigger Event.	Sections 5.2 and 6.1.16
Future issues of securities by Westpac	Westpac may issue further securities which rank equally with or ahead of the Notes.	Section 6.1.25
Terms may be amended	In certain circumstances as set out in the Westpac Capital Notes 10 Terms, Westpac may, with APRA's prior written approval where required and subject to compliance with applicable laws, amend the Westpac Capital Notes 10 Terms without the approval of Holders.	Section 6.1.27

1.5.2 Key risks associated with Westpac and the Westpac Group

Topic	Summary	Further information
Information security, including cyber attacks	The Westpac Group (and its external service providers) is subject to information security risks, such as cyberattacks, espionage and/or errors happening at an unprecedented pace, scale and reach.	Section 6.2.1
Legal or regulatory change and compliance	Westpac could be adversely affected by changes in laws, regulations or regulatory policy, by failing to comply with laws, regulations or regulatory policy, or by other regulatory action (including as a result of reviews and inquiries commissioned by governments or regulators).	Sections 6.2.2 and 6.2.3
Ineffective risk management	Westpac's risk management framework has not always been, or may not in the future prove to be, effective.	Section 6.2.4
Geopolitical risks, environmental, social, climate change or other sustainability factors or external events	Westpac could be adversely affected by geopolitical risks, environmental, social, climate change or other sustainability factors or external events.	Sections 6.2.6 and 6.2.7
Financial Crime Obligations	The Westpac Group is subject to anti-money laundering and counter-terrorism financing laws, anti-bribery and corruption laws, economic and trade sanctions laws and tax transparency laws in the jurisdictions in which it operates. As a result, regulatory, operational and compliance risks are heightened.	Section 6.2.8
Availability and cost of funding	Adverse funding market conditions or depositor preferences, or failure to maintain Westpac's credit ratings, may adversely affect the availability and cost of Westpac's funding.	Sections 6.2.11 and 6.2.16
Market and economic conditions, asset values and credit losses	Market and economic disruptions (particularly in Australia and New Zealand) and declines in asset values may cause demand for Westpac's products and services to decline and Westpac to incur higher credit losses on lending and counterparty exposures.	Sections 6.2.13 and 6.2.14
Financial market volatility	Westpac could be adversely affected by disruptions to global financial markets or other financial market volatility.	Section 6.2.19
Other risks	Westpac could be adversely affected by other events such as technology failures, reputational damage, technology failures, litigation, inadequate capital levels under stressed conditions, sovereign risk, failure to maintain credit ratings, changes in competition, operational failures (including fraudulent conduct), poor data quality or other risks.	Sections 6.2.5, 6.2.9, 6.2.10, 6.2.12, 6.2.15, 6.2.17, 6.2.20 to 6.2.24

1.6 Comparison of the Westpac Capital Notes 10 with certain other Westpac investments or products

Topic	Summary	Further information
Differences between term deposits, Westpac Capital Notes 9, Westpac Capital Notes 10 and Ordinary Shares	<p>There are differences between term deposits, Westpac Capital Notes 9, Westpac Capital Notes 10 and Ordinary Shares. You should consider these differences in light of your investment objectives, financial situation and particular needs (including financial and taxation considerations) before deciding to invest in the Notes.</p> <p>Please refer to the table in Section 3.4 setting out the key differences between Westpac Capital Notes 6 (which is the subject of the Reinvestment Offer) and Westpac Capital Notes 10.</p>	<p>See table in this Section 1.6</p> <p>Section 3.4</p>

1 INVESTMENT OVERVIEW

	Westpac Term Deposit	Westpac Capital Notes 9	Westpac Capital Notes 10	Ordinary Shares
ASX code	Not quoted on the ASX	WBCPL	WBCPM ¹¹	WBC
Legal form	Deposit	Unsecured subordinated debt obligation		Ordinary share
Protection under the Banking Act or Financial Claims Scheme	Yes ¹²	No		
Term	Seven days to 60 months	Perpetual (no fixed maturity date) with the first possible scheduled conversion date on 22 June 2031 ¹³	Perpetual (no fixed maturity date) with the first possible Scheduled Conversion Date in approximately 10.5 years ¹⁴ after its Issue Date	Perpetual (no fixed maturity date)
Distribution/interest/dividend rate	Fixed ¹⁵	Floating, calculated as the (3 month BBSW rate + margin) × (1 – tax rate)	Floating, calculated as the (3 month BBSW Rate + Margin) × (1 – Tax Rate)	Variable dividends as determined by Westpac
Margin	N/A	3.40% per annum	The Margin is expected to be in the range of 3.10% to 3.30% per annum and will be determined at the end of the Bookbuild	N/A
Distribution/interest/dividend payment frequency	Either at specific intervals, at maturity or at early closure by the customer	Quarterly (subject to Westpac's absolute discretion and distribution payment conditions)		Semi-annually (if determined)
Are there conditions to payment of distributions/interest/dividend payments?	No, subject to applicable laws ¹⁵	Yes, subject to Westpac's absolute discretion and distribution payment conditions	Yes, subject to Westpac's absolute discretion and Distribution Payment Conditions (see Section 2.1.9)	Yes, subject to Westpac's absolute discretion and applicable laws and regulations
Interest/distribution/dividend payments restriction if interest/distribution/dividend not paid	N/A	Yes, applies to Ordinary Shares until the next quarterly distribution payment date on which a distribution is paid in full	Yes, applies to Ordinary Shares until the next quarterly Distribution Payment Date ¹⁶ on which a Distribution is paid in full	No

Note:

11. Westpac will apply for Westpac Capital Notes 10 to be quoted on the ASX and they are expected to trade on the ASX under the code WBCPM. Following quotation, the Westpac Capital Notes 10 may be purchased or sold on the ASX by investors at the prevailing market price. However, the Westpac Capital Notes 10 may trade at a market price above or below their Face Value of \$100 per Note.
12. Customers may be entitled to payment under the Financial Claims Scheme for deposits up to an amount per account holder per ADI of \$250,000.
13. Subject to possible early redemption (with APRA's prior written approval), conversion or transfer in certain circumstances.
14. Subject to possible early Redemption (with APRA's prior written approval), Conversion or Transfer in certain circumstances.
15. Interest rate adjustments may apply if a customer withdraws an amount before the end of the term of the Westpac Term Deposit. Customers must usually give 31 days' notice to close the Westpac Term Deposit during its term.
16. These restrictions would not apply where the reason a Distribution was not paid was because the Distribution Rate was zero or negative (see Section 2.1.3).

	Westpac Term Deposit	Westpac Capital Notes 9	Westpac Capital Notes 10	Ordinary Shares
Franking of interest/ distribution/ dividend	N/A	Frankable and grossed-up for an unfranked portion		Frankable
Transferable by holder	No	Yes, quoted on the ASX	Yes, quoted on the ASX ¹⁷	Yes, quoted on the ASX
Investor's ability to withdraw or redeem	Yes, by closing the deposit ¹⁸	No		
Redemption at issuer's option (subject to APRA approval and certain other conditions)	No	Yes, on 22 September 2028, 22 December 2028, 22 March 2029 or 22 June 2029, and in certain specified circumstances	Yes, on 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032, and in certain specified circumstances (see Section 2.3)	No
Transfer to nominated party at issuer's option	No	Yes, on 22 September 2028, 22 December 2028, 22 March 2029 or 22 June 2029, and in certain specified circumstances	Yes, on 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032, and in certain specified circumstances (see Section 2.3)	No
Conversion to Ordinary Shares at issuer's option (subject to certain conditions)	No	Yes, on 22 September 2028, 22 December 2028, 22 March 2029 or 22 June 2029, and in certain specified circumstances	Yes, on 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032, and in certain specified circumstances (see Section 2.4)	N/A
Potential Conversion to Ordinary Shares (other than on a Capital Trigger Event or Non- Viability Trigger Event)	No	Yes, scheduled conversion on 22 June 2031 (subject to the satisfaction of the scheduled conversion conditions), and in certain specified circumstances	Yes, Scheduled Conversion on 22 June 2034 (subject to the satisfaction of the Scheduled Conversion Conditions), and in certain specified circumstances (see Section 2.2.2 and 2.6)	N/A

Note:

17. Westpac will apply for Westpac Capital Notes 10 to be quoted on the ASX and they are expected to trade on the ASX under the code WBCPM. Following quotation, the Notes may be purchased or sold on the ASX by investors at the prevailing market price. However, the Notes may trade at a market price above or below their Face Value of \$100 per Note.

18. For Westpac Term Deposits, customers must usually give 31 days' notice to close the Westpac Term Deposit during its term.

1 INVESTMENT OVERVIEW

	Westpac Term Deposit	Westpac Capital Notes 9	Westpac Capital Notes 10	Ordinary Shares
Conversion to Ordinary Shares on a Capital Trigger Event or Non-Viability Trigger Event	No	<p>Yes, following a Capital Trigger Event or Non-Viability Trigger Event</p> <p>If a Capital Trigger Event or Non-Viability Trigger Event occurs and conversion of the notes does not occur for any reason and Ordinary Shares are not issued for any reason by 5.00pm on the fifth business day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), then all rights in relation to those notes will be terminated (written-off) immediately on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be) and holders will lose all of the value of their investment in those notes and they will not receive any compensation or unpaid distributions</p> <p>In the event of Conversion following a Capital Trigger Event or Non-Viability Trigger Event the Maximum Conversion Number may limit the number of Ordinary Shares to be issued and Holders are likely to suffer a loss in such circumstances</p> <p>See Section 2.5 for more information in relation to the conversion of Westpac Capital Notes 10 on a Capital Trigger Event or Non-Viability Trigger Event</p>	N/A	
Ranking	See Sections 1.4, 2.7, 6.1.11, 6.1.25 and 6.1.26			

1.7 Structure of the Offer and how to apply for Westpac Capital Notes 10

Topic	Summary	Further information
1.7.1 Offer structure	<p>The Offer consists of:</p> <ul style="list-style-type: none"> a Reinvestment Offer – to clients of Syndicate Brokers, and Institutional Investors, who are Eligible Westpac Capital Notes 6 Holders wishing to reinvest some or all of their Westpac Capital Notes 6 in Westpac Capital Notes 10; and a New Money Offer – to eligible clients of the Syndicate Brokers, and Institutional Investors, wishing to make a new investment in Notes. <p>There is no direct offer for Westpac securityholders or general public offer.</p>	<p>“Design and distribution obligations”, Sections 3 and 4</p>
1.7.2 Who may apply	<p>Applications (under both the Reinvestment Offer and New Money Offer) will only be accepted from investors who satisfy the eligibility requirements in accordance with the TMD, which are outlined in “Design and distribution obligations” and Section 4.2.</p> <p>If you are a retail investor, you should note that, in order to be eligible to apply for Notes (under either the Reinvestment Offer or the New Money Offer), you must be within the Target Market and have received personal advice from a financial adviser to acquire Notes.</p> <p>The Target Market is described in the TMD and comprises retail investors who:</p> <ul style="list-style-type: none"> are seeking to acquire an investment product with the ability to generate income; are <u>not</u> seeking capital growth; are able to bear the risks associated with an investment in the Notes (in particular, the potential non-payment of Distributions, the lack of certainty as to timeframe for repayment of the capital invested and the potential loss of some or all of the capital invested in the Notes); are seeking to invest for the long term and do not require certainty as to repayment of their capital invested within a specific timeframe or at all; and are seeking to have the ability to sell the Notes on market at the prevailing market price (noting there may not be a liquid market for the Notes and investors who wish to sell their Notes on market may be unable to do so at an acceptable price, or at all). <p>Westpac reserves the right to accept Applications from any person at its discretion.</p>	<p>“Design and distribution obligations”, Sections 3 and 4</p> <p>Target Market Determination (or TMD), available at westpac.com.au/westpaccapnotes10</p>

1 INVESTMENT OVERVIEW

Topic	Summary	Further information
1.7.3 How to apply	<p>Applications under the Offer can only be made by eligible investors who received an Allocation of Notes from a Syndicate Broker under the Bookbuild. All Applications (both for the Reinvestment Offer and the New Money Offer) must be submitted through a Syndicate Broker.</p> <p>A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory of this Prospectus.</p> <p>You should contact your Syndicate Broker as soon as possible during the Exposure Period to express an interest in applying for Notes or to obtain more information on whether you satisfy the eligibility requirements. Westpac will not process any Applications during the Exposure Period. Your Syndicate Broker can also assist you with how to apply once the Offer opens.</p> <p>No Applications (including from Eligible Westpac Capital Notes 6 Holders) can be made directly to Westpac.</p> <p>For information on how to apply for the Notes, see Section 4.</p>	“Design and distribution obligations” and Section 4
1.7.4 Minimum Application amount	<p>Applications must be for a minimum of 50 Notes (\$5,000).</p> <p>If your Application is for more than 50 Notes, you must apply in multiples of 10 Notes (\$1,000) thereafter.</p> <p>If you are an Eligible Westpac Capital Notes 6 Holder, you may apply to reinvest all or some of your Westpac Capital Notes 6 in Westpac Capital Notes 10 under the Reinvestment Offer. However, if you wish to participate in the Reinvestment Offer and:</p> <ul style="list-style-type: none"> • you own 50 Westpac Capital Notes 6 or fewer, you must apply to reinvest all your Westpac Capital Notes 6; or • you own more than 50 Westpac Capital Notes 6, you must apply to reinvest a minimum of 50 Westpac Capital Notes 6 (\$5,000). <p>If you apply to reinvest all your Westpac Capital Notes 6, you may also apply for additional Westpac Capital Notes 10 under the New Money Offer. Your Application for additional Westpac Capital Notes 10 must be for a minimum of 50 additional Westpac Capital Notes 10 (\$5,000), and in multiples of 10 Westpac Capital Notes 10 (\$1,000) thereafter (over and above your Application for reinvestment).</p>	Section 4
1.7.5 Allocations and scaling	<p>There is no guaranteed Allocation under the Offer, but Westpac will endeavour to give priority to Applications received under the Reinvestment Offer. This priority will not extend to Applications for additional Westpac Capital Notes 10 by Eligible Westpac Capital Notes 6 Holders under the New Money Offer.</p> <p>Allocations to the Joint Lead Managers will be determined by Westpac in consultation with the Joint Lead Managers under the Bookbuild. Those Allocations to the Joint Lead Managers may be increased having regard to demand under the Reinvestment Offer.</p> <p>Allocations to Applicants under the New Money Offer by a Syndicate Broker are at the discretion of that Syndicate Broker. It is possible for Applications under the New Money Offer to be scaled back by a Syndicate Broker. Westpac takes no responsibility for any Allocation, scale back or rejection that is decided by a Syndicate Broker.</p> <p>Allocations to Institutional Investors will be determined by Westpac under the Bookbuild.</p>	Section 4

INFORMATION ABOUT WESTPAC CAPITAL NOTES 10

SECTION 2

This Section sets out:

- 2.1 Distributions
- 2.2 Conversion on the Scheduled Conversion Date
- 2.3 Optional Redemption and optional Transfer
- 2.4 Optional Conversion
- 2.5 Automatic Conversion – Capital Trigger Event and Non-Viability Trigger Event
- 2.6 Automatic Conversion – Acquisition Event
- 2.7 Ranking of the Westpac Capital Notes 10 in a Winding Up
- 2.8 Other key features of the Westpac Capital Notes 10

CAUTION – Westpac Capital Notes 10 are not deposit liabilities of Westpac, are riskier than bank deposits and may not be suitable for some investors. Their complexity may make them difficult to understand and the risks associated with the Notes could result in the loss of all of your investment. If you do not fully understand how they work or the risks associated with them, you should obtain professional advice.

2. INFORMATION ABOUT WESTPAC CAPITAL NOTES 10

The following is an overview of the key terms of Westpac Capital Notes 10. The information in this Section is a summary only and does not contain the full terms and conditions of Westpac Capital Notes 10. It is important that you read this Prospectus, the Westpac Capital Notes 10 Terms, the Notes Deed Poll, Westpac's Constitution and the TMD in full before deciding to invest in Westpac Capital Notes 10. If you have any questions, you should seek advice from your Syndicate Broker, financial adviser or other professional adviser.

The full Westpac Capital Notes 10 Terms are contained in Appendix B. Rights and liabilities attaching to Westpac Capital Notes 10 may also arise under the Corporations Act, the ASX Listing Rules and other applicable laws.

2.1 Distributions

Topic	Summary	Further information																		
2.1.1 Distributions on Westpac Capital Notes 10	<p>Distributions on Notes are calculated based on the Distribution Rate and are expected to be paid quarterly in arrear.</p> <p>Distributions are discretionary, non-cumulative and only payable subject to the satisfaction of the Distribution Payment Conditions.</p> <p>Distributions are expected to be fully franked and accordingly Holders are expected to receive cash Distributions and franking credits.</p>	Westpac Capital Notes 10 Terms clause 3																		
2.1.2 Distribution Rate	<p>The Distribution Rate is a floating rate and will generally be set on the first Business Day of each Distribution Period using the following formula:</p> <table><tr><th colspan="2">Distribution Rate = (3 month BBSW Rate + Margin) x (1 – Tax Rate)</th></tr><tr><td>3 month BBSW Rate</td><td>The 3 month BBSW Rate on the first Business Day of the Distribution Period (except for the first Distribution Period, where the 3 month BBSW Rate will be determined on the Issue Date)</td></tr><tr><td>Margin</td><td>The Margin is expected to be in the range of 3.10% to 3.30% per annum. The Margin will be determined at the end of the Bookbuild and will not change after that determination is made</td></tr><tr><td>Tax Rate</td><td>The Australian corporate tax rate applicable to the franking account of Westpac at the relevant Distribution Payment Date expressed as a decimal. At the date of this Prospectus, the relevant Tax Rate is 30% or, expressed as a decimal in the formula, 0.30 (but that rate may change)</td></tr></table> <p>As an example, assuming a Margin of 3.10% per annum, if the 3 month BBSW Rate on the Issue Date is the same as on 14 November 2023 and assuming that the Distribution will be fully franked, the Distribution Rate for that Distribution Period would be calculated as follows¹:</p> <table><tr><td>3 month BBSW Rate at 14 November 2023</td><td>4.4116% per annum</td></tr><tr><td>Plus the assumed Margin</td><td>+ 3.1000% per annum</td></tr><tr><td>Equivalent unfranked Distribution Rate</td><td>7.5116% per annum</td></tr><tr><td>Multiplied by (1 – Tax Rate)</td><td>x 0.70</td></tr><tr><td>Distribution Rate</td><td>5.2581% per annum</td></tr></table>	Distribution Rate = (3 month BBSW Rate + Margin) x (1 – Tax Rate)		3 month BBSW Rate	The 3 month BBSW Rate on the first Business Day of the Distribution Period (except for the first Distribution Period, where the 3 month BBSW Rate will be determined on the Issue Date)	Margin	The Margin is expected to be in the range of 3.10% to 3.30% per annum. The Margin will be determined at the end of the Bookbuild and will not change after that determination is made	Tax Rate	The Australian corporate tax rate applicable to the franking account of Westpac at the relevant Distribution Payment Date expressed as a decimal. At the date of this Prospectus, the relevant Tax Rate is 30% or, expressed as a decimal in the formula, 0.30 (but that rate may change)	3 month BBSW Rate at 14 November 2023	4.4116% per annum	Plus the assumed Margin	+ 3.1000% per annum	Equivalent unfranked Distribution Rate	7.5116% per annum	Multiplied by (1 – Tax Rate)	x 0.70	Distribution Rate	5.2581% per annum	Westpac Capital Notes 10 Terms clause 3.1
Distribution Rate = (3 month BBSW Rate + Margin) x (1 – Tax Rate)																				
3 month BBSW Rate	The 3 month BBSW Rate on the first Business Day of the Distribution Period (except for the first Distribution Period, where the 3 month BBSW Rate will be determined on the Issue Date)																			
Margin	The Margin is expected to be in the range of 3.10% to 3.30% per annum. The Margin will be determined at the end of the Bookbuild and will not change after that determination is made																			
Tax Rate	The Australian corporate tax rate applicable to the franking account of Westpac at the relevant Distribution Payment Date expressed as a decimal. At the date of this Prospectus, the relevant Tax Rate is 30% or, expressed as a decimal in the formula, 0.30 (but that rate may change)																			
3 month BBSW Rate at 14 November 2023	4.4116% per annum																			
Plus the assumed Margin	+ 3.1000% per annum																			
Equivalent unfranked Distribution Rate	7.5116% per annum																			
Multiplied by (1 – Tax Rate)	x 0.70																			
Distribution Rate	5.2581% per annum																			

Note:


- The calculation of the Distribution Rate will be rounded to four decimal places. The Distribution Rate in this Section 2.1.2 is for illustrative purposes only and does not indicate the actual Distribution Rate. It is not a guarantee or forecast of the actual Distribution Rate that may be achieved. The actual Distribution Rate may be higher or lower than this and may vary each Distribution Period depending on the applicable 3 month BBSW Rate, the Margin and the Tax Rate.

Topic	Summary	Further information													
2.1.3 Calculation of Distributions	Distributions will be calculated as follows:	Westpac Capital Notes 10 Terms clause 3.1													
	Distribution =		Distribution Rate x Face Value x N /365												
	Distribution Rate		See Section 2.1.2												
	Face Value		Initially \$100 per Note												
	N		The number of days in the Distribution Period												
	Distribution Period		The period from (but excluding) the Issue Date in the case of the first Distribution Period, or otherwise from (but excluding) each Distribution Payment Date, to (and including) the next Distribution Payment Date												
	Distribution Payment Date		See Section 2.1.7												
	As an example, if the Distribution was fully franked and the Distribution Rate was 5.2581% per annum as calculated in Section 2.1.2, then the cash amount of the Distribution on each Note for the Distribution Period (if the Distribution Period was 90 days) would be calculated as follows ^{2,3} :														
	<table><tr><td>Distribution Rate</td><td>5.2581% per annum</td></tr><tr><td>Multiplied by the Face Value</td><td>x \$100</td></tr><tr><td>Multiplied by the number of days in the Distribution Period (N)</td><td>x 90</td></tr><tr><td>Divided by</td><td>÷ 365</td></tr><tr><td>Cash amount of Distribution</td><td>\$1.2965</td></tr><tr><td>Franking credits⁴ attached to the cash amount of the Distribution</td><td>\$0.5556</td></tr></table>		Distribution Rate	5.2581% per annum	Multiplied by the Face Value	x \$100	Multiplied by the number of days in the Distribution Period (N)	x 90	Divided by	÷ 365	Cash amount of Distribution	\$1.2965	Franking credits ⁴ attached to the cash amount of the Distribution	\$0.5556	
	Distribution Rate		5.2581% per annum												
Multiplied by the Face Value	x \$100														
Multiplied by the number of days in the Distribution Period (N)	x 90														
Divided by	÷ 365														
Cash amount of Distribution	\$1.2965														
Franking credits ⁴ attached to the cash amount of the Distribution	\$0.5556														
It is possible for the 3 month BBSW Rate to become negative. Should this occur, the negative amount will be taken into account in calculating the Distribution Rate.															
As an example, if the Margin is 3.1000% per annum, the 3 month BBSW Rate is -1.0000% per annum and assuming that the Distribution will be fully franked, the Distribution Rate for that Distribution Period would be calculated as follows ⁵ :															
<table><tr><td>3 month BBSW Rate</td><td>-1.0000% per annum</td></tr><tr><td>Plus the assumed Margin</td><td>+ 3.1000% per annum</td></tr><tr><td>Equivalent unfranked Distribution Rate</td><td>2.1000% per annum</td></tr><tr><td>Multiplied by (1 – Tax Rate)</td><td>x 0.70</td></tr><tr><td>Distribution Rate</td><td>1.4700% per annum</td></tr></table>		3 month BBSW Rate	-1.0000% per annum	Plus the assumed Margin	+ 3.1000% per annum	Equivalent unfranked Distribution Rate	2.1000% per annum	Multiplied by (1 – Tax Rate)	x 0.70	Distribution Rate	1.4700% per annum				
3 month BBSW Rate	-1.0000% per annum														
Plus the assumed Margin	+ 3.1000% per annum														
Equivalent unfranked Distribution Rate	2.1000% per annum														
Multiplied by (1 – Tax Rate)	x 0.70														
Distribution Rate	1.4700% per annum														
However, even if the Distribution Rate was negative because the combination of a negative 3 month BBSW Rate and the Margin produced a negative number, there would be no obligation on Holders to pay Westpac and there would be no distribution in those circumstances.															

Note:

- Distribution Periods will generally have 90-92 days in them. The number of days in the first Distribution Period will be 95 days and is longer than a normal Distribution Period.
- All calculations of payments will be rounded to four decimal places. For the purposes of making any payment in respect of a Holder's aggregate holding of Notes, any fraction of a cent will be rounded to the nearest one Australian cent (with one half of an Australian cent being rounded up to one Australian cent). The Distribution Rate on which this calculation is based, and the Distribution, are for illustrative purposes only and do not indicate the actual Distribution Rate or Distribution. It is not a guarantee or forecast of the actual Distribution that may be obtained. Past performance is not a reliable indicator of future performance.
- See Section 2.1.6 in relation to the use of franking credits by Holders.
- The calculation of the Distribution Rate will be rounded to four decimal places. The Distribution Rate in this Section 2.1.3 is for illustrative purposes only and does not indicate the actual Distribution Rate. It is not a guarantee or forecast of the actual Distribution Rate that may be achieved. The actual Distribution Rate may be higher or lower than this and may vary each Distribution Period depending on the applicable 3 month BBSW Rate, the Margin and the Tax Rate.

2. INFORMATION ABOUT WESTPAC CAPITAL NOTES 10

Topic	Summary	Further information								
2.1.4 3 month BBSW Rate	<p>The 3 month BBSW Rate is a key benchmark interest rate for the Australian money market and is administered by ASX Benchmarks Pty Ltd (a subsidiary of the ASX). It is the primary short-term interest rate benchmark used in the financial markets for the pricing and valuation of Australian dollar securities and as a lending reference rate. This rate changes to reflect the supply and demand within the cash and currency markets.</p> <p>The movements in the 3 month BBSW Rate over the last 10 years are set out in the graph in this Section 2.1.4⁶. The rate on 14 November 2023 was 4.4116% per annum.</p> <p>3 month BBSW Rate (% per annum)</p>  <p>If Westpac determines that a “BBSW Rate Disruption Event” has occurred, Westpac may select an Alternative BBSW Rate and make other related changes to the Westpac Capital Notes 10 Terms (subject, in each case, to APRA’s prior written approval, which may or may not be given).</p> <p>Broadly, a “BBSW Rate Disruption Event” occurs where the 3 month BBSW Rate has been discontinued or is no longer generally accepted in the Australian market for securities such as Westpac Capital Notes 10.</p> <p>Westpac is required to act in good faith and in a commercially reasonable manner in selecting an Alternative BBSW Rate, and may consult with sources of market practice that it considers appropriate, but may otherwise exercise its discretion.</p>	Westpac Capital Notes 10 Terms clause 3.1								
2.1.5 Franking of Distributions	<p>Westpac expects, but does not guarantee, that Distributions will be fully franked.</p> <p>If a Distribution is not fully franked then the amount of the cash Distribution entitlement would be increased to compensate for the unfranked amount. The formula for determining the adjusted Distribution is:</p> <table><tr><td>Adjusted Distribution =</td><td>$\frac{\text{Distribution}}{1 - [\text{Tax Rate} \times (1 - \text{Franking Rate})]}$</td></tr><tr><td>Distribution</td><td>The Distribution entitlement on that Distribution Payment Date as calculated under clause 3.1 of the Westpac Capital Notes 10 Terms – see Section 2.1.3</td></tr><tr><td>Tax Rate</td><td>See Section 2.1.2</td></tr><tr><td>Franking Rate</td><td>The percentage of the Distribution that would carry franking credits</td></tr></table> <p>If there is a change in the Tax Rate, the Distribution Rate will change accordingly. For example, if the Tax Rate decreases, the cash amount of any Distribution that Westpac may pay would increase and the franking credits attached to that Distribution would decrease.</p>	Adjusted Distribution =	$\frac{\text{Distribution}}{1 - [\text{Tax Rate} \times (1 - \text{Franking Rate})]}$	Distribution	The Distribution entitlement on that Distribution Payment Date as calculated under clause 3.1 of the Westpac Capital Notes 10 Terms – see Section 2.1.3	Tax Rate	See Section 2.1.2	Franking Rate	The percentage of the Distribution that would carry franking credits	Section 2.1.6 Westpac Capital Notes 10 Terms clauses 3.1 and 3.2
Adjusted Distribution =	$\frac{\text{Distribution}}{1 - [\text{Tax Rate} \times (1 - \text{Franking Rate})]}$									
Distribution	The Distribution entitlement on that Distribution Payment Date as calculated under clause 3.1 of the Westpac Capital Notes 10 Terms – see Section 2.1.3									
Tax Rate	See Section 2.1.2									
Franking Rate	The percentage of the Distribution that would carry franking credits									

Note:

6. This graph is for illustrative purposes only and does not indicate, guarantee or forecast the actual 3 month BBSW Rate. Past levels are not necessarily indicative of future levels. The actual 3 month BBSW Rate for the first and any subsequent Distribution Period may be higher or lower than the rates in the graph in this Section 2.1.4. Source: IRESS.

Topic	Summary	Further information
2.1.6 Franking credits in respect of Distributions	<p>It is expected (but not guaranteed) that Holders will receive franking credits in respect of Distributions (other than where a Holder's lack of entitlement to franking credits is a result of an act by, or circumstance affecting, the Holder). The franking credits represent each Holder's share of tax paid by Westpac on the profits from which the cash Distribution is paid.</p> <p>Impact of franking credits</p> <p>If the Distribution is fully franked, the potential value of the franking credits attached to a Distribution at the Distribution Rate of 5.2581% per annum in the example in Section 2.1.2 would be 2.2535% per annum. If that potential value is taken into account in full, the combined value of those franking credits and the cash Distribution would be equivalent to an unfranked Distribution Rate of approximately 7.5116% per annum. However, you should be aware that the potential value of the franking credits does not accrue to you at the same time as you receive the cash Distribution and you may not be able to obtain full value for these depending on your circumstances (see below for more information).</p> <p>Use of franking credits by Holders</p> <p>Australian resident Holders may be entitled to use franking credits to offset their tax liability and Australian resident 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.</p> <p>You should be aware that your ability to use the franking credits, either as an offset to your tax liability or by claiming a refund after the end of the year of income, will depend on your individual tax position.</p> <p>Investors should refer to the Australian tax summary in Section 7 and should seek professional advice in relation to their tax position. Investors should also monitor any potential changes to government policy relating to franking credits on an ongoing basis.</p>	<p>Sections 6.1.10 and 7</p>
2.1.7 Distribution Payment Dates	<p>Distributions are payable quarterly in arrear on the Distribution Payment Dates, subject to satisfaction of the Distribution Payment Conditions.</p> <p>The Distribution Payment Dates are:</p> <ul style="list-style-type: none"> • 22 March, 22 June, 22 September and 22 December of each year commencing on 22 March 2024, until the Notes are Converted at their full Face Value (or terminated following a failure to Convert) or Redeemed; and • the Conversion Date (other than a Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date), Redemption Date or Transfer Date, if those dates are not 22 March, 22 June, 22 September or 22 December. <p>If a Distribution Payment Date is not a Business Day, then the Distribution will be paid on the next Business Day (without any interest in respect of the delay).</p> <p>The first Distribution Period runs from (but excludes) the Issue Date to (and includes) 22 March 2024. Thereafter, each Distribution Period runs from (but excludes) the previous Distribution Payment Date to (and includes) the next Distribution Payment Date. You should note that the first Distribution Period is a longer period of 95 days and other Distribution Periods will otherwise generally be 90 to 92 days.</p> <p>The Distribution Rate for the first Distribution Period will be determined on the Issue Date.</p> <p>After the first Distribution Period, the Distribution Rate will be determined on the first Business Day of each Distribution Period.</p> <p>Distributions will be paid to persons who are Holders on the Record Date in respect of the Distribution.</p>	<p>Westpac Capital Notes 10 Terms clauses 3.1, 3.5, 3.6 and 11.1(b)</p>

2. INFORMATION ABOUT WESTPAC CAPITAL NOTES 10

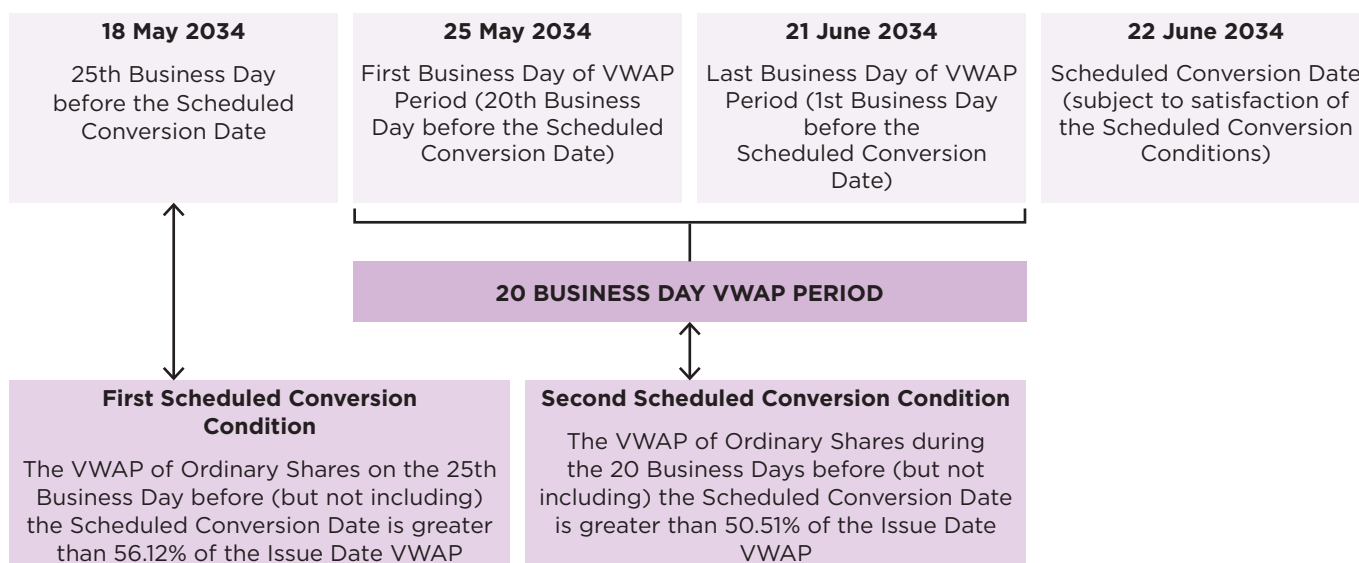
Topic	Summary	Further information
2.1.8 Method of payment of Distributions	Distributions will be paid in Australian dollars. Westpac will only pay Distributions directly into an Australian dollar account of a financial institution. Westpac reserves the right to vary the way in which any Distribution is paid in accordance with the Westpac Capital Notes 10 Terms (provided that Distributions are always paid in cash).	Section 4.5.1 Westpac Capital Notes 10 Terms clause 11
2.1.9 Distribution Payment Conditions	<p>Distributions are only payable subject to satisfaction of the Distribution Payment Conditions, being:</p> <ul style="list-style-type: none"> • Westpac's absolute discretion; • 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; • the payment of the Distribution not resulting in Westpac becoming, or being likely to become, insolvent; and • APRA not otherwise objecting to the payment. <p>Distributions will also be subject to the Corporations Act and any other law regulating the payment of Distributions.</p>	Section 6.1.1 Westpac Capital Notes 10 Terms clause 3.3
2.1.10 Consequence if a Distribution is not paid in full	Payments of Distributions are within the absolute discretion of Westpac and 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 ⁷ and Holders have no right to apply for a Winding Up on the grounds of Westpac's failure to pay a Distribution.	Westpac Capital Notes 10 Terms clause 3.4
2.1.11 Dividend and capital restrictions may apply to Westpac if a Distribution is not paid	<p>If for any reason a Distribution has not been paid in full for a relevant Distribution Payment Date, Westpac must not (except in certain limited circumstances):</p> <ul style="list-style-type: none"> • determine or pay any Dividends; or • undertake any discretionary Buy Back or Capital Reduction, <p>unless and until:</p> <ul style="list-style-type: none"> • the amount of the unpaid Distribution is paid in full within 20 Business Days of the relevant Distribution Payment Date; • all Notes are Converted at their full Face Value, Redeemed or terminated following a failure to Convert; • a Distribution for any subsequent Distribution Period is paid in full on the relevant Distribution Payment Date; or • a Special Resolution has been passed approving such action. <p>These restrictions would not apply where the reason a Distribution was not paid was because the Distribution Rate was zero or negative (see Section 2.1.3).</p>	Westpac Capital Notes 10 Terms clauses 3.7 and 3.8

Note:

7. The Westpac Capital Notes 10 Terms do not include any events of default.

2.2 Conversion on the Scheduled Conversion Date

Topic	Summary	Further information
2.2.1 Meaning of Conversion	<p>Conversion means the conversion of the Notes into a variable number of Ordinary Shares in accordance with the formula contained in clause 9.1 of the Westpac Capital Notes 10 Terms.</p> <p>On Conversion of a Note on the Scheduled Conversion Date, the Holder's rights in relation to that Note will be immediately and irrevocably terminated and Westpac will apply the Face Value of each Note by way of payment for the subscription for the Ordinary Shares. The Ordinary Shares issued will have the same rights as other Ordinary Shares on issue at the relevant time.</p>	Westpac Capital Notes 10 Terms clause 9.1
2.2.2 Scheduled Conversion Date	<p>The Notes do not have a maturity date but have a Scheduled Conversion Date. Conversion is scheduled to occur on the Scheduled Conversion Date, which will be the earlier of:</p> <ul style="list-style-type: none"> • 22 June 2034; and • the first Distribution Payment Date after 22 June 2034, on which the Scheduled Conversion Conditions are satisfied. 	Westpac Capital Notes 10 Terms clause 4.1
2.2.3 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"> • First Scheduled Conversion Condition: the VWAP of Ordinary Shares on the 25th Business Day before (but not including) the Scheduled Conversion Date is greater than 56.12% of the Issue Date VWAP; and • Second Scheduled Conversion Condition: the VWAP of Ordinary Shares during the 20 Business Days before (but not including) the Scheduled Conversion Date is greater than 50.51% of the Issue Date VWAP. <p>The percentages used in the Scheduled Conversion Conditions are derived from market precedents and the cap on the number of Ordinary Shares that are permitted to be issued under applicable Prudential Standards and ratings guidance.</p> <p>The diagram in this Section 2.2.3 illustrates the timeframes that are relevant for the Scheduled Conversion Conditions using the date 22 June 2034 as a potential Scheduled Conversion Date. These dates are indicative only and may change.</p>	Westpac Capital Notes 10 Terms clause 4.2



2. INFORMATION ABOUT WESTPAC CAPITAL NOTES 10

Topic	Summary	Further information
2.2.4 Purpose of the Scheduled Conversion Conditions	<p>It is intended that upon a Scheduled Conversion, Holders should receive Ordinary Shares worth approximately \$101.01 per Note (based on the Initial Face Value of \$100 per Note and the VWAP of Ordinary Shares during the 20 Business Days before the Scheduled Conversion Date, with the benefit of a 1% discount)⁸.</p> <p>There is a cap on the number of Ordinary Shares (Maximum Conversion Number) that Holders can be issued upon Scheduled Conversion of the Notes, due to Prudential Standards and ratings guidance. The Maximum Conversion Number in the case of Scheduled Conversion is set by dividing the Face Value (initially \$100 per Note) by 50% of the Issue Date VWAP.</p> <p>If the price of Ordinary Shares were to fall significantly and there were no Scheduled Conversion Conditions, the number of Ordinary Shares that you would receive might be limited by the Maximum Conversion Number. In that case, the value of those Ordinary Shares would be likely to be less than \$101.01 per Note. In order to give Holders some protection against receiving Ordinary Shares worth less than approximately \$101.01 per Note, the Scheduled Conversion Conditions operate, so that where the VWAP of Ordinary Shares has fallen to or is less than the specified percentage of the Issue Date VWAP (see Section 2.2.3), Scheduled Conversion is deferred. However, there can be no guarantee that the Scheduled Conversion Conditions will be satisfied in the future.</p>	Westpac Capital Notes 10 Terms clauses 4.2 and 9
2.2.5 Consequences if the Scheduled Conversion Conditions are not satisfied	If the Scheduled Conversion Conditions are not satisfied on 22 June 2034, Conversion will not occur until the next Distribution Payment Date on which the Scheduled Conversion Conditions are satisfied, if ever.	Westpac Capital Notes 10 Terms clauses 4.1 and 4.2
2.2.6 VWAP and Issue Date VWAP	<p>In general terms, VWAP refers to the average of the daily volume weighted average sales prices of Ordinary Shares sold on the ASX and Cboe during the relevant period.</p> <p>The Issue Date VWAP means the VWAP of Ordinary Shares during the 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Issue Date (as adjusted in accordance with the Westpac Capital Notes 10 Terms).</p> <p>The satisfaction of the Scheduled Conversion Conditions on a potential Scheduled Conversion Date will depend on the price of Ordinary Shares. For example⁹, if the Issue Date VWAP is \$20.00, then, for the First Scheduled Conversion Condition and Second Scheduled Conversion Condition to be satisfied:</p> <ul style="list-style-type: none"> the VWAP for the First Scheduled Conversion Condition would need to be at least \$11.23 (which is greater than 56.12% of the Issue Date VWAP); and the VWAP for the Second Scheduled Conversion Condition would need to be at least \$10.11 (which is greater than 50.51% of the Issue Date VWAP). 	Westpac Capital Notes 10 Terms clauses 4.2, 9.1 to 9.8 and 16.2 (definition of "Issue Date VWAP" and "VWAP")

Note:

8. However, if the market price of Ordinary Shares on the Scheduled Conversion Date is different to the price used to calculate the number of Ordinary Shares to be issued on Conversion, the value of Ordinary Shares resulting from the Conversion of one Note may be worth more or less than \$101.01. The value of Ordinary Shares Holders receive could also be less than this amount if the Face Value has previously been reduced (following a Capital Trigger Event or Non-Viability Trigger Event – see Section 2.5 for more information). If the Scheduled Conversion Conditions are not met, the Notes will not Convert on the Scheduled Conversion Date and the Scheduled Conversion Conditions will be re-tested on the next possible Scheduled Conversion Date. The Notes may remain on issue indefinitely.
9. This example is for illustrative purposes only and does not indicate whether or not the Scheduled Conversion Conditions will actually be satisfied in respect of a potential Scheduled Conversion Date.

Topic	Summary	Further information														
2.2.7 How many Ordinary Shares will I receive if the Westpac Capital Notes 10 are Converted?	<p>Upon Conversion, Holders will receive for each Note they hold a variable number of Ordinary Shares calculated using the following formula:</p> <table><tr><td colspan="2">Face Value 0.99 x VWAP</td></tr><tr><td>Face Value</td><td>Initially \$100 per Note</td></tr><tr><td>VWAP</td><td>The VWAP during the VWAP Period</td></tr><tr><td>VWAP Period</td><td>In the case of a Scheduled Conversion, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Scheduled Conversion Date</td></tr></table> <p>For example, assuming the VWAP is \$20.00, the number of Ordinary Shares that Holders will receive for each Note on the Scheduled Conversion Date would be calculated as follows:</p> <table><tr><td>Face Value</td><td>\$100.00</td></tr><tr><td>Divide by 0.99 x VWAP</td><td>\$19.80</td></tr><tr><td>Ordinary Shares per Note</td><td>5.0505</td></tr></table> <p>Assuming the price of the Ordinary Shares on the Scheduled Conversion Date is also \$20.00, the aggregate value of the Ordinary Shares would be approximately \$101.01 (calculated by multiplying 5.0505 Ordinary Shares by the Ordinary Share price of \$20.00).</p> <p>Please be aware, the example in this Section 2.2.7 is for illustrative purposes only. The actual VWAP and number of Ordinary Shares that Holders may receive on Conversion on the Scheduled Conversion Date may be higher or lower than in this example. In addition, if the total number of Ordinary Shares to be allotted and issued in respect of a Holder’s aggregate holding of Notes includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded. This has not been considered in the example in this Section 2.2.7.</p>	Face Value 0.99 x VWAP		Face Value	Initially \$100 per Note	VWAP	The VWAP during the VWAP Period	VWAP Period	In the case of a Scheduled Conversion, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Scheduled Conversion Date	Face Value	\$100.00	Divide by 0.99 x VWAP	\$19.80	Ordinary Shares per Note	5.0505	Westpac Capital Notes 10 Terms clause 9.1
Face Value 0.99 x VWAP																
Face Value	Initially \$100 per Note															
VWAP	The VWAP during the VWAP Period															
VWAP Period	In the case of a Scheduled Conversion, the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the Scheduled Conversion Date															
Face Value	\$100.00															
Divide by 0.99 x VWAP	\$19.80															
Ordinary Shares per Note	5.0505															
2.2.8 What if I do not wish to receive Ordinary Shares or if I am prohibited or restricted from receiving Ordinary Shares?	<p>If you do not wish to receive Ordinary Shares, you can notify Westpac of this at any time but no less than 15 Business Days prior to the Conversion Date. If Conversion occurs and you have notified Westpac that you do not wish to receive Ordinary Shares, or if you are an Ineligible Holder¹⁰, then Westpac will issue the relevant number of Ordinary Shares¹¹ to the Sale Agent who will hold the Ordinary Shares on trust for sale for your benefit¹². At the first reasonable opportunity, the Sale Agent will arrange for the sale of the Ordinary Shares on your behalf and pay the proceeds less selling costs, brokerage, stamp duty and other taxes and charges, to you. No guarantee is given in relation to the timing or price at which any sale will occur or whether a sale can be achieved.</p>	Westpac Capital Notes 10 Terms clause 9.10														

Note:

10. Westpac will 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.
11. See Sections 6.1.4 and 6.1.5 regarding risks associated with Conversion or termination of rights where Conversion does not occur following a Capital Trigger Event or Non-Viability Trigger Event which may impact the number of Ordinary Shares issued to the Sale Agent and that would be available to be sold for the benefit of a Holder who elects not to receive Ordinary Shares or is an Ineligible Holder.
12. If Conversion is occurring because of the occurrence of a Capital Trigger Event or Non-Viability Trigger Event and the Conversion is not effective and Ordinary Shares are not issued for any reason to the Sale Agent by 5.00pm on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), then: (i) those Notes will not be Converted, Redeemed or Transferred in respect of such Capital Trigger Event or Non-Viability Trigger Event (as the case may be) and will not be Converted, Redeemed or Transferred on any subsequent date; and (ii) all rights in relation to those Notes will be terminated (written-off) immediately on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be) and Holders will lose all of the value of their investment in those Notes and they will not receive any compensation or unpaid Distributions. In these circumstances, the Notes will have no ranking in a Winding Up and Holders are likely to be worse off than holders of Ordinary Shares

2. INFORMATION ABOUT WESTPAC CAPITAL NOTES 10

2.3 Optional Redemption and optional Transfer

Topic	Summary	Further information
2.3.1 Westpac's option to Redeem or Transfer the Westpac Capital Notes 10	<p>Westpac may elect to:</p> <ul style="list-style-type: none"> • Redeem all or some of the Notes on 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032; • Transfer all or some of the Notes on 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032; or • Redeem or Transfer all of the Notes following a Tax Event or Regulatory Event. <p>Redemption is subject to Westpac receiving APRA's prior written approval. There can be no certainty that APRA will provide its prior written approval for any such Redemption – see Section 6.1.2. Any Redemption of the Notes does not imply or indicate that Westpac will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by Westpac. Any such future redemption would also be subject to APRA's prior written approval (which may or may not be given).</p>	Westpac Capital Notes 10 Terms clauses 7, 8 and 16.2 (definition of "Tax Event" and "Regulatory Event")
2.3.2 Tax Event	<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"> • Westpac would be exposed to a more than de minimis adverse tax consequence or increased cost in relation to the Notes; or • any Distribution would not be a frankable distribution within the meaning of Division 202 of the Tax Act. <p>A Tax Event will not arise where, at the Issue Date, Westpac expected the event would occur.</p>	Section 2.1.6 and Westpac Capital Notes 10 Terms clause 16.2 (definition of "Tax Event")
2.3.3 Regulatory Event	<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 Issue Date:</p> <ul style="list-style-type: none"> • 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 • Westpac will not be entitled to treat some or all of the Notes as Additional Tier 1 Capital of the Westpac Group. <p>A Regulatory Event will not arise where, at the Issue Date, Westpac expected the event would occur.</p>	Westpac Capital Notes 10 Terms clause 16.2 (definition of "Regulatory Event")

Topic	Summary	Further information
2.3.4 Meaning of Redemption	<p>Redemption means Westpac will pay to Holders the Face Value (initially \$100 per Note) for each Note Redeemed.</p> <p>Westpac may only Redeem 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 Notes.</p> <p>Holders cannot request Redemption of their Notes.</p>	Westpac Capital Notes 10 Terms clauses 7 and 16.2 (definition of “Redemption”)
2.3.5 Meaning of Transfer	<p>Transfer means Westpac will arrange for a Nominated Party to undertake to purchase Notes from Holders for the Face Value. On Transfer, Holders will receive the Face Value (initially \$100 per Note) for each Note from the Nominated Party, paid in cash.</p> <ul style="list-style-type: none"> • If the Nominated Party does not pay the Face Value to Holders on the Transfer Date of 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032, or on a Transfer Date following a Tax Event or Regulatory Event, the Transfer will not proceed and Holders will continue to hold their 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. <p>Holders cannot request a Transfer of Notes.</p>	Westpac Capital Notes 10 Terms clauses 8 and 16.2 (definitions of “Transfer” and “Nominated Party”)

2.4 Optional Conversion

Topic	Summary	Further information
2.4.1 When does Westpac have an option to Convert Westpac Capital Notes 10?	<p>Subject to satisfaction of the Optional Conversion Restriction, Westpac may elect to Convert:</p> <ul style="list-style-type: none"> • all or some of the Notes on 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032; or • all of the Notes following a Tax Event or Regulatory Event. 	<p>Sections 2.3.2 and 2.3.3</p> <p>Westpac Capital Notes 10 Terms clauses 6 and 16.2 (definition of “Tax Event” and “Regulatory Event”)</p>

2. INFORMATION ABOUT WESTPAC CAPITAL NOTES 10

Topic	Summary	Further information
2.4.2 Restrictions or conditions on Optional Conversion	<p>There are two types of restrictions or conditions that apply to Optional Conversion:</p> <ol style="list-style-type: none"> A restriction that may prevent Westpac from choosing to Convert the Notes (i.e. from sending an Optional Conversion Notice to Holders) <ul style="list-style-type: none"> The Optional Conversion Restriction applies to Optional Conversion such that Westpac may not elect to Convert the Notes if on the second Business Day before the date on which Westpac is to send an Optional Conversion Notice the VWAP of Ordinary Shares is: <ul style="list-style-type: none"> less than or equal to 56.12% of the Issue Date VWAP, where Westpac chooses to Convert the Notes on an Optional Conversion Date of 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032; and less than or equal to 22.20% of the Issue Date VWAP, where Westpac chooses to Convert the Notes on an Optional Conversion Date following a Tax Event or Regulatory Event. A condition that may prevent Westpac from Converting the Notes on the Optional Conversion Date <ul style="list-style-type: none"> Once an Optional Conversion Notice has been sent, Westpac may still be prevented from Converting the 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. The Second Scheduled Conversion Condition otherwise applies as set out in Section 2.2.3, 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>The percentages used in the restrictions and conditions in this Section 2.4.2 for Optional Conversion are derived from market precedents and the cap on the number of Ordinary Shares that are permitted to be issued under the Prudential Standards and ratings guidance.</p>	Westpac Capital Notes 10 Terms clauses 6.3, 6.4 and 6.5
2.4.3 Number of Ordinary Shares Holders will receive on an Optional Conversion Date	If the Notes are Converted on an Optional Conversion Date, Holders will receive a variable number of Ordinary Shares on the Conversion Date equal to the Conversion Number calculated in the same manner as if Conversion was occurring on the Scheduled Conversion Date (see Section 2.2.7), except that the VWAP Period will be 20 Business Days on which trading in Ordinary Shares took place immediately preceding, but not including, the Optional Conversion Date.	Section 2.2.7 Westpac Capital Notes 10 Terms clause 16.2 (definition of "VWAP Period")
2.4.4 Consequences if Conversion does not occur on an Optional Conversion Date	If Westpac chooses to Convert the Notes (and gives an Optional Conversion Notice to Holders) but the Second Scheduled Conversion Condition (applied as described in Section 2.4.2) prevents Conversion from occurring on the Optional Conversion Date, Westpac will notify Holders and the Conversion will be deferred until the first Distribution Payment Date on which the Scheduled Conversion Conditions are satisfied as if that Distribution Payment Date was a Scheduled Conversion Date (the " Deferred Conversion Date "). The Scheduled Conversion Conditions apply to Conversion on the Deferred Conversion Date 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.	Westpac Capital Notes 10 Terms clause 6.5

2.5 Automatic Conversion – Capital Trigger Event and Non-Viability Trigger Event

Topic	Summary	Further information
2.5.1 Automatic Conversion of Westpac Capital Notes 10 – Capital Trigger Event and Non-Viability Trigger Event	<p>Westpac must Convert all or some of the Notes following a:</p> <ul style="list-style-type: none"> • Capital Trigger Event; or • Non-Viability Trigger Event. <p>The Scheduled Conversion Conditions do not need to be satisfied following a Capital Trigger Event or Non-Viability Trigger Event.</p> <p>The proportion of Notes that will be Converted in these circumstances will be the number of Notes (or the percentage of the Face Value of the 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 Notes must be Converted at their full Face Value.</p> <p>If Conversion does not occur for any reason following a Capital Trigger Event or Non-Viability Trigger Event and Ordinary Shares are not issued for any reason by 5.00pm (Sydney time) on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), then:</p> <ul style="list-style-type: none"> • those Notes will not be Converted in respect of such Capital Trigger Event or Non-Viability Trigger Event (as the case may be) and will not be Converted, Redeemed or Transferred on any subsequent date; and • the Holder's rights in relation to those Notes will be immediately and irrevocably terminated on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), and Holders will lose all of the value of their investment in those Notes and they will not receive any compensation or unpaid Distributions. <p>If Westpac is required to Convert some of the 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 effect on marketable parcels of Notes and the need to round to whole numbers of Ordinary Shares and the face value of any 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 of the relevant number of Notes. In addition, where the Relevant Securities are in different currencies, Westpac may treat the Relevant Securities as if converted into a single currency at rates of exchange it considers reasonable. However, this determination must not impede the immediate Conversion of the relevant number of Notes.</p>	Westpac Capital Notes 10 Terms clauses 5.2 to 5.8
2.5.2 Capital Trigger Event	<p>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.</p> <p>Upon a Capital Trigger Event occurring, Westpac must Convert (or otherwise, if Conversion does not occur for any reason and Ordinary Shares are not issued for any reason by 5.00pm (Sydney time) on the fifth Business Day after the Capital Trigger Event Conversion Date, terminate the rights attaching to), that number of the Notes</p>	<p>Sections 5.2.6 and 5.2.7</p> <p>Westpac Capital Notes 10 Terms clauses 5.1, 5.2, 5.7, 5.8 and 9.1</p>

2. INFORMATION ABOUT WESTPAC CAPITAL NOTES 10

Topic	Summary	Further information																																	
2.5.2 Capital Trigger Event (continued)	<p>(or such percentage of the Face Value of the Notes) as is sufficient (taking into consideration any conversion, write-off or write down of other Relevant Securities) 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%.</p> <p>Westpac's Common Equity Tier 1 Capital Ratio on a Level 2 basis of 12.38% as at 30 September 2023 equates to a surplus of \$32.7 billion of Common Equity Tier 1 Capital above the Capital Trigger Event level of 5.125%. Westpac's Common Equity Tier 1 Capital Ratio on a Level 1 basis of 12.62% as at 30 September 2023 equates to a surplus of \$31.0 billion of Common Equity Tier 1 Capital above the Capital Trigger Event level of 5.125%.</p> <p>On 6 November 2023, Westpac announced that:</p> <ul style="list-style-type: none"> it had determined a final dividend of \$0.72 for the year ended 30 September 2023; it intends to undertake an on-market Buy Back of up to \$1.5 billion of Ordinary Shares; and there is potential for future capital management should Westpac remain in an excess capital position. <p>This may also have the effect of reducing Westpac's Common Equity Tier 1 Capital Ratio and the buffer above the Capital Trigger Event level of 5.125% and the Total CET1 Requirement of 10.25%, which increases the risk of Conversion of the Notes and/or non-payment of Distributions on the Notes.</p> <p>See Sections 5.2.4 to 5.2.5 for more information about regulatory capital developments and Westpac's Common Equity Tier 1 Capital Ratio.</p> <p>The graph in this Section 2.5.2 illustrates the historical Common Equity Tier 1 Capital Ratio of Westpac on a Level 1 and Level 2 basis.</p> <p style="text-align: center;">Westpac's Common Equity Tier 1 Capital Ratio^{13,14} (Level 1 and Level 2 basis) (%)</p> <table border="1"> <caption>Westpac's Common Equity Tier 1 Capital Ratio (Level 1 and Level 2 basis) (%)</caption> <thead> <tr> <th>Period</th> <th>CET1 Ratio - Level 1 (%)</th> <th>CET1 Ratio - Level 2 (%)</th> </tr> </thead> <tbody> <tr> <td>Mar-19</td> <td>10.7%</td> <td>10.6%</td> </tr> <tr> <td>Sep-19</td> <td>11.0%</td> <td>10.7%</td> </tr> <tr> <td>Mar-20</td> <td>11.1%</td> <td>10.8%</td> </tr> <tr> <td>Sep-20</td> <td>11.4%</td> <td>11.1%</td> </tr> <tr> <td>Mar-21</td> <td>12.6%</td> <td>12.3%</td> </tr> <tr> <td>Sep-21</td> <td>12.6%</td> <td>12.3%</td> </tr> <tr> <td>Mar-22</td> <td>11.2%</td> <td>11.3%</td> </tr> <tr> <td>Sep-22</td> <td>11.3%</td> <td>11.3%</td> </tr> <tr> <td>Mar-23</td> <td>12.5%</td> <td>12.3%</td> </tr> <tr> <td>Sep-23</td> <td>12.6%</td> <td>12.4%</td> </tr> </tbody> </table> <p>The graph in this Section 2.5.2 is for illustrative purposes only and does not indicate, guarantee or forecast Westpac's Common Equity Tier 1 Capital Ratio. The ratio may be higher or lower and may be affected by regulatory change, changes in the level of capital, changes in RWA calculations, and/or unexpected events affecting Westpac's business, operations and financial condition.</p>	Period	CET1 Ratio - Level 1 (%)	CET1 Ratio - Level 2 (%)	Mar-19	10.7%	10.6%	Sep-19	11.0%	10.7%	Mar-20	11.1%	10.8%	Sep-20	11.4%	11.1%	Mar-21	12.6%	12.3%	Sep-21	12.6%	12.3%	Mar-22	11.2%	11.3%	Sep-22	11.3%	11.3%	Mar-23	12.5%	12.3%	Sep-23	12.6%	12.4%	
Period	CET1 Ratio - Level 1 (%)	CET1 Ratio - Level 2 (%)																																	
Mar-19	10.7%	10.6%																																	
Sep-19	11.0%	10.7%																																	
Mar-20	11.1%	10.8%																																	
Sep-20	11.4%	11.1%																																	
Mar-21	12.6%	12.3%																																	
Sep-21	12.6%	12.3%																																	
Mar-22	11.2%	11.3%																																	
Sep-22	11.3%	11.3%																																	
Mar-23	12.5%	12.3%																																	
Sep-23	12.6%	12.4%																																	

Note:

- APRA's revised capital framework became effective on 1 January 2023 and included updated prudential standards for capital adequacy and credit risk capital. The revisions included amendments to capital requirements, revisions to the calculation of credit RWA, introduction of a capital floor and introduction of a minimum leverage ratio. Periods prior to 1 January 2023 were reported under the capital framework applicable prior to these changes and have not been restated.
- Pro-forma adjustments have not been made for the payment of the final dividend of \$0.72 determined for the year ended 30 September 2023 (expected CET1 reduction of approximately 54 basis points on a pro forma Level 2 CET1 Ratio basis), the intended \$1.5 billion on-market Buy Back of Ordinary Shares announced by Westpac on 6 November 2023 (expected CET1 reduction of approximately 33 basis points on a pro-forma Level 2 CET1 Ratio basis) or for any potential future capital management. Please see Section 5.2.7 for more information on Westpac's capital return initiatives.

Topic	Summary	Further information
2.5.3 Non-Viability Trigger Event	<p>A Non-Viability Trigger Event will occur when APRA notifies Westpac in writing that it believes Conversion of the 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.</p> <p>Upon a Non-Viability Trigger Event occurring, Westpac must Convert (or otherwise, if Conversion does not occur for any reason and Ordinary Shares are not issued for any reason by 5.00pm (Sydney time) on the fifth Business Day after the Non-Viability Trigger Event Conversion Date, terminate the rights attaching to), that number of the Notes (or such percentage of the Face Value of the Notes) as is necessary (when added to the amount of any other Relevant Securities converted, written-off or written down) to satisfy APRA that Westpac will no longer be non-viable. 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 Notes must be Converted at their full Face Value.</p> <p>Whether a Non-Viability Trigger Event will occur is at the discretion of APRA. APRA has not provided extensive 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 or operational position, concerns about its capital, funding or liquidity levels and/or insolvency or potential loss of investor and/or customer confidence with respect to Westpac's overall financial resilience, including but not limited to, as a result of internal or external factors such as a technology failure, COVID-19 type pandemic or cyber event. 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.</p>	Westpac Capital Notes 10 Terms clauses 5.3, 5.4, 5.7, 5.8 and 9.1
2.5.4 How many Ordinary Shares will I receive on Conversion following a Capital Trigger Event or Non-Viability Trigger Event?	<p>If Notes are Converted following a Capital Trigger Event or Non-Viability Trigger Event then in respect of each Note that is Converted, Holders will receive a number of Ordinary Shares equal to the lower of:</p> <ul style="list-style-type: none"> the Maximum Conversion Number (which, applied on a Conversion of this kind, is based on an Ordinary Share price that reflects 20% of the Ordinary Share price at the time of issue of the Notes); and the Conversion Number calculated in the same manner as if Conversion was occurring on the Scheduled Conversion Date (see Section 2.2.7) except that the VWAP Period will be the 5 Business Days in which trading of Ordinary Shares took place immediately preceding, but not including, the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date, as applicable. <p>In addition, the Conversion of Notes into Ordinary Shares on a Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date is not subject to the Scheduled Conversion Conditions being satisfied. This means that, due to the application of the Maximum Conversion Number, depending on the market price of Ordinary Shares at the time, Holders may (in the case of a Capital Trigger Event) and are likely to (in the case of a Non-Viability Trigger Event) receive significantly less than approximately \$101.01 per Note (based on the Initial Face Value of \$100 per Note). If Holders receive Ordinary Shares worth less than the Face Value of the Notes, they will suffer loss as a consequence. You will not receive any Ordinary Shares if Conversion does not occur for any reason by 5.00pm (Sydney time) on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be).</p>	Westpac Capital Notes 10 Terms clauses 5.5, 5.7, 9.1 and 16.2 (definition of "VWAP Period")

2. INFORMATION ABOUT WESTPAC CAPITAL NOTES 10

Topic	Summary	Further information												
2.5.5 Is there a limit on the number of Ordinary Shares I will receive on Conversion following a Capital Trigger Event or Non-Viability Trigger Event?	<p>Yes. The Maximum Conversion Number is used to limit the number of Ordinary Shares to be issued on Conversion following a Capital Trigger Event or Non-Viability Trigger Event.</p> <p>The example in this Section 2.5.5 illustrates how many Ordinary Shares may be issued for each Note on Conversion following a Capital Trigger Event or Non-Viability Trigger Event, assuming a VWAP of \$3.00 and an Issue Date VWAP of \$20.00. This example is for illustrative purposes only. The actual VWAP, Issue Date VWAP and Maximum Conversion Number may be higher or lower than provided in this example, and may be adjusted in certain circumstances as outlined in the Westpac Capital Notes 10 Terms.</p> <p>Step 1 – Calculate the Conversion Number of Ordinary Shares for each Note</p> <table><tr><td>Face Value</td><td>\$100.00</td></tr><tr><td>Divide by 0.99 x VWAP</td><td>\$2.97</td></tr><tr><td>Ordinary Shares per Note</td><td>33.6700</td></tr></table> <p>Step 2 – Calculate the Maximum Conversion Number for each Note applicable to Conversion in the case of a Capital Trigger Event or Non-Viability Trigger Event</p> <table><tr><td>Face Value</td><td>\$100.00</td></tr><tr><td>Divide by 0.20 x Issue Date VWAP</td><td>\$4.00</td></tr><tr><td>Ordinary Shares per Note</td><td>25.0000</td></tr></table> <p>Step 3 – Assess the effect of the Maximum Conversion Number</p> <p>In this example, the Maximum Conversion Number is lower than the Conversion Number of Ordinary Shares for each Note. As a result, the number of Ordinary Shares a Holder would receive for each Note would be limited to the Maximum Conversion Number of Ordinary Shares for each Note. For example, a Holder of a single Note would receive 25 Ordinary Shares on Conversion in the case of a Capital Trigger Event or Non-Viability Trigger Event (any fraction of an Ordinary Share to be allotted in respect of a Holder’s aggregate holding of Notes will be disregarded). If those Ordinary Shares were sold on the ASX at the same price as the VWAP (being \$3.00), the Holder would receive \$75.00, thereby suffering a loss of \$25.00 on their investment of \$100.00 on the Initial Face Value of the Note.</p> <p>The Maximum Conversion Number will be announced by Westpac to the ASX at the time of issue of the Notes.</p> <p>The Maximum Conversion Number may be adjusted up or down to reflect transactions affecting the capital of Westpac (including bonus issues, share splits, consolidations or other similar transactions not involving any cash payment (or the giving of any other form of consideration) to or by holders of Ordinary Shares) as set out in the Westpac Capital Notes 10 Terms. The Maximum Conversion Number will not be adjusted to reflect 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.</p>	Face Value	\$100.00	Divide by 0.99 x VWAP	\$2.97	Ordinary Shares per Note	33.6700	Face Value	\$100.00	Divide by 0.20 x Issue Date VWAP	\$4.00	Ordinary Shares per Note	25.0000	Westpac Capital Notes 10 Terms clauses 9.1 to 9.8
Face Value	\$100.00													
Divide by 0.99 x VWAP	\$2.97													
Ordinary Shares per Note	33.6700													
Face Value	\$100.00													
Divide by 0.20 x Issue Date VWAP	\$4.00													
Ordinary Shares per Note	25.0000													

Topic	Summary	Further information
2.5.6 What happens if Westpac does not issue Ordinary Shares for any reason following a Capital Trigger Event or Non-Viability Trigger Event?	<p>If for any reason Conversion of Notes does not occur (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 Notes in relation to Conversion, or as a result of operational breakdowns in response to external events (for example, due to a COVID-19 type pandemic or cyber event), and the Ordinary Shares are not issued for any reason by 5.00pm (Sydney time) on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), then:</p> <ul style="list-style-type: none"> those Notes will not be Converted in respect of such Capital Trigger Event or Non-Viability Trigger Event (as the case may be) and will not be Converted, Redeemed or Transferred on any subsequent date; and all rights in relation to those Notes will be terminated (written-off) immediately on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), and Holders will lose all of the value of their investment in those Notes and they will not receive any compensation or unpaid Distributions. 	Westpac Capital Notes 10 Terms clause 5.8

2.6 Automatic Conversion – Acquisition Event

Topic	Summary	Further information
2.6.1 Automatic Conversion of Westpac Capital Notes 10 – Acquisition Event	Westpac must Convert all of the Notes following an Acquisition Event subject to a modified application of the Second Scheduled Conversion Condition (see Section 2.6.3).	Westpac Capital Notes 10 Terms clause 5.9
2.6.2 Acquisition Event	<p>An Acquisition Event will occur where:</p> <ul style="list-style-type: none"> 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. <p>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 Westpac Capital Notes 10 Terms.</p>	Westpac Capital Notes 10 Terms clause 16.2 (definition of “Acquisition Event”)
2.6.3 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 Business Days ¹⁵ before (but not including) the Acquisition Event Conversion Date is greater than 20.20% of the Issue Date VWAP.	Westpac Capital Notes 10 Terms clauses 4.2(a)(ii) and 5.9(b)

Note:

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

2. INFORMATION ABOUT WESTPAC CAPITAL NOTES 10

Topic	Summary	Further information
2.6.4 How many Ordinary Shares will I receive on Conversion following an Acquisition Event?	<p>If Notes are Converted following an Acquisition Event, Holders will receive a variable number of Ordinary Shares on the Conversion Date equal to the Conversion Number calculated in the same manner as if Conversion was occurring on the Scheduled Conversion Date (see Section 2.2.7), subject to the following adjustments:</p> <ul style="list-style-type: none"> the VWAP Period will be the 20 Business Days¹⁶ on which trading in Ordinary Shares took place immediately preceding, but not including, the Acquisition Event Conversion Date; the First Scheduled Conversion Condition will not apply; and the Second Scheduled Conversion Condition will be applied as if the reference to 50.51% were a reference to 20.20%. 	<p>Section 2.2.7</p> <p>Westpac Capital Notes 10 Terms clauses 5.9(b), 9.1 and 16.2 (definition of "VWAP Period")</p>

2.7 Ranking of the Westpac Capital Notes 10 in a Winding Up

Topic	Summary	Further information
2.7.1 Ranking of Westpac Capital Notes 10 in a Winding Up	<p>In the event of a Winding Up (and assuming the Notes are still on issue and have not been Redeemed or Converted or otherwise had the rights attaching to them terminated following a Capital Trigger Event or Non-Viability Trigger Event), the right of Holders to receive a return of capital will rank ahead of Ordinary Shares, equally among themselves and with Equal Ranking Capital Securities, but subordinated to Senior Creditors. The ranking of the Notes in a Winding Up will be adversely affected if a Capital Trigger Event or a Non-Viability Trigger Event occurs. It is likely that such an event would occur prior to a Winding Up, requiring the Conversion of Notes. If Conversion has occurred, Holders will hold Ordinary Shares and will rank equally with other holders of Ordinary Shares.</p> <p>However, if for any reason Conversion of Notes following a Capital Trigger Event or Non-Viability Trigger Event does not occur (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 Notes in relation to Conversion, or as a result of operational breakdowns in response to external events (for example, due to a COVID-19 type pandemic or cyber event)), and the Ordinary Shares are not issued for any reason by 5.00pm (Sydney time) on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), then:</p> <ul style="list-style-type: none"> those Notes will not be Converted in respect of such Capital Trigger Event or Non-Viability Trigger Event (as the case may be) and will not be Converted, Redeemed or Transferred on any subsequent date; and all rights in relation to those Notes will be terminated (written-off) immediately on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be). 	<p>Sections 1.4, 6.1.11, 6.1.25 and 6.1.26</p> <p>Westpac Capital Notes 10 Terms clauses 2, 5.8, 9.9 and 13.4</p>

Note:

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

Topic	Summary	Further information
2.7.1 Ranking of Westpac Capital Notes 10 in a Winding Up (continued)	<p>In these circumstances, Holders will lose all of the value of their investment in those Notes and they will not receive any compensation or unpaid Distributions, those Notes will have no ranking in a Winding Up and Holders are likely to be worse off than holders of Ordinary Shares.</p> <p>For a diagrammatic representation of the way Notes will rank on a Winding Up, see Section 1.4.</p> <p>For the potential effect on the assets of Westpac available to meet the claims of a Holder in a Winding Up where Westpac is replaced by an Approved Successor as the ultimate holding company of the Westpac Group, see Section 6.1.26.</p>	

2.8 Other key features of the Westpac Capital Notes 10

Topic	Summary	Further information
2.8.1 Approved Successor	<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 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 Notes and the issuer of ordinary shares issued on Conversion and to make certain other amendments to the Westpac Capital Notes 10 Terms. Accordingly, if:</p> <ul style="list-style-type: none"> 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 of the Notes and the issuer of ordinary shares on Conversion is effected under the Westpac Capital Notes 10 Terms, <p>Holders will be obliged to accept Approved Successor Shares on Conversion, and will not receive Ordinary Shares on Conversion.</p>	Westpac Capital Notes 10 Terms clauses 5.10 and 13.4
2.8.2 No restriction on future issues of securities by Westpac	Westpac may issue other securities, including further Notes, or other Capital Securities that rank equally with, ahead of or behind the Notes whether in respect of distributions, dividends, return of capital or principal in a Winding Up or otherwise, without the approval of Holders.	Section 6.1.25 Westpac Capital Notes 10 Terms clause 14.2
2.8.3 Participation in future issues of securities by Westpac	The Notes do not carry a right for Holders to participate in new issues of Westpac securities.	Westpac Capital Notes 10 Terms clause 14.7
2.8.4 No netting or set-off	Neither Westpac nor any Holder is entitled to net or set-off any amounts due in respect of the Notes against any amount of any nature owed by Westpac to the Holder or by the Holder to Westpac (as applicable).	Westpac Capital Notes 10 Terms clause 14.3
2.8.5 Voting rights	<p>Holders have no right to vote at any general meeting of Westpac before Conversion.</p> <p>Holders have certain voting rights which can be exercised at a meeting of Holders, as set out in the Notes Deed Poll.</p> <p>Following Conversion, Holders will become holders of Ordinary Shares and have the voting rights that attach to Ordinary Shares.</p>	Section 8.4.4 Westpac Capital Notes 10 Terms clause 14.7

2. INFORMATION ABOUT WESTPAC CAPITAL NOTES 10

Topic	Summary	Further information
2.8.6 Notes Deed Poll	<p>A trustee has not been appointed for the Notes. Instead, a Notes Deed Poll will be made by Westpac in favour of each person who is from time to time a Holder.</p> <p>The Notes Deed Poll will contain:</p> <ul style="list-style-type: none"> • the agreement of Westpac to observe its obligations as set out in the Westpac Capital Notes 10 Terms; • an obligation on Westpac to appoint the Registrar and procure the Registrar to establish and maintain a Westpac Capital Notes 10 Register; and • provisions for meetings of Holders. <p>Holders will be bound by the terms of the Notes Deed Poll, the Westpac Capital Notes 10 Terms and this Prospectus when Notes are Allotted or transferred to them or they purchase Notes.</p> <p>The Registrar will hold the original executed Notes Deed Poll on behalf of Holders. Each Holder can enforce the obligations of Westpac under the Notes Deed Poll and the Westpac Capital Notes 10 Terms independently of the Registrar and each other Holder.</p> <p>The Notes Deed Poll is expected to be executed by Westpac on or around the date of the Bookbuild. An electronic copy of the final form of the Notes Deed Poll can be viewed and downloaded via the Offer website at westpac.com.au/westpaccapnotes10. The final form of the Notes Deed Poll is incorporated by reference into this Prospectus.</p>	<p>See the final form of the Notes Deed Poll, available via the Offer website at westpac.com.au/westpaccapnotes10</p>

REINVESTMENT OFFER FOR WESTPAC CAPITAL NOTES 6

SECTION 3

This Section sets out:

- 3.1 Overview of Westpac Capital Notes 6 and the Reinvestment Offer
- 3.2 Key details of the Reinvestment Offer
- 3.3 Options for Westpac Capital Notes 6 holders
- 3.4 Key differences between Westpac Capital Notes 10 and Westpac Capital Notes 6
- 3.5 Risks associated with the Reinvestment Offer
- 3.6 Further information about Westpac Capital Notes 6 and the Reinvestment Offer

CAUTION – Westpac Capital Notes 10 are not deposit liabilities of Westpac, are riskier than bank deposits and may not be suitable for some investors. Their complexity may make them difficult to understand and the risks associated with the Notes could result in the loss of all of your investment. If you do not fully understand how they work or the risks associated with them, you should obtain professional advice.

3. REINVESTMENT OFFER FOR WESTPAC CAPITAL NOTES 6

3.1 Overview of Westpac Capital Notes 6 and the Reinvestment Offer

Topic		Summary
3.1.1	What are Westpac Capital Notes 6?	Westpac Capital Notes 6 are fully paid, non-cumulative, convertible, transferable, redeemable, subordinated, perpetual, unsecured notes issued by Westpac. Westpac Capital Notes 6 were issued on 18 December 2018 and trade on the ASX under the code WBCPI.
3.1.2	What is happening to Westpac Capital Notes 6?	<p>On 31 July 2024, Westpac has the option under the Westpac Capital Notes 6 Terms to:</p> <ul style="list-style-type: none"> • redeem all or some Westpac Capital Notes 6 for their face value of \$100; and/or • arrange for the transfer of all or some Westpac Capital Notes 6 for their face value of \$100 to a nominated third party selected by Westpac; and/or • convert all or some Westpac Capital Notes 6 into Ordinary Shares. <p>Westpac intends to issue a redemption notice to redeem all outstanding Westpac Capital Notes 6 (for \$100 per Westpac Capital Note 6) on 31 July 2024, in accordance with the Westpac Capital Notes 6 Terms.¹ The redemption notice will be lodged on ASX and sent to Westpac Capital Notes 6 holders when issued by Westpac.</p>
3.1.3	What is the Reinvestment Offer?	The Reinvestment Offer is an opportunity for Eligible Westpac Capital Notes 6 Holders to apply to reinvest all or some of their Westpac Capital Notes 6 in Westpac Capital Notes 10. Any reinvestment in Westpac Capital Notes 10 will occur before the intended redemption of Westpac Capital Notes 6 on 31 July 2024.
3.1.4	What is the difference between Participating Westpac Capital Notes 6 and Non-Participating Westpac Capital Notes 6?	<p>Westpac Capital Notes 6 that are reinvested in Westpac Capital Notes 10 under the Reinvestment Offer are referred to in this Prospectus as Participating Westpac Capital Notes 6.</p> <p>Westpac Capital Notes 6 that are not reinvested in Westpac Capital Notes 10 under the Reinvestment Offer are referred to in this Prospectus as Non-Participating Westpac Capital Notes 6.</p>
3.1.5	What happens to Participating Westpac Capital Notes 6 upon reinvestment?	To facilitate the Reinvestment Offer, Westpac lodged a transfer notice in respect of Participating Westpac Capital Notes 6 only on the ASX on 20 November 2023. In accordance with that transfer notice, any Participating Westpac Capital Notes 6 will be transferred to the Westpac Capital Notes 6 Nominated Party on 18 December 2023 and the transfer proceeds (\$100 per Participating Westpac Capital Note 6) will be automatically applied towards the subscription for Westpac Capital Notes 10. Participating Westpac Capital Notes 6 Holders will be Allocated one Westpac Capital Note 10 for each Participating Westpac Capital Note 6.
3.1.6	What happens to Non-Participating Westpac Capital Notes 6?	<p>Any Non-Participating Westpac Capital Notes 6 will remain on issue following completion of the Reinvestment Offer and will be dealt with in accordance with the Westpac Capital Notes 6 Terms. All rights attaching to the Non-Participating Westpac Capital Notes 6 will continue, including to any distributions determined to be paid.</p> <p>If Non-Participating Westpac Capital Notes 6 are redeemed by Westpac on 31 July 2024 as intended by Westpac (see Section 3.1.2), the redemption proceeds (\$100 per Non-Participating Westpac Capital Note 6) will be paid to Non-Participating Westpac Capital Notes 6 Holders on that date. Non-Participating Westpac Capital Notes 6 Holders will also be paid the intended final Westpac Capital Notes 6 distribution on 31 July 2024 for each Westpac Capital Note 6 held on the record date for that distribution, provided the distribution payment conditions in the Westpac Capital Notes 6 Terms are satisfied.</p>

Note:

1. APRA has approved the redemption of Westpac Capital Notes 6. The intended redemption of Westpac Capital Notes 6 does not imply or indicate that Westpac will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by Westpac. Any such future redemption would also be subject to APRA's prior written approval (which may or may not be given).

3.2 Key details of the Reinvestment Offer

Topic	Summary
3.2.1 Who is eligible to participate in the Reinvestment Offer?	<p>To be eligible to participate in the Reinvestment Offer, Westpac Capital Notes 6 holders must:</p> <ul style="list-style-type: none"> (i) be registered holders of Westpac Capital Notes 6 shown on the Register at 7.00pm (Sydney time) on the Reinvestment Offer Record Date, being 10 November 2023, as having an address in Australia; and (ii) be a company or individual (including as a trustee of a family, hybrid or unit trust) aged 18 years or older; and (iii) have an Australian residential address; and (iv) either be: <ul style="list-style-type: none"> • an investor who is within the Target Market and has received personal advice from a financial adviser to acquire Westpac Capital Notes 10; or • a Wholesale Client. <p>You will need to provide evidence to your Syndicate Broker that you satisfy one of the eligibility requirements in (iv) above. Please see Section 4.2 for details of how to apply.</p>
3.2.2 What will Participating Westpac Capital Notes 6 Holders receive?	<p>Participating Westpac Capital Notes 6 Holders will be Allocated one Westpac Capital Note 10 for each Participating Westpac Capital Note 6 reinvested on 18 December 2023 and will be entitled to the distribution on Westpac Capital Notes 6 set out in Option 1 in Section 3.3.</p>
3.2.3 How do I apply to participate in the Reinvestment Offer?	<p>Applications under the Reinvestment Offer can only be made by Eligible Westpac Capital Notes 6 Holders who have received an Allocation of Notes by a Syndicate Broker under the Bookbuild. All Applications under the Reinvestment Offer must be submitted through a Syndicate Broker. No Applications can be made directly to Westpac.</p> <p>You should contact your Syndicate Broker as soon as possible during the Exposure Period² to express an interest in applying for Notes or to obtain more information on whether you meet the eligibility requirements. Westpac will not process any Applications during the Exposure Period. Your Syndicate Broker can also assist you with how to apply once the Offer opens.</p> <p>Please see Section 4.2 for details of how to apply under the Reinvestment Offer.</p>
3.2.4 Do Applications received under the Reinvestment Offer have priority?	<p>There is no guaranteed Allocation under the Reinvestment Offer, but Westpac will endeavour to give priority to Applications received under the Reinvestment Offer. This priority will not extend to Applications for additional Westpac Capital Notes 10 by Eligible Westpac Capital Notes 6 Holders under the New Money Offer.</p>
3.2.5 Can Westpac Capital Notes 6 be sold after an Application under the Reinvestment Offer has been made?	<p>No. Eligible Westpac Capital Notes 6 Holders who apply to participate in the Reinvestment Offer are taken to agree to a holding lock being placed on their Westpac Capital Notes 6 elected for reinvestment, pending completion of the Reinvestment Offer. Once the holding lock has been applied, you will not be able to dispose of or otherwise successfully deal with those Participating Westpac Capital Notes 6.</p>
3.2.6 Is any brokerage or stamp duty payable?	<p>No brokerage or stamp duty is payable on the transfer of Participating Westpac Capital Notes 6 or on the reinvestment of the transfer proceeds of Participating Westpac Capital Notes 6 under the Reinvestment Offer.</p>

Note:

2. The Corporations Act prohibits the acceptance of Applications during the seven day period after the date this Prospectus was lodged with ASIC. This period is referred to as the Exposure Period and ASIC may extend this period by up to a further seven days (that is up to 14 days in total). The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants before the Opening Date.

3. REINVESTMENT OFFER FOR WESTPAC CAPITAL NOTES 6

3.3 Options for Westpac Capital Notes 6 holders

Eligible Westpac Capital Notes 6 Holders have two options to consider which are described in the table below.

Participation in the Reinvestment Offer is optional for Eligible Westpac Capital Notes 6 Holders.

Topic	Summary
Option 1 – Reinvest all or some of your Westpac Capital Notes 6 in Notes	<ul style="list-style-type: none"> Eligible Westpac Capital Notes 6 Holders may apply to participate in the Reinvestment Offer in respect of all or some of their Westpac Capital Notes 6 held on the Reinvestment Offer Record Date. See Section 4.2 for details on how to apply. You do not need to submit an Application Payment in respect of Westpac Capital Notes 6 being reinvested as the transfer proceeds (\$100 per Westpac Capital Note 6) will be automatically reinvested in the equivalent number of Westpac Capital Notes 10. If you choose to reinvest all of your Westpac Capital Notes 6, you may also apply for additional Westpac Capital Notes 10 under the New Money Offer. You will need to submit an Application Payment for any additional Westpac Capital Notes 10. An Application must be made to, and the Application Payment (as applicable) must be received by, your Syndicate Broker in sufficient time for them to process your Application on your behalf by the Closing Date, expected to be 5.00pm (Sydney time) on 12 December 2023. See Section 4.2 for details on how to apply. You will be paid the Westpac Capital Notes 6 Distribution of \$1.3657 on 18 December 2023 for each Participating Westpac Capital Note 6 held on the record date, being 8 December 2023, provided the distribution payment conditions in the Westpac Capital Notes 6 Terms are satisfied. This is the last distribution you will receive on any Participating Westpac Capital Notes 6. If you choose not to participate or participate partially in the Reinvestment Offer in respect of only some of your Westpac Capital Notes 6, please see Option 2 below in respect of any Non-Participating Westpac Capital Notes 6.
Option 2 – Do not participate in the Reinvestment Offer	<ul style="list-style-type: none"> If you are a Non-Participating Westpac Capital Notes 6 Holder, no further action is required and you can continue to hold your Non-Participating Westpac Capital Notes 6, which will be dealt with in accordance with the Westpac Capital Notes 6 Terms. You will continue to be paid distributions on Non-Participating Westpac Capital Notes 6 in accordance with the Westpac Capital Notes 6 Terms, including the intended final Westpac Capital Notes 6 distribution on 31 July 2024, provided the distribution payment conditions in the Westpac Capital Notes 6 Terms are satisfied. Westpac intends to redeem all remaining Westpac Capital Notes 6 on 31 July 2024. If the intended redemption were to occur, you will be paid the redemption proceeds of \$100 per Non-Participating Westpac Capital Note 6 that you still hold on that date.³ Non-Participating Westpac Capital Notes 6 Holders may choose to sell their Non-Participating Westpac Capital Notes 6 on the ASX at the prevailing market price, which may be higher or lower than the redemption proceeds of \$100 (if the intended redemption were to occur). You may be required to pay applicable brokerage if you choose to sell Westpac Capital Notes 6 on the ASX. It is expected that trading (and off-market trading) for Westpac Capital Notes 6 will cease prior to 31 July 2024.

Note:

3. APRA has approved the redemption of Westpac Capital Notes 6. The intended redemption of the Westpac Capital Notes 6 does not imply or indicate that Westpac will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by Westpac. Any such future redemption would also be subject to APRA's prior written approval (which may or may not be given).

3.4 Key differences between Westpac Capital Notes 10 and Westpac Capital Notes 6

The terms and conditions of Westpac Capital Notes 6 and Westpac Capital Notes 10 are similar. However, there are some key differences between Westpac Capital Notes 6 and the Westpac Capital Notes 10 which you should be aware of before deciding whether to reinvest your Westpac Capital Notes 6 under the Reinvestment Offer.

The following table describes the key features of Westpac Capital Notes 6 and the Westpac Capital Notes 10 and highlights the differences between them. This table is not an exhaustive description of the differences between Westpac Capital Notes 6 and the Westpac Capital Notes 10. If you have any questions about the differences between Westpac Capital Notes 6 and the Westpac Capital Notes 10, you should seek advice from your Syndicate Broker, financial or other professional adviser before deciding to invest in the Westpac Capital Notes 10.

	Westpac Capital Notes 10	Westpac Capital Notes 6
Issuer	Westpac	
Issue price	\$100	
ASX code	WBCPM ⁴	WBCPI
Legal form	Note – unsecured subordinated debt obligation	
Distributions	Discretionary, non-cumulative, floating rate Distributions, payable quarterly in arrear, subject to the satisfaction of the Distribution Payment Conditions	Discretionary, non-cumulative, floating rate distributions, payable quarterly in arrear, subject to the satisfaction of distribution payment conditions
Expected to be fully franked	Yes	
Distribution rate	(3 month BBSW rate + margin) x (1 – tax rate)	
Margin	Margin is expected to be in the range of 3.10% to 3.30% per annum and will be determined at the end of the Bookbuild	margin of 3.70% per annum
Maturity date	No fixed maturity date but scheduled to Convert into Ordinary Shares on 22 June 2034 (subject to satisfaction of the Scheduled Conversion Conditions)	No fixed maturity date but scheduled to convert into Ordinary Shares on 31 July 2026 (subject to satisfaction of scheduled conversion conditions)
Redemption at the issuer's option (subject to APRA's prior written approval)	Yes, on 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032, and in certain specified circumstances (as described in Section 2.3)	Yes, on 31 July 2024 and in certain specified circumstances
Transfer to a nominated party at the issuer's option	Yes, on 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032, and in certain specified circumstances (see Section 2.3)	Yes, in respect of Participating Westpac Capital Notes 6 on 18 December 2023 or in respect of Non-Participating Westpac Capital Notes 6 on 31 July 2024.
Potential conversion to Ordinary Shares (other than on a Capital Trigger Event or Non-Viability Trigger Event)	Yes, Scheduled Conversion on 22 June 2034 (as described in Section 2.2), Optional Conversion (as described in Section 2.4) or following an Acquisition Event (as described in Section 2.6), each being subject to certain conditions	Yes, scheduled conversion on 31 July 2026, optional conversion on 31 July 2024 or following occurrence of a tax event or regulatory event, or following an acquisition event, in each case subject to certain conditions

Note:

4. The Westpac Capital 10 Notes will be issued under the DDO Laws and, as a result, the Offer has different investor eligibility requirements as compared to the Westpac Capital Notes 6 offer, which was completed before the DDO Laws came into effect. Section 6.1.20 describes the risk that the liquidity of existing instruments and new instruments (such as Westpac Capital Notes 10) may be affected by the new DDO Laws.

3. REINVESTMENT OFFER FOR WESTPAC CAPITAL NOTES 6

	Westpac Capital Notes 10	Westpac Capital Notes 6
Conversion to Ordinary Shares on a Capital Trigger Event or Non-Viability Trigger Event	<p>Yes, following a Capital Trigger Event or Non-Viability Trigger Event</p> <p>If a Capital Trigger Event or Non-Viability Trigger Event occurs and Conversion of the notes does not occur for any reason and Ordinary Shares are not issued for any reason by 5.00pm (Sydney time) on the fifth business day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), then all rights in relation to those notes will be terminated (written-off) immediately on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be) and holders will lose all of the value of their investment in those notes and they will not receive any compensation or unpaid distributions</p> <p>In the event of Conversion following a Capital Trigger Event or Non-Viability Trigger Event the Maximum Conversion Number may limit the number of Ordinary Shares to be issued. See Section 2.5.5, which applies equally to Westpac Capital Notes 10 and Westpac Capital Notes 6</p>	
Ranking in a Winding Up of Westpac	<p>If notes are on issue at the time of a Winding Up, they will rank ahead of Ordinary Shares, equally among themselves and with all Equal Ranking Capital Securities and behind Senior Creditors (including depositors and holders of Westpac's senior or less subordinated debt) of Westpac</p> <p>However, it is likely that a Capital Trigger Event or Non-Viability Trigger Event would occur prior to a Winding Up</p> <p>If notes have been Converted into Ordinary Shares, holders will become holders of Ordinary Shares and will rank equally with other holders of Ordinary Shares</p> <p>If conversion is not possible following a Capital Trigger Event or a Non-Viability Trigger Event, all rights in relation to those notes will be terminated (written-off) immediately on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be) and holders will lose all the value of their investment in those notes and they will not receive any compensation or unpaid distributions. In these circumstances, those notes will have no ranking in a Winding Up and holders are likely to be worse off than holders of Ordinary Shares</p>	

3.5 Risks associated with the Reinvestment Offer

Topic	Summary
3.5.1 What are the risks associated with the Reinvestment Offer?	<p>The Reinvestment Offer is not a simple rollover into a similar investment. By participating in the Reinvestment Offer, you will be making an investment in Westpac Capital Notes 10. For further information about the risks relating to an investment in Westpac Capital Notes 10 and in Westpac, see Section 6. These risks should be considered carefully before you apply to reinvest in Westpac Capital Notes 10 under the Reinvestment Offer or apply for additional Westpac Capital Notes 10.</p> <p>There are also the risks that you may not receive the full Allocation of Westpac Capital Notes 10 that you apply for or that the Offer does not proceed (and the transfer of Participating Westpac Capital Notes 6 does not occur). See Option 2 in Section 3.3 and Section 3.6.4 for further details.</p> <p>If following the Reinvestment Offer, you hold both Westpac Capital Notes 10 and any Non-Participating Westpac Capital Notes 6, you will hold two securities with different terms and conditions until your Non-Participating Westpac Capital Notes 6 are redeemed as intended by Westpac (for \$100 per Westpac Capital Note 6).</p> <p>Following the Reinvestment Offer, it is expected that the number of Westpac Capital Notes 6 on issue will be significantly reduced, which may impact on the liquidity of the Westpac Capital Notes 6 while they remain on issue.</p>

3.6 Further information about Westpac Capital Notes 6 and the Reinvestment Offer

Topic	Summary
3.6.1 Why have the Westpac Capital Notes 6 Terms been amended?	<p>Westpac has amended the Westpac Capital Notes 6 Terms primarily to facilitate the Reinvestment Offer, in particular to enable:</p> <ul style="list-style-type: none"> the transfer of Participating Westpac Capital Notes 6 to the Westpac Capital Notes 6 Nominated Party on 18 December 2023 for \$100 per Participating Westpac Capital Note 6; and the potential redemption or conversion of Participating Westpac Capital Notes 6 following their transfer to the Westpac Capital Notes 6 Nominated Party on 18 December 2023. <p>The amended Westpac Capital Notes 6 Terms were lodged by Westpac with the ASX on 20 November 2023.</p>
3.6.2 How will payments of distributions and transfer proceeds be made?	<p>Distribution payments to all Westpac Capital Notes 6 holders will be made in accordance with your payment instructions recorded on the Register. You may amend these instructions with the Registrar up to 5.00pm (Sydney time) on the record date for the relevant payment.</p> <p>In respect of Participating Westpac Capital Notes 6, transfer proceeds will be automatically applied towards the subscription for Westpac Capital Notes 10.</p>
3.6.3 What are the taxation consequences of the Reinvestment Offer?	<p>Section 7 provides information about the general taxation consequences of participating in the Reinvestment Offer.</p> <p>The Australian taxation consequences of participating in the Reinvestment Offer will depend on your individual circumstances. You should obtain your own taxation advice before you hold or dispose of Westpac Capital Notes 6.</p>
3.6.4 What happens if the Offer does not proceed?	<p>If you have elected to apply to reinvest all or some of your Westpac Capital Notes 6 under the Reinvestment Offer and the Offer does not proceed, your Westpac Capital Notes 6 will remain on issue and be dealt with in accordance with the Westpac Capital Notes 6 Terms. You will be paid:</p> <ul style="list-style-type: none"> the Westpac Capital Notes 6 Distribution of \$1.3657 on 18 December 2023 for each Westpac Capital Note 6 held on the record date, being 8 December 2023 (provided the distribution payment conditions in the Westpac Capital Notes 6 Terms are satisfied); any remaining distributions on Westpac Capital Notes 6, including the intended final Westpac Capital Notes 6 distribution on 31 July 2024, provided the distribution payment conditions in the Westpac Capital Notes 6 Terms are satisfied; and the redemption proceeds of \$100 per Westpac Capital Note 6 you still hold on 31 July 2024 (provided all remaining Westpac Capital Notes 6 are redeemed on 31 July 2024 as intended by Westpac).
3.6.5 What will happen if the redemption of Non-Participating Westpac Capital Notes 6 does not occur?	<p>If the redemption in respect of Non-Participating Westpac Capital Notes 6 does not occur as intended on 31 July 2024 for any reason, the Non-Participating Westpac Capital Notes 6 will remain on issue and all rights attaching to them will continue, including to any distributions determined to be paid, until otherwise dealt with in accordance with the Westpac Capital Notes 6 Terms. See Section 3.4 for a description of the key features of Westpac Capital Notes 6.</p>

APPLYING FOR WESTPAC CAPITAL NOTES 10

SECTION 4

This Section sets out:

- 4.1 The Offer
- 4.2 Applying for Westpac Capital Notes 10
- 4.3 Allocation and Allotment
- 4.4 ASX Quotation, Trading and Holding Statements
- 4.5 Holding Information
- 4.6 Enquiries

4. APPLYING FOR WESTPAC CAPITAL NOTES 10

Westpac Capital Notes 10 is an issuance under the DDO Laws. To comply with the DDO Laws and ensure that Westpac Capital Notes 10 are distributed in accordance with the TMD, the eligibility requirements must be satisfied to participate in both the Reinvestment Offer and New Money Offer and all Applications must be made through a Syndicate Broker (no Applications can be made directly to Westpac).

A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory of this Prospectus.

You should read this Section 4 carefully and speak to your Syndicate Broker if you have any questions.

4.1 The Offer

The Offer is for the issue of Notes at the Issue Price of \$100 each to raise approximately \$750 million, with the ability to raise more or less.

The Offer consists of:

- a Reinvestment Offer – to clients of the Syndicate Brokers, and Institutional Investors, who are Eligible Westpac Capital Notes 6 Holders wishing to reinvest some or all of their Westpac Capital Notes 6 in Westpac Capital Notes 10; and
- a New Money Offer – to eligible clients of the Syndicate Brokers, and Institutional Investors, wishing to make new investments in Westpac Capital Notes 10.

There is no direct offer to Westpac securityholders, or general public offer. Applications under the Offer can only be made by eligible investors who received an Allocation of Notes by a Syndicate Broker under the Bookbuild. You should contact your Syndicate Broker as soon as possible during the Exposure Period to express an interest in applying for Notes or to obtain more information on whether you satisfy the eligibility requirements. Westpac will not process any Applications during the Exposure Period. Your Syndicate Broker can also assist you with how to apply once the Offer opens. Westpac and the Registry take no responsibility for any acts or omissions by your Syndicate Broker in connection with your Application.

There is no guaranteed Allocation under the Offer, but Westpac will endeavour to give priority to Applications received under the Reinvestment Offer. This priority will not extend to Applications for additional Westpac Capital Notes 10 by Eligible Westpac Capital Notes 6 Holders under the New Money Offer.

Westpac reserves the right to accept Applications from other persons at its discretion.

Westpac and the Joint Lead Managers may, in their absolute discretion, close the Offer early or Westpac may also withdraw the Offer at any time before Notes are issued. Westpac and the Joint Lead Managers may also exercise discretion, where reasonable, to extend the Offer period having regard to market conditions, the circumstances of the Offer, and Westpac's business needs. Material changes to the timetable will be disclosed on ASX as soon as practicable.

4.2 Applying for Westpac Capital Notes 10

Who may apply	Eligibility requirements
	<ul style="list-style-type: none"> • To be eligible to participate in the Offer (including the Reinvestment Offer or the New Money Offer), you must: <ul style="list-style-type: none"> – be a company or an individual (including as a trustee of a family, hybrid or unit trust) aged 18 years or older; and – have a registered address in Australia; and – be either: <ul style="list-style-type: none"> • an investor who is within the Target Market (see below) and has received personal advice from a financial adviser to acquire Westpac Capital Notes 10; OR • a Wholesale Client; and – in the case of the Reinvestment Offer only, be a registered holder of Westpac Capital Notes 6 shown on the Register at 7.00pm (Sydney time) on the Reinvestment Offer Record Date, being 10 November 2023, as having an address in Australia.
	<p>Evidence of satisfaction of eligibility requirements</p> <ul style="list-style-type: none"> • Evidence must be held or provided to your Syndicate Broker that either: <ul style="list-style-type: none"> – you have received personal advice (in the form of a certificate from a financial adviser or a copy of a statement of advice from a financial adviser) to acquire Westpac Capital Notes 10; OR – you are a Wholesale Client (in the form of a valid wholesale investor certificate for the purposes of section 761G(7)(c) of the Corporations Act 2001 (Cth) or such other evidence as your Syndicate Broker may require).

4. APPLYING FOR WESTPAC CAPITAL NOTES 10

Who may apply <i>continued</i>	Target Market <p>As set out above, one of the key eligibility requirements for retail investors is that you must be within the Target Market. The TMD for the Notes (which is available at westpac.com.au/westpaccapnotes10) describes, among other things, the Target Market, which comprises retail investors who:</p> <ul style="list-style-type: none"> • are seeking to acquire an investment product with the ability to generate income; • are <u>not</u> seeking capital growth; • are able to bear the risks associated with an investment in the Notes (in particular, the potential non-payment of Distributions, the lack of certainty as to timeframe for repayment of the capital invested and the potential loss of some or all of the capital invested in the Notes); • are seeking to invest for the long term and do not require certainty as to repayment of their capital invested within a specific timeframe or at all; and • are seeking to have the ability to sell the Notes on market at the prevailing market price (noting there may not be a liquid market for the Notes and investors who wish to sell their Notes on market may be unable to do so at an acceptable price, or at all).
How to apply	<ul style="list-style-type: none"> • All Applications under the Offer can only be made through a Syndicate Broker. A list of the appointed Joint Lead Managers and Co-Managers who are Syndicate Brokers to the Offer can be found on the front cover and in the Corporate Directory of this Prospectus. • You should contact your Syndicate Broker as soon as possible during the Exposure Period to express an interest in applying for Notes or to obtain more information on whether you satisfy the eligibility requirements. Westpac will not process any Applications during the Exposure Period. • You must receive an Allocation from a Syndicate Broker under the Bookbuild to apply. • Your Syndicate Broker can also assist you with how to apply once the Offer opens. • No Applications (including from Eligible Westpac Capital Notes 6 Holders) can be made directly to Westpac.
When to apply	<ul style="list-style-type: none"> • An Application must be made to, and the Application Payment (as applicable) must be received by, your Syndicate Broker in sufficient time for them to process your Application on your behalf by the Closing Date, expected to be 5.00pm (Sydney time) on 12 December 2023.
Minimum Application amount	Reinvestment Offer <ul style="list-style-type: none"> • There is no minimum number of Westpac Capital Notes 6 that you must hold to be able to participate in the Reinvestment Offer. • You may apply to reinvest all or some of your Westpac Capital Notes 6 in Westpac Capital Notes 10, except that, if you wish to participate in the Reinvestment Offer and: <ul style="list-style-type: none"> – you own 50 Westpac Capital Notes 6 or fewer, you must apply to reinvest all of your Westpac Capital Notes 6; or – you own more than 50 Westpac Capital Notes 6, you must apply to reinvest a minimum of 50 Westpac Capital Notes 6 (\$5,000). • If you apply to reinvest all of your Westpac Capital Notes 6, you may also apply for additional Westpac Capital Notes 10 under the New Money Offer. Your Application for additional Westpac Capital Notes 10 must be for a minimum of 50 additional Westpac Capital Notes 10 (\$5,000), and thereafter in multiples of 10 Westpac Capital Notes 10 (\$1,000) (over and above your Application for reinvestment). • If you apply to reinvest some of your Westpac Capital Notes 6, the Westpac Capital Notes 6 not reinvested will be dealt with as explained in Section 3.3. New Money Offer <ul style="list-style-type: none"> • Applications must be for a minimum of 50 Notes (\$5,000). • If your Application is for more than 50 Notes, you must apply in multiples of 10 Notes (\$1,000) thereafter.

4.2.1 Brokerage, stamp duty and other ongoing fees and costs

No brokerage or stamp duty is payable to Westpac on your Application. You may have to pay brokerage on any later sale of your Notes on the ASX after Notes have been quoted on the ASX.

You will not be required to pay any ongoing fees or other costs following the issue of the Notes. The costs of carrying out the Offer and maintaining an ASX listing for the Notes will be paid by Westpac.

4.2.2 Holding Lock on Participating Westpac Capital Notes 6

If you apply to participate in the Reinvestment Offer, you are taken to agree to a holding lock being placed on those Westpac Capital Notes 6 elected for reinvestment, pending completion of the Reinvestment Offer. If on the Closing Date you hold fewer Westpac Capital Notes 6 than you elected to reinvest, your Application under the Reinvestment Offer will be for the number of Westpac Capital Notes 6 registered in your name on the Closing Date.

4.2.3 Refunds and interest

All Application Payments received by the Registrar before the Notes are issued will be held by Westpac in a non-interest bearing bank account established for the purpose of depositing Application Payments.

If the Offer does not proceed for any reason, Applicants (including Eligible Westpac Capital Notes 6 Holders applying for additional Westpac Capital Notes 10 under the New Money Offer) will have their Application Payments refunded to them by their Syndicate Broker (without interest) as soon as practicable. Westpac takes no responsibility for handling of Application Payments by any Syndicate Broker.

Please see Section 3.6.4 for further information about what happens if you have elected to apply to reinvest all or some of your Westpac Capital Notes 6 under the Reinvestment Offer and the Offer does not proceed.

4.3 Allocation and Allotment

4.3.1 Allocation and scaleback

The Allocations for Joint Lead Managers (and their affiliated retail brokers), Co-Managers and Institutional Investors will be determined under the Bookbuild – see Section 8.6. Westpac has the right to nominate the persons to whom Notes were or will be Allocated, including in respect of firm Allocations to Syndicate Brokers and Institutional Investors under the Bookbuild.

Allocations to Applicants under the New Money Offer by a Syndicate Broker are at the discretion of that Syndicate Broker. It is possible for Applications under the New Money Offer to be scaled back by a Syndicate Broker. Westpac takes no responsibility for any Allocation, scale back or rejection that is decided by a Syndicate Broker.

There is no guaranteed Allocation under the Offer, but Westpac will endeavour to give priority to Applications received under the Reinvestment Offer. This priority will not extend to Applications for additional Westpac Capital Notes 10 by Eligible Westpac Capital Notes 6 Holders under the New Money Offer.

Westpac reserves the right not to accept Applications from any Applicant. Westpac and the Joint Lead Managers reserve the right to Allocate any Eligible Westpac Capital Notes 6 Holder a lesser number of Westpac Capital Notes 10 than applied for, including less than the minimum Application of 50 Westpac Capital Notes 10 (\$5,000).

Westpac also reserves the right not to issue any Notes. In this instance no Applicants will receive an Allocation.

4.3.2 Allotment

Westpac intends to issue and Allot approximately 7,500,000 Notes at an Issue Price of \$100 each, to raise approximately \$750 million with the ability to raise more or less.

Westpac will not Allot any Notes until it has been granted approval for the Notes to be quoted on the ASX and all proceeds from accepted Applications have been received by Westpac. Subject to approval for quotation being granted, Westpac intends to Allot the Notes on 18 December 2023. Westpac and the Joint Lead Managers may, in their absolute discretion, close the Offer early or extend the Offer Period without notice. Westpac may also withdraw the Offer at any time before Notes are issued.

4.4 ASX quotation, trading and Holding Statements

4.4.1 ASX quotation

Westpac will apply for the Notes to be quoted on the ASX. Quotation is not guaranteed. If ASX does not grant permission for the Notes to be quoted, then the Notes will not be issued and Application Payments will be refunded (without interest) to Applicants as soon as possible and in accordance with Section 4.2.3.

It is expected that the Notes will trade on the ASX under the code WBCPM. Following quotation, the Notes may be purchased or sold on the ASX by investors at the prevailing market price. However, the Notes may trade at a market price above or below their Face Value of \$100 per Note.

4.4.2 Trading

It is expected that the Notes will begin trading on the ASX on a normal settlement basis on 19 December 2023. You are responsible for confirming your Allocation before trading Notes to avoid the risk of selling Notes you do not own. If you sell your Notes before you receive confirmation of your Allocation, you do so at your own risk.

You should contact your Syndicate Broker or call the Westpac Capital Notes 10 Information Line (Monday to Friday, 8.30am to 7.30pm, Sydney time) on 1800 176 125 (free call within Australia) and +61 1800 176 125 (outside Australia) to find out your Allocation prior to receiving your Holding Statement.

4.4.3 Holding Statements

Westpac expects Holding Statements will be dispatched to successful Applicants on or by 20 December 2023. Westpac will apply for the Notes to participate in CHES. Westpac does not intend to quote the Notes on any securities exchange apart from the ASX. No certificates will be issued for the Notes.

4. APPLYING FOR WESTPAC CAPITAL NOTES 10

4.5 Holding information

Applicants issued with Notes under the Offer will be sent a new investor pack shortly after the Issue Date. In addition to a Holding Statement, this pack will contain important information relating to your holding of Westpac Capital Notes 10.

4.5.1 Provision of bank account details for Distributions and other payments

Westpac will direct credit payment of Distributions, repayment of the Face Value and other amounts relating to the Notes into an Australian dollar account of a financial institution nominated by you. Westpac will not pay Distributions on the Notes or other payments by cheque.

As part of the new investor pack for the Notes, you will have the opportunity to provide or update your bank account details. Please provide these account details to the Registrar as soon as possible.

If your Notes are issued under an existing holding number with Westpac, your current elections, including bank account details, will apply to the Notes unless you advise the Registrar otherwise.

If the payment of any money to your account does not complete for any reason, Westpac will send a notice to the postal address or email address most recently notified by you advising of the uncompleted payment. In that case, the amount of the uncompleted payment will be held as a deposit in a non-interest bearing account until one of the following occurs:

- you nominate a suitable Australian dollar account maintained in Australia with a financial institution to which the payment may be credited; or
- Westpac is entitled or obliged to deal with the amount in accordance with the law relating to unclaimed moneys.

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

4.5.2 Provision of Tax File Number or Australian Business Number

The Registrar will invite Holders to quote or update their TFN, ABN or both. A Holder may, but is not required to, quote their TFN or ABN. If a Holder does not quote a TFN (or in certain circumstances an ABN) or proof of exemption, Westpac will be required to withhold Australian taxation at the maximum marginal tax rate plus the Medicare levy (currently 47% of the unfranked amount) from any Distribution payable on Notes which is not fully franked and remit the amount withheld to the ATO. You should also read the information about Australian tax consequences for Holders in Section 7.

If your Notes are issued under an existing holding number with Westpac, your current elections, including TFN or ABN details, will apply to the Notes unless you advise the Registrar otherwise.

4.6 Enquiries

If you have any questions on how to apply for Notes, you should contact your Syndicate Broker or the **Westpac Capital Notes 10 Information Line (Monday to Friday, 8.30am to 7.30pm, Sydney time) on 1800 176 125 (free call within Australia) and +61 1800 176 125 (outside Australia).**

If you are unclear in relation to any matter or are uncertain if the Notes are a suitable investment for you, you should consult your Syndicate Broker, financial adviser or other professional adviser.

ABOUT WESTPAC

SECTION 5

This Section sets out:

- 5.1 Overview of Westpac's Business including summary financial information
- 5.2 Capital management strategy and capital ratios
- 5.3 Funding and liquidity

5. ABOUT WESTPAC

5.1 Overview of Westpac's business including summary financial information

5.1.1 Overview of Westpac's business

Westpac provides a broad range of financial products and services in its core markets of Australia and New Zealand, including consumer, business and institutional banking and wealth management services.

As a simpler and stronger bank, Westpac has entered a new strategic phase focusing on improving market position and returns. Westpac is guided by its refreshed strategy and new purpose: creating better futures together. The strategy is framed by four pillars: Customer, Easy, Expert, Advocate.

- Everything starts and ends with customers. Westpac is focused on service that is consistently great, supporting customers through good and bad times and recognising those who choose Westpac as their bank.
- Westpac is making banking easier, intuitive and digital.
- Sharing expertise to help customers is a point of differentiation. Whether this is through bankers, thought leadership in finance or supporting customers to transition to net-zero.
- The Westpac Group advocates for positive change across three key areas: safety and security, financial inclusion and climate.

At 30 September 2023, Westpac and its controlled entities had total assets of approximately \$1,030 billion. Westpac's Ordinary Shares and certain other securities are quoted on the ASX and, at 13 November 2023, Westpac's Ordinary Share market capitalisation was approximately \$73 billion.

The performance of Ordinary Shares during the period from 13 November 2013 to 13 November 2023 is set out in the graph in this Section 5.1.1.

Westpac Ordinary Shares daily closing price¹



Note:

1. Past performance is not necessarily an indicator of future performance. Source: IRESS

5.1.2 Organisational structure

Westpac's operations comprise the following segments:

Consumer Banking provides banking products and services to customers in Australia through three lines of business consisting of mortgages, consumer finance and deposits. Products and services are provided through a portfolio of brands comprising Westpac, St.George, BankSA, Bank of Melbourne and RAMS using digital and physical channels.

Business Banking and Wealth services Australian small to medium-sized businesses including commercial and agribusiness customers. It offers business lending, merchant services using eCommerce solutions and transaction banking services including foreign exchange solutions. The segment also includes: Private Wealth, supporting needs of high-net-worth individuals; the Platforms business, which provides wealth management services; and Westpac Pacific, which provides banking services in Fiji and Papua New Guinea.

Westpac Institutional Bank comprises three lines of business: corporate & institutional bank, global transaction services; and financial markets. Corporate, institutional and government clients are provided lending, payments, risk management and debt capital markets products and services. Subsidiaries and branches are located in New Zealand, New York, London, Frankfurt and Singapore.

Westpac New Zealand provides banking and wealth products and services for consumer, business and institutional customers in New Zealand.

Group Businesses includes support functions such as Treasury, Customer Services and Technology, Corporate Services and Enterprise Services.

5.1.3 Consolidated Income Statement and selected financial information²

	Reported 30 September 2022 \$m	Reported 30 September 2023 \$m
Interest income	23,251	43,752
Interest expense	(6,090)	(25,435)
Net interest income	17,161	18,317
Non-interest income	2,445	3,328
Net operating income before operating expenses and impairment charges	19,606	21,645
Operating expenses	(10,802)	(10,692)
Impairment (charges)/benefits	(335)	(648)
Profit before income tax	8,469	10,305
Income tax expense	(2,770)	(3,104)
Net profit for the period	5,699	7,201
Net profit attributable to non-controlling interests	(5)	(6)
Net profit attributable to owners of Westpac Banking Corporation	5,694	7,195
Selected financial information		
Expense to income ratio	55.10%	49.40%
Statutory earnings per Ordinary Share – basic (cents)	159.9	205.3
Fully franked dividends per Ordinary Share (cents)	125	142

Note:

2. The Consolidated Income Statement has been derived from Westpac's audited financial report as at and for the 12 months ended 30 September 2023.

5. ABOUT WESTPAC

5.1.4 Consolidated Balance Sheet and unaudited pro-forma Consolidated Balance Sheet^{3,4}

	Reported 30 September 2022 \$m	Reported 30 September 2023 \$m	Pro-forma Adjustments \$m	Pro-forma 30 September 2023 \$m
Assets				
Cash and balances with central banks	105,257	102,522	(681)	101,841
Collateral paid	6,216	4,535		4,535
Trading securities and financial assets measured at fair value through income statement and investment securities	100,797	105,833		105,833
Derivative financial instruments	41,283	21,343		21,343
Loans	739,647	773,254		773,254
All other assets	20,998	22,287		22,287
Total assets	1,014,198	1,029,774	(681)	1,029,093
Liabilities				
Collateral received	6,371	3,525		3,525
Deposits and other borrowings	659,129	688,168		688,168
Other financial liabilities	56,360	44,870		44,870
Derivative financial instruments	39,568	24,647		24,647
Debt issues	144,868	156,573		156,573
All other liabilities	6,139	6,276		6,276
Total liabilities excluding loan capital	912,435	924,059		924,059
Loan capital	31,254	33,176	(681)	32,495
Total liabilities	943,689	957,235	(681)	956,554
Net assets	70,509	72,539	-	72,539
Shareholders' equity				
Total equity attributable to owners of Westpac Banking Corporation	70,452	72,495		72,495
Non-controlling interests	57	44		44
Total shareholders' equity and non-controlling interests	70,509	72,539	-	72,539

Impact of the issue of the Westpac Capital Notes 10 and redemption of Westpac Capital Notes 6 on Westpac's consolidated balance sheet position

The unaudited pro-forma balance sheet shows the adjustments that would be made to Westpac's consolidated balance sheet as at 30 September 2023, assuming:

- an issue of \$750 million of Notes, less Offer costs of \$8 million; and
- the redemption⁵ of all \$1,423 million of Westpac Capital Notes 6 either as a result of the Reinvestment Offer or on the Westpac Capital Notes 6 optional redemption date, being 31 July 2024.

On a net basis, the Offer of the Notes and redemption of all Westpac Capital Notes 6 would decrease Westpac's loan capital and cash by approximately \$681 million. There is no material impact from the pro-forma adjustments to Westpac's net assets and shareholders' equity. The anticipated proceeds (less Offer costs) received under the Offer will be used by Westpac for general business purposes.

Westpac may raise more or less than \$750 million under the Offer and all Westpac Capital Notes 6 may not be redeemed, either as part of the Reinvestment Offer or on the Westpac Capital Notes 6 optional redemption date. Westpac intends to redeem all outstanding Westpac Capital Notes 6 on 31 July 2024⁵. See Section 3.1.2 for further details. In any of these scenarios, the figures referred to above will be impacted accordingly.

Note:

3. The Consolidated Balance Sheet has been derived from Westpac's audited financial report as at 30 September 2023.
4. Pro-forma adjustments have not been made for the payment of the final dividend of \$0.72 determined for the year ended 30 September 2023, the intended \$1.5 billion on-market Buy Back of Ordinary Shares announced by Westpac on 6 November 2023 or for any potential future capital management. Please see Section 5.2.7 for more information on Westpac's capital return initiatives.
5. APRA has approved the redemption of Westpac Capital Notes 6. The intended redemption of Westpac Capital Notes 6 does not imply or indicate that Westpac will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by Westpac. Any such future redemption would also be subject to APRA's prior written approval (which may or may not be given).

5.1.5 Capital adequacy position and pro-forma capital adequacy position (Level 2 and 1)⁶

Capital and Leverage ratios (Level 2)	Reported 31 March 2023 ⁷	Reported 30 September 2023	Pro-forma Adjustments ⁸	Pro-forma 30 September 2023
Common Equity Tier 1 Capital Ratio	12.28%	12.38%	0.00%	12.38%
Additional Tier 1 Capital Ratio	2.20%	2.21%	(0.15)%	2.06%
Tier 1 Capital Ratio	14.48%	14.59%	(0.15)%	14.44%
Tier 2 Capital Ratio	5.27%	5.86%	0.00%	5.86%
Total Capital Ratio	19.75%	20.45%	(0.15)%	20.30%
APRA Leverage Ratio	5.46%	5.50%	(0.05)%	5.45%

Capital ratios (Level 1)	Reported 31 March 2023 ⁷	Reported 30 September 2023	Pro-forma Adjustments	Pro-forma 30 September 2023
Common Equity Tier 1 Capital Ratio	12.50%	12.62%	0.00%	12.62%
Additional Tier 1 Capital Ratio	2.39%	2.42%	(0.16)%	2.25%
Tier 1 Capital Ratio	14.88%	15.03%	(0.16)%	14.87%
Tier 2 Capital Ratio	5.79%	6.44%	0.00%	6.44%
Total Capital Ratio	20.67%	21.47%	(0.16)%	21.31%

Impact of the issue of the Westpac Capital Notes 10 and redemption of all Westpac Capital Notes 6 on Westpac's capital adequacy position

The table in this Section 5.1.5 shows the unaudited pro-forma capital adequacy position as at 30 September 2023 assuming the following pro-forma adjustments:

- the issue of \$750 million of Notes less Offer costs of \$8 million; and
- the redemption of all \$1,423 million of Westpac Capital Notes 6 either as a result of the Reinvestment Offer or on the Westpac Capital Notes 6 optional redemption date of 31 July 2024.

On a Level 2 basis, the pro-forma adjustments decrease the 30 September 2023 Tier 1 Capital Ratio and Total Capital Ratio by 0.15%. On a Level 1 basis, the pro-forma adjustments decrease the 30 September 2023 Tier 1 Capital Ratio and Total Capital Ratio by 0.16%.

Westpac may raise more or less than \$750 million under the Offer and all Westpac Capital Notes 6 may not be redeemed, either as part of the Reinvestment Offer or on the Westpac Capital Notes 6 optional redemption date. Westpac intends to redeem all outstanding Westpac Capital Notes 6 on 31 July 2024.⁹

See Section 3.1.2 for further details. In any of these scenarios, the capital adequacy ratios referred to above will be impacted accordingly.

5.2 Capital management strategy and capital ratios

5.2.1 Capital adequacy framework

APRA is the prudential regulator of the Australian financial services industry. It oversees banks, credit unions, building societies, general insurance and reinsurance companies, life insurers, private health insurers, friendly societies, and a large part of the superannuation industry, this includes Authorised Deposit-taking Institutions ("ADIs") such as Westpac.

APRA's Prudential Standards aim to ensure that ADIs remain adequately capitalised to support the risks associated with their activities, absorb losses, and to generally protect Australian depositors.

APRA's website at apra.gov.au includes further details of its functions and Prudential Standards.

Note:

- The capital adequacy ratios contained in this table have been rounded to the nearest two decimal places. Capital ratios may not sum due to rounding.
- APRA's revised capital framework became effective on 1 January 2023 and included updated prudential standards for capital adequacy and credit risk capital. The revisions included amendments to capital requirements, revisions to the calculation of credit RWA, introduction of a capital floor and introduction of a minimum leverage ratio. Accordingly, comparative capital ratios have only been presented for 31 March 2023, as prior periods were reported under the capital framework applicable prior to these changes and have not been restated.
- Pro-forma adjustments have not been made for the payment of the final dividend of \$0.72 determined for the year ended 30 September 2023 (expected CET1 reduction of approximately 54 basis points on a pro forma Level 2 CET1 Ratio basis), the intended \$1.5 billion on-market Buy Back of Ordinary Shares announced by Westpac on 6 November 2023 (expected CET1 reduction of approximately 33 basis points on a pro-forma Level 2 CET1 Ratio basis) or for any potential future capital management. Please see Section 5.2.7 for more information on Westpac's capital return initiatives.
- APRA has approved the redemption of Westpac Capital Notes 6. The intended redemption of the Westpac Capital Notes 6 does not imply or indicate that Westpac will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by Westpac. Any such future redemption would also be subject to APRA's prior written approval (which may or may not be given).

5. ABOUT WESTPAC

APRA applies a tiered approach to measuring Westpac's capital adequacy¹⁰ by assessing financial strength at three levels:

- Level 1, comprising Westpac and its subsidiary entities that have been approved by APRA as being part of a single 'Extended Licensed Entity' for the purposes of measuring capital adequacy;
- Level 2, the consolidation of Westpac and all its subsidiary entities (including offshore subsidiaries such as Westpac New Zealand Limited) except those entities specifically excluded by APRA regulations such as insurance or wealth management subsidiaries; and
- Level 3, the consolidation of Westpac and all its subsidiary entities.

APRA measures an ADI's regulatory capital as a percentage of RWA, by reference to:

- Common Equity Tier 1 Capital ("**CET1**"), the highest quality components of capital that consists of paid-up share capital, retained profits and certain reserves, less certain intangible assets, capitalised expenses and software, and investments and retained profits in insurance and funds management subsidiaries that are not consolidated for capital adequacy purposes. The ratio of CET1 to RWA is called the "Common Equity Tier 1 Capital Ratio" ("**CET1 Ratio**");
- Tier 1 Capital, being the sum of CET1 and Additional Tier 1 Capital ("**AT1**"). AT1 comprises high quality components of capital that consists of certain securities not included in CET1, but which include loss absorbing characteristics, such as the Notes. AT1 instruments convert into ordinary shares and absorb losses when certain triggers are met. The ratio of Tier 1 Capital to RWA is called the "**Tier 1 Capital Ratio**"; and
- Total Capital, being the sum of Tier 1 Capital and Tier 2 Capital. Tier 2 Capital includes subordinated instruments and other components of capital that, to varying degrees, do not meet the criteria for Tier 1 Capital, but nonetheless contribute to the overall strength of an ADI. Tier 2 Capital instruments convert into ordinary shares and absorb losses at the point of non-viability. The ratio of Total Capital to RWA is called the "**Total Capital Ratio**".

APRA's capital framework also requires an ADI to maintain a minimum leverage ratio of 3.5%. APRA may vary the minimum leverage ratio for an individual ADI.

The leverage ratio is defined as Tier 1 capital divided by the "Exposure measure", where the "Exposure measure" includes on balance sheet exposures, derivatives exposures, securities financing transaction exposures, and other off-balance sheet exposures.

APRA has confirmed that the Notes will be eligible for inclusion as AT1 under Prudential Standard APS 111 Capital Adequacy: Measurement of Capital.

5.2.2 Regulatory capital requirements

APRA's revised capital framework became effective from 1 January 2023 and included updated prudential standards for capital adequacy and credit risk capital.

Under APRA's current Prudential Standards, Australian ADIs, including Westpac, are required to maintain minimum prudential capital requirements ("**PCRs**"), being:

- CET1 Ratio of at least 4.5%;
- Tier 1 Capital Ratio of at least 6.0%; and
- Total Capital Ratio of at least 8.0%.

APRA may also require ADIs, including Westpac, to meet PCRs above the industry PCRs. APRA does not allow the PCRs for individual ADIs to be disclosed.

APRA also requires ADIs to hold additional CET1 buffers comprising of:

- a Capital Conservation Buffer ("**CCB**") of 4.75% that includes a 1% surcharge for ADIs designated by APRA as domestic systemically important banks ("**D-SIBs**"). APRA has determined that Westpac is a D-SIB; and
- a Countercyclical Capital Buffer of 1.0%. The countercyclical buffer is set on a jurisdictional basis and APRA is responsible for setting the requirement in Australia. The countercyclical buffer requirement is currently set to the default of 1.0% for Australian exposures, however this may be varied by APRA in the range of 0% to 3.5%¹¹.

Collectively, the above buffers are referred to as the "**Capital Buffer**". Should the CET1 Ratio fall within the Capital Buffer range, restrictions on the distribution of earnings will apply. See Section 5.2.5.

The Total CET1 Requirement for Westpac is at least 10.25% (based on an industry minimum CET1 requirement of 4.5% plus a Capital Buffer of at least 5.75% applicable to D-SIBs), the Tier 1 Capital Ratio requirement is at least 11.75% and the Total Capital Ratio requirement is at least 13.75%¹².

APRA's Prudential Standards are generally consistent with the international regulatory framework for banks, known as Basel III, issued by the Basel Committee on Banking Supervision ("**BCBS**"), except where APRA has exercised certain discretions. On balance, the application of these discretions acts to reduce capital ratios reported under APRA's Prudential Standards relative to the BCBS approach and to those reported in some other jurisdictions.

Note:

10. APS 110 Capital Adequacy outlines the overall framework adopted by APRA for the purpose of assessing the capital adequacy of an ADI.

11. APRA will notify ADIs of any decision to set, or increase, the level of the countercyclical buffer up to 12 months before the date from which it applies.

12. Noting that APRA may apply higher requirements for an individual ADI.

5.2.3 Capital management strategy

Westpac evaluates its approach to capital management through an Internal Capital Adequacy Assessment Process. Key features include:

- the development of a capital management strategy, including consideration of regulatory capital minimums, capital buffers and contingency plans;
- consideration of regulatory capital requirements and the perspectives of external stakeholders including rating agencies as well as equity and debt investors; and
- a stress testing framework that challenges the capital measures, coverage and capital requirements including the impact of adverse economic scenarios.

The Board has determined that Westpac will target a CET1 Ratio of between 11.0% and 11.5%, in normal operating conditions. However, Westpac gives no assurances as to what its capital ratios will be at any time. These ratios may be significantly impacted by future regulatory changes, unexpected events affecting Westpac's business, operations and financial condition, any acquisitions or capital reductions and by APRA's prescriptions for the determination of these ratios.

5.2.4 Regulatory capital developments

APRA announcements on capital

APRA Discussion Paper on Additional Tier 1 Capital

In September 2023, APRA released a discussion paper titled "*Discussion paper – Enhancing bank resilience: Additional Tier 1 Capital in Australia*" ("**APRA Discussion Paper**") to explore options for, and seek feedback from stakeholders on, improving the effectiveness of Additional Tier 1 Capital in Australia. Potential options raised by APRA in the discussion paper include:

- improving key design features of Additional Tier 1 Capital instruments (including potentially increasing capital trigger event threshold requirements from the current 5.125% to a higher level) to ensure they more effectively absorb losses and can be used earlier to stabilise a bank in stress;
- changes to the level or mix of regulatory capital requirements; and
- changes to diversify the investor base for Additional Tier 1 Capital instruments in Australia away from domestic retail investors.

APRA has sought initial feedback on a number of discussion questions including on the best policy options for improving the effectiveness of Additional Tier 1 Capital to support resilience, the potential impact of those options, what transition arrangements could soften those impacts and on any other considerations or options that APRA should take into account.

Following initial feedback and discussions with stakeholders, APRA expects to undertake a formal consultation process in 2024 on any proposed amendments to the Prudential Standards. Until a formal consultation paper outlining APRA's final proposed options for changes to Additional Tier 1 Capital instruments is released, it is not possible to determine

what impact (if any) those options may have on the Notes. APRA expects that there would be transition time to enable issuers to adjust to any new requirements, including transition time for existing Additional Tier 1 Capital instruments to be replaced to ensure an orderly adjustment.

See Sections 6.1.8, 6.1.16 and 6.1.17 in relation to risks associated with the uncertainty regarding any potential changes arising out of APRA's consultation, including the potential for any changes to impact the liquidity of the Notes and reinvestment opportunities, or to trigger a "Regulatory Event" under the Westpac Capital Notes 10 Terms.

Additional loss absorbing capacity

On 2 December 2021, APRA announced a requirement for D-SIBs including Westpac, to increase Total Capital requirements by 4.5 percentage points of RWA to meet additional loss absorbing capacity. This includes an interim Total Capital requirement of 16.75% from 1 January 2024 and a final Total Capital requirement from 1 January 2026 of 18.25%. The increase in Total Capital is expected to be met through additional Tier 2 Capital.

APRA Consultation: Interest Rate Risk in the Banking Book

In November 2022, APRA released a consultation paper on changes to the calculation of interest rate risk in the banking book ("**IRRBB**"). The consultation closed in March 2023, and Westpac is awaiting APRA's response. The changes to calculation of IRRBB are currently expected to come into effect in 2025.

APRA releases final Prudential Standard CPS190 Recovery and Exit

On 1 December 2022, APRA released the final version of the Prudential Standard CPS 190 Recovery and Exit Planning ("**CPS 190**") which will come into effect from 1 January 2024 for banks and insurers, and from 1 January 2025 for Registrable Superannuation Entity licensees. CPS 190 will require these entities to develop and maintain a recovery and exit plan, and capabilities to anticipate, manage and respond in periods of stress.

Regulatory developments in New Zealand

RBNZ capital review

The RBNZ capital adequacy framework became effective from 1 July 2022. The reforms begun being phased in from 1 October 2021, with changes yet to be fully implemented including:

- Westpac New Zealand Limited's ("**WNZL**") tier 1 capital requirement will increase to 16% of RWA by 1 July 2028, of which 13.5% must be common equity tier 1 capital under RBNZ's BPR and up to 2.5% may be additional tier 1 capital under RBNZ's BPR;
- WNZL's total capital requirement will increase to 18% of RWA by 1 July 2028, of which up to 2% can be tier 2 capital under RBNZ's BPR; and
- Eligible Tier 1 capital will comprise common equity and redeemable perpetual preference shares. Existing Additional Tier 1 capital instruments will be phased out over a seven year transition period.

5. ABOUT WESTPAC

5.2.5 Distribution restrictions

Should an ADI's Level 2 or Level 1 CET1 Ratio fall below the Total CET1 Requirement of 10.25%¹³, restrictions on the percentage of earnings that can be distributed through dividends, Additional Tier 1 Capital distributions (which will include Distribution payments on the Notes) and discretionary staff bonuses will apply ("**Maximum Distributable Amount**"). Earnings are defined as distributable profits calculated prior to deduction of Tier 1 Capital Distributions on an after-tax basis.

As outlined in the table below, the Capital Buffer is divided into four quartiles for determining the Maximum Distributable Amount. Tier 1 Capital Distributions are increasingly restricted as the CET1 Ratio falls into each quartile of the Capital Buffer, with no distribution of earnings permitted when the CET1 Ratio is in the first quartile.

CET1 Ratio	Range ¹⁴	Maximum Distributable Amount
Above top of Capital Buffer	> PCR ¹⁵ + 5.75% (Capital Buffer)	100%
4th Quartile	≤ PCR + 5.75%	60%
3rd Quartile	≤ PCR + 4.31%	40%
2nd Quartile	≤ PCR + 2.88%	20%
1st Quartile	≤ PCR + 1.44%	0%

Distributions on Westpac Capital Notes 10 may not be paid if Westpac's CET1 Ratio falls into the Capital Buffer. Distributions that are not paid do not accumulate and will not be subsequently paid.

An ADI can apply to APRA to make payments in excess of the Maximum Distributable Amount. APRA will only grant approval where it is satisfied that an ADI has established measures to raise capital equal to or greater than the amount above the constraint that it wishes to distribute. The Corporations Act does not limit the sources of payment of Distributions on the Notes to the profits of a particular year or period.

Under the Westpac Capital Notes 10 Terms, Dividend and capital restrictions may apply to Westpac if a Distribution is not paid. See Section 2.1.11. This means that Westpac would give priority to the payment of distributions on Additional Tier 1 Capital securities (including Notes) over payments of Dividends so it is not restricted from paying Dividends. Other Additional Tier 1 Capital securities within the Westpac Group include similar restrictions if distributions on those securities are not paid in full.

5.2.6 Capital Trigger Event

The Westpac Capital Notes 10 Terms include certain loss absorption features required by APRA, such as Conversion of the Notes into Ordinary Shares or the termination of Holders' rights (if Conversion does not occur for any reason), when a Capital Trigger Event occurs. A Capital Trigger Event may occur if Westpac's CET1 Ratio declines to (or falls below) 5.125%, on either a Level 1 or Level 2 basis, as defined by APRA. See Sections 2.5.2, 5.2.4, 6.1.3, 6.1.4 and 6.1.5 for more information on the Capital Trigger Event.

5.2.7 CET1 surplus above Capital Trigger Event and Total CET1 Requirement of 10.25%

As at 30 September 2023, Westpac's CET1 Ratio was 12.38% on a Level 2 basis and 12.62% on a Level 1 basis. The table below shows the CET1 surplus above the Capital Trigger Event level of 5.125% and the Total CET1 Requirement of 10.25%¹⁶, below which restrictions on the distribution of earnings will apply.

CET1 surplus¹⁷

	Reported 31 March 2023 ¹⁸	Reported 30 September 2023
Level 2 CET1		
Surplus (\$bn) above Capital Trigger Event level of 5.125%	32.4	32.7
Surplus (\$bn) above Total CET1 Requirement 10.25%	9.2	9.6
Level 1 CET1		
Surplus (\$bn) above Capital Trigger Event level of 5.125%	30.7	31.0
Surplus (\$bn) above Total CET1 Requirement 10.25%	9.4	9.8

On 6 November 2023, Westpac announced that:

- it had determined a final dividend of \$0.72 for the year ended 30 September 2023;
- it intends to undertake an on-market Buy Back of up to \$1.5 billion of Ordinary Shares; and
- there is potential for future capital management should Westpac remain in an excess capital position.

No adjustments have been made to the Level 2 and Level 1 CET1 surplus for the announcements above.

Note:

- The Total CET1 Requirement of 10.25% applies to D-SIBs, however it may be higher for individual ADIs (including Westpac) – see Section 5.2.2.
- Percentages are indicative based on the current Capital Buffer and have been rounded to 2 decimal places.
- Prudential capital requirement for CET1. Currently 4.5% for D-SIBs, however, it may be higher for individual ADIs (including Westpac).
- The Total CET1 Requirement of 10.25% applies to D-SIBs, however it may be higher for individual ADIs (including Westpac) – see Section 5.2.2.
- No adjustments have been made to the Level 2 and Level 1 CET1 surplus for the payment of the final dividend of \$0.72 determined for the year ended 30 September 2023 (expected CET1 reduction of approximately 54 basis points on a pro forma Level 2 CET1 Ratio basis), the intended \$1.5 billion on-market Buy Back of Ordinary Shares announced by Westpac on 6 November 2023 (expected CET1 reduction of approximately 33 basis points on a pro-forma Level 2 CET1 Ratio basis) or for any potential future capital management.
- APRA's revised capital framework became effective on 1 January 2023 and includes updated prudential standards for capital adequacy and credit risk capital. The revisions include amendments to capital requirements, revisions to the calculation of credit RWA, introduction of a capital floor and introduction of a minimum leverage ratio. Accordingly, comparative capital ratios have only been presented for 31 March 2023, as prior periods were reported under the capital framework applicable prior to these changes and have not been restated.

Differences between Westpac's Level 2 and Level 1 CET1 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 requires surplus capital to be 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 CET1 Ratio on a Level 2 or Level 1 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.

5.3 Funding and liquidity

5.3.1 Funding

The Westpac Group has a Liquidity Risk Management Framework which seeks to meet cash flow obligations under a wide range of market conditions and scenarios, as well as meeting the requirements of the Liquidity Coverage Ratio ("**LCR**") and Net Stable Funding Ratio ("**NSFR**").

Westpac has maintained a strong liquidity position and conservative funding profile throughout the 2023 financial year, with key ratios and metrics comfortably above minimum requirements.

LCR

The LCR is designed to enhance banks' short-term resilience, by measuring the level of high-quality liquid assets ("**HQLA**"), held against its liquidity needs for a 30 calendar day period under a regulator-defined stress scenario.

Westpac's average LCR for the quarter ended 30 September 2023 was 134%, an increase of two percentage points in the ratio compared to the quarter ended 30 September 2022 and well above the regulatory minimum.

Westpac held an average of \$182 billion in HQLA in the September 2023 quarter, which includes approximately \$46 billion in HQLA above the 100% LCR minimum. The Westpac Group's portfolio of HQLA provides a buffer against periods of liquidity stress, as well as meeting regulatory requirements. HQLA include cash, deposits with central banks, government and semi-government securities, and are recognised in the LCR calculation at market value.

The Westpac Group also has access to non-HQLA and other assets that are eligible for re-purchase with a central bank under certain conditions and provide a source of additional liquidity for the Westpac Group. These assets include private securities and self-originated AAA-rated mortgage-backed securities.

NSFR

The NSFR is designed to encourage banks' longer-term funding resilience. To comply, banks are required to maintain an NSFR of at least 100% at all times. Westpac's NSFR was 115% at 30 September 2023, well above the 100% minimum.

INVESTMENT RISKS

SECTION 6

This Section sets out:

- 6.1 Investment risks relating to the Westpac Capital Notes 10
- 6.2 Investment risks relating to Westpac

6 INVESTMENT RISKS

Before applying for any Notes, you should consider whether the Notes are a suitable investment for you. There are risks associated with an investment in the Notes, many of which are outside the control of Westpac. These risks include those in this Section 6 and other matters referred to in this Prospectus. You should carefully consider the risks described and the other information in this Prospectus before investing in the Notes. The risks and uncertainties described in this Section 6 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 Notes or Westpac.

6.1 Investment risks relating to the Westpac Capital Notes 10

Set out in this Section 6.1 are risks associated specifically with an investment in the Notes. In particular, these risks arise from the nature of the Notes and the Westpac Capital Notes 10 Terms. You should also consider the other risks in Section 6.2 as they relate to Westpac.

6.1.1 Distributions may not be paid

There is a risk that Distributions may not be paid. The Westpac Capital Notes 10 Terms 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.

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 CET1 Ratios fall below the Total CET1 Requirement of 10.25%¹ (as more fully described in Section 5.2.5). 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 default² and Holders have no right to apply for a Winding Up on the grounds of Westpac's failure to pay a Distribution.

If for any reason a Distribution has not been paid in full for a relevant Distribution Payment Date, Westpac must not (except in certain limited circumstances):

- determine or pay any Dividends; or
- undertake any discretionary Buy Back or Capital Reduction,

unless and until:

- the amount of the unpaid Distribution is paid in full within 20 Business Days of the relevant Distribution Payment Date;
- all Notes are Converted at their full Face Value, Redeemed or terminated following a failure to Convert;
- a Distribution for any subsequent Distribution Period is paid in full on the relevant Distribution Payment Date; or
- a Special Resolution has been passed approving such action.

These restrictions would not apply where the reason a Distribution was not paid was because the Distribution Rate was zero or negative (see Section 2.1.3).

The restrictions on determining or paying Dividends mean that Westpac would give priority to the payment of distributions on Additional Tier 1 Capital securities (including 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.

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

6.1.2 Westpac may initiate Conversion, Redemption or Transfer of Notes

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

- some or all of the Notes on 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032; or
- all of the Notes following the occurrence of a Tax Event or Regulatory Event.

If Westpac elects to Redeem 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 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 Notes.

Notes:

1. The Total CET1 Requirement of 10.25% applies to D-SIBs, however it may be higher for individual ADIs (including Westpac) – see Section 5.2.2.
2. The Westpac Capital Notes 10 Terms do not include any events of default.

6 INVESTMENT RISKS

APRA has recently reinforced existing prudential requirements and its expectations for regulated entities (such as Westpac) seeking APRA's approval to redeem capital instruments (such as the Notes). This includes the requirement that a capital instrument should not be redeemed and replaced with one that has a higher credit spread or that is otherwise more expensive unless Westpac has satisfied APRA as to the economic and prudential rationale for redeeming the capital instrument and the redemption does not create an expectation that other capital instruments will be redeemed in similar circumstances. APRA's expectations and the applicable Prudential Standards may affect the ability of Westpac to elect to Redeem the Notes early. The matters to which APRA may have regard in considering whether to give its approval are not limited and may change.

Holders have no right to request or require a Conversion, Redemption or Transfer of their 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 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 Face Value of the Notes which may be less than their market value immediately prior to Redemption.

6.1.3 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 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 of the 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.

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 extensive 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 or potential loss of investor and/or customer confidence with respect to Westpac's overall financial resilience. 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.

In addition, APRA has broad powers under Australian legislation (including but not limited to the Banking Act and the *Australian Prudential Regulation Authority Act 1998* (Cth)) with respect to the regulation of ADIs and instruments issued by ADIs such as the Notes. For example, these powers could potentially be used, in appropriate circumstances, to invoke trigger event features (such as write-off) in instruments such as the Notes. In these circumstances where Additional Tier 1 Capital instruments, such as the Notes, are written-off, holders will likely be worse off than holders of Ordinary Shares.

While there are currently no Australian precedents, there are international examples where a regulator and/or government authority has invoked trigger event features in bank hybrid instruments, leading to a conversion and/or write-off of such securities. For example, in March 2023, increasing investor and customer concerns relating to Credit Suisse's financial position led to a significant deposit outflow, which led the Swiss authorities to grant extraordinary liquidity support and a default guarantee. FINMA, the Swiss banking regulator, deemed this assistance to constitute "extraordinary government support" and, therefore, a "viability event" under the contractual terms of Credit Suisse's Additional Tier 1 capital instruments and required that those Additional Tier 1 capital instruments be written-off.

See Section 5.2.7 for further details regarding the surplus of Common Equity Tier 1 Capital above the Capital Trigger Event level of 5.125%.

Differences between Westpac's Level 2 and Level 1 CET1 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 requires surplus capital to be 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 CET1 Ratio on a Level 2 or Level 1 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 Notes. See Sections 6.1.4, 6.1.5 and 6.1.11.

6.1.4 Conversion 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 Notes (or a percentage of the Face Value of each Note) into the Conversion Number of Ordinary Shares based on the VWAP during the 5 Business Days prior to, but not including, the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date.

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 all of the 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.

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 Business Days prior to a Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date, the value of Ordinary Shares received for each 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 approximately \$101.01 for each Note (based on the Initial Face Value of \$100 per Note).

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 Westpac Capital Notes 10 Terms 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 of Relevant Securities

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

- first, Westpac is required to convert, write-off or write down such number or amount of the face value of any other Relevant Securities whose terms require them to be converted, written-off or written down before Conversion of the 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 the 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 Face Value of the Notes and the face value 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 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 of the relevant number of Notes or percentage of the Face Value of each Note (as the case may be), or, if applicable, termination of the relevant Holders' rights and claims. In addition, where the Relevant Securities are in different currencies, Westpac may treat the Relevant Securities as if converted into a single currency at rates of exchange it considers reasonable. However, this determination must not impede the immediate Conversion of the relevant number of Notes.

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 Notes and Westpac gives no assurance that there will be any such instruments on issue at the time at which the Notes may be required to be Converted.

Further, in Converting 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 the effect on marketable parcels of Notes and other logistical considerations. Accordingly, should a Capital Trigger Event or Non-Viability Trigger Event occur and only some of the Notes must be Converted, it is possible that not all Holders will have their Notes Converted into Ordinary Shares.

Westpac expects that any ASX purchase or sale transactions in Notes that have not settled on the date a Capital Trigger Event or Non-Viability Trigger Event occurs will continue to settle in accordance with the normal ASX T+2 settlement, although Westpac expects that the seller will be treated as having delivered, and the buyer will be treated as having acquired, the number of Ordinary Shares into which the Notes have been Converted as a result of the occurrence of the Capital Trigger Event or Non-Viability Trigger Event.

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 would likely be affected if not listed.

6 INVESTMENT RISKS

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 Notes. Like Distributions on the 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 Notes to changes in Westpac's performance, operational issues and other business issues.

6.1.5 Termination of rights where Conversion does not occur following a Capital Trigger Event or Non-Viability Trigger Event

If for any reason Conversion of Notes does not occur and the Ordinary Shares are not issued for any reason by 5.00pm on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), then:

- those Notes will not be Converted in respect of such Capital Trigger Event or Non-Viability Trigger Event (as the case may be) and will not be Converted, Redeemed or Transferred on any subsequent date; and
- all rights in relation to those Notes will be terminated (written-off) immediately on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), and Holders will lose all of the value of their investment in those Notes and they will not receive any compensation or unpaid Distributions.

Conversion of 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 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 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 Notes not occurring and Holders losing all of the value of their investment.

6.1.6 Investments in Notes are not deposit liabilities or protected accounts under the Banking Act or Financial Claims Scheme

Investments in the 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 Notes are not guaranteed or insured by the Australian Government, any government agency or compensation scheme of Australia or any other jurisdiction.

6.1.7 Market price of the Notes may fluctuate

Westpac will apply for quotation of the Notes on the ASX, but Westpac is unable to forecast the market price and liquidity of the market for the Notes. The Notes may experience market price volatility more or less than Ordinary Shares. The market price for the 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 potential changes to the Prudential Standards pursuant to the proposed APRA consultation process described in Section 5.2.4 or intervention by ASIC in the market for the Notes or similar securities), changes in the laws relating to the taxation treatment of 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 pandemics, such as COVID-19, 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 Notes will trade at a market price above or below the Face Value as a result of these and other factors.

6.1.8 The liquidity of the Notes may be low

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

The liquidity of the market for the Notes may be impacted by a number of factors, including changes in law such as the DDO Laws that came into force in October 2021 (see the “Design and distribution obligations” section at the front of this Prospectus), or any changes to the Prudential Standards, including any that occur pursuant to the Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024 (for details on the APRA Discussion Paper, see Section 5.2.4), which could potentially lead to a change in the investor base or a material reduction in future issuance volumes, reinvestment opportunities or secondary market trading activity. If such factors increase the difficulty of undertaking further issuance of Additional Tier 1 Capital securities such as the Notes, this could also in turn affect the likelihood of Westpac electing to Redeem or Transfer the Notes rather than Converting them.

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

6.1.9 Changes in the Distribution Rate

The Distribution Rate is calculated for each Distribution Period by reference to the relevant 3 month BBSW Rate, which is influenced by a number of factors and varies over time. The Distribution Rate will fluctuate and may increase and/or decrease over time with movements in the 3 month BBSW Rate. It is possible for the 3 month BBSW Rate to become negative. 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%. 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%, it could move negative depending on supply and demand in the prime bank paper market. The Eurozone, Switzerland, Japan and Denmark are examples of jurisdictions where central banks have previously 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).

Refer to the graph in Section 2.1.4 to see the movements in the 3 month BBSW Rate over the last 10 years.

The Distribution Rate is also affected by the corporate tax rate. If the corporate tax rate were to change, the Distribution Rate, the cash amount of Distributions and the amount of any franking credits will change.

As the Distribution Rate 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 the Notes.

6.1.10 Use of franking credits by Holders

Australian resident Holders may be entitled to use franking credits to offset their tax liability and Australian resident 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.

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

Investors should refer to the Australian tax summary in Section 7 and should seek professional advice in relation to their tax position and monitor any potential changes to government policy relating to franking credits on an ongoing basis. It is expected that the ATO will issue a Class Ruling for Holders in respect of the Westpac Capital Notes 10 which is consistent with the Australian tax summary in Section 7.

6.1.11 Ranking of the Notes

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

- ahead of Ordinary Shares;
- equally with all Equal Ranking Capital Securities which at the Issue Date, would include Westpac Capital Notes 5, Westpac Capital Notes 6, Westpac Capital Notes 7, Westpac Capital Notes 8, Westpac Capital Notes 9 and Westpac USD AT1 Securities; and
- behind Senior Creditors.

If, in a Winding Up, the Notes have not been Converted, Redeemed, or Transferred, 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 \$100 per Note (as adjusted for a Conversion under clauses 5.2 or 5.4 of the Westpac Capital Notes 10 Terms or termination of rights under clause 5.8 of the Westpac Capital Notes 10 Terms).

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

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

If the 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.

6 INVESTMENT RISKS

If for any reason Conversion of 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 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 Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), then:

- those Notes will not be Converted in respect of such Capital Trigger Event or Non-Viability Trigger Event (as the case may be) and will not be Converted, Redeemed or Transferred on any subsequent date; and
- all rights in relation to those Notes will be terminated (written-off) immediately on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), and Holders will lose all of the value of their investment in those Notes and they will not receive any compensation or unpaid Distributions. In these circumstances, those Notes will have no ranking in a Winding Up and Holders are likely to be worse off than holders of Ordinary Shares.

6.1.12 Changes to credit rating

Any credit rating assigned to the 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, anticipated changes or other changes could adversely affect the market price and liquidity of the Notes or other Westpac securities.

6.1.13 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 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 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.

6.1.14 Holders cannot request Conversion, Redemption or Transfer of the Notes

Holders have no right to request Conversion, Redemption or Transfer of the Notes for any reason. Therefore, to realise their investment Holders would have to sell their Notes on the ASX at the prevailing market price. Depending on market conditions at the time, the Notes may be trading at a market price below the Face Value and/or the market for the Notes may not be liquid. Brokerage fees may also be payable if Notes are sold through a broker. Westpac does not guarantee that Holders will be able to sell Notes on the ASX at an acceptable price or at all.

6.1.15 Conversion may or may not occur on 22 June 2034

The Notes may Convert into Ordinary Shares on 22 June 2034, being the first possible Scheduled Conversion Date. However, there is a risk that Conversion will not occur on 22 June 2034 because the Scheduled Conversion Conditions are not satisfied – see Sections 2.2.3 and 2.2.5. The Scheduled Conversion Conditions will not be satisfied if the VWAP of Ordinary Shares on the 25th 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 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 Notes, subject to the Distribution Payment Conditions.

The 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 Notes may never Convert.

6.1.16 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 Notes or potentially increase the chance at a later date that Conversion of 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 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).

See Section 6.1.4 for the risk associated with Conversion of the Notes due to the occurrence of a Capital Trigger Event or Non-Viability Trigger Event.

See Sections 5.2.2 and 5.2.4 for more information about the Basel III capital framework and proposed changes to regulatory capital requirements, including potential changes to the Prudential Standards (such as increasing the Capital Trigger Event level to above 5.125%) pursuant to an Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024 (for details on the APRA Discussion Paper, see Section 5.2.4). The Westpac Capital Notes 10 Terms may be amended without the approval of Holders to comply with applicable laws (including the requirements of any statutory authority, such as APRA – see Section 6.1.27).

6.1.17 Regulatory classification or change

APRA has confirmed that the Notes will be eligible for inclusion as Additional Tier 1 Capital under APRA's Prudential Standard APS 111 Capital Adequacy: Measurement of Capital.

However, Westpac may determine that a Regulatory Event has occurred and may elect to Convert, Redeem (subject to APRA's prior written approval) or Transfer the Notes (see Sections 2.3, 2.4 and 6.1.2) if APRA subsequently determines that all, some or a proportion of the 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) or as a result of any changes to the Prudential Standards, including any that occur pursuant to the Additional Tier 1 Capital consultation process expected to be undertaken by APRA in 2024 (for details on the APRA Discussion Paper, see Section 5.2.4).

A Regulatory Event may also occur as a result of other regulatory changes. See Section 2.3.3 for information on what constitutes a Regulatory Event, and Section 6.2.3 for risks associated with regulation for Westpac generally.

6.1.18 Westpac may issue a Transfer Notice requiring the Transfer of Notes to a Nominated Party

Westpac may elect to issue a Transfer Notice, requiring all or some Notes (in the case of a Transfer on 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032) or all Notes (in the case of a Tax Event or Regulatory Event) to be Transferred to a Nominated Party for a cash amount per Note equal to the Face Value.

Upon a Transfer of Notes, it will be the Nominated Party's obligation to pay the aggregate Face Value of the 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 Notes in accordance with the Westpac Capital Notes 10 Terms.

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.

6.1.19 No fixed maturity date

The Notes are perpetual instruments. The 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 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.

6.1.20 DDO Laws

On 5 April 2019, the DDO Laws came into force and introduced new product intervention powers for ASIC, which took effect immediately, as well as product design and distribution obligations on certain issuers and distributors of financial products (including hybrids such as Westpac Capital Notes 10) to retail investors, which took effect in October 2021.

The product design and distribution obligations require (among other things) issuers to prepare and make publicly available a target market determination, issuers to take reasonable steps to ensure compliance with the target market determination by distributors and distributors to take reasonable steps to ensure their distribution is consistent with the target market determination.

In addition, the DDO Laws provide ASIC with significant, proactive powers to issue product intervention orders if it believes that a financial product (such as Westpac Capital Notes 10) has resulted, will result, or is likely to result in significant detriment to retail investors. The scope of the product intervention power is broad and includes (but is not limited to) the power for ASIC to intervene in relation to a particular financial product (such as Westpac Capital Notes 10) or a class of financial products (such as bank hybrid securities) to prohibit or regulate the distribution of that financial product or class of financial products. ASIC can exercise this power regardless of whether Westpac has complied with its obligations under the DDO Laws and the law generally in relation to Westpac Capital Notes 10.

There is a risk that they may adversely impact the issue, distribution and reinvestment of financial products, including instruments like Westpac Capital Notes 10. It is possible that investors who may have previously invested in Westpac Capital Notes are no longer eligible to apply for Westpac Capital Notes in the primary offer. These changes may also affect the liquidity of existing and new instruments (including hybrids such as Westpac Capital Notes 10), if they lead to a material reduction in future issuance volumes or secondary trading activity by investors.

6 INVESTMENT RISKS

6.1.21 Taxation treatment

A general description of the Australian taxation consequences of investing in the Notes is set out in Section 7. The information in Section 7 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, you should seek independent advice in relation to your individual tax position before you choose to apply for or invest in the 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 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 Notes (subject to the conditions contained in the Westpac Capital Notes 10 Terms, 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 – see Section 2.3.2).

6.1.22 Foreign Account Tax Compliance Act (“FATCA”) withholding and reporting

In order to comply with FATCA, Westpac (or, if 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 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 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 Notes or with respect to the issuance of any Ordinary Shares upon any Conversion, Holders and beneficial owners of 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 Notes remains uncertain. Prospective investors are advised to consult their own tax advisers about the application of FATCA to the Notes.

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

6.1.23 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 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.

6.1.24 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 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 Westpac 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 Westpac Capital Notes 10 Terms. 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 Notes and this may adversely affect the position of Holders.

6.1.25 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 Notes; or
- have the same or different dividend, interest or distribution rates as the Notes; or
- have the same or different terms and conditions as the Notes.

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

The Westpac Capital Notes 10 Terms do not require Westpac to refrain from certain business changes or require Westpac to operate within certain ratio limits.

An investment in 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 Notes.

6.1.26 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 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 Notes and as the issuer in respect of the ordinary shares issued on Conversion and to make certain other amendments to the Westpac Capital Notes 10 Terms. 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 Notes and the issuer of the ordinary shares on Conversion is effected under the Westpac Capital Notes 10 Terms,

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 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.

6 INVESTMENT RISKS

6.1.27 Amendment of the Westpac Capital Notes 10 Terms

Westpac may, with APRA's prior written approval where required and subject to compliance with applicable laws, amend the Westpac Capital Notes 10 Terms without the approval of Holders. This includes an amendment which, in Westpac's opinion, is:

- of a formal, minor or technical nature;
- made to cure ambiguities and manifest errors;
- necessary to give effect to the listing of the Notes on any stock exchange or to comply with applicable laws (including the requirements of any statutory authority, such as APRA); or
- generally not materially prejudicial to the interest of Holders as a whole.

Westpac may also amend the Westpac Capital Notes 10 Terms, with APRA's prior written approval, if the amendment has been approved by a Special Resolution of Holders or is necessary to effect the substitution of an Approved Successor as the debtor in respect of the 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.

Westpac may also amend the Westpac Capital Notes 10 Terms in certain circumstances where the 3 month BBSW Rate ceases to be available (i.e. a BBSW Rate Disruption Event occurs) and replace the 3 month BBSW Rate with an alternative rate and any related adjustments that Westpac considers appropriate (subject to APRA's prior written approval), acting in good faith and in a commercially reasonable manner, and make certain other consequential amendments to the Westpac Capital Notes 10 Terms. Such amendments could adversely affect the interests of Holders.

APRA's prior written approval to amend the Westpac Capital Notes 10 Terms is always required where the amendment would impact, or potentially impact, the classification of the Notes as Additional Tier 1 Capital on a Level 1 or Level 2 basis.

6.1.28 No rights if control of Westpac is acquired

If a person other than an Approved Successor acquires control of Westpac, the Westpac Capital Notes 10 Terms 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 the 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 Business Days on which the Ordinary Shares were last traded on the ASX. The period of 5 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.

6.2 Investment risks relating to Westpac

Set out in this Section 6.2 are specific risks associated with an investment in Westpac. Westpac's business is subject to risks that can adversely impact its financial performance, financial condition and future performance. These risks are relevant to an investment in Notes and Ordinary Shares as the value of such an investment in Notes will depend on Westpac's financial condition and future performance, regardless of when or if the Notes are Converted, Redeemed, Transferred or, in the event of a Capital Trigger Event or Non-Viability Trigger Event, terminated. If any of the following risks occur, Westpac's business, prospects, reputation, financial performance or financial condition could be materially adversely affected, and the likelihood of a Capital Trigger Event or Non-Viability Trigger Event may increase, with the result that the trading price of Westpac's securities could decline and as a Holder you could lose all, or part, of your investment.

The risks and uncertainties described below can emerge together or quickly in succession in a fashion that is uncorrelated with the order in which they are presented below, and they 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 Westpac.

The summary of risks in this Section 6 is not exhaustive and you should read this Prospectus in its entirety and consult your financial adviser or other professional adviser before deciding whether to invest in Westpac Capital Notes 10.

6.2.1 Westpac has suffered, and could in the future suffer, information security risks, including cyberattacks

Westpac (and other third parties that it engages with, including its external service providers, business partners, customers and organisations that Westpac acquires or invests in) faces information security risks. These risks are heightened by a range of factors including: the inherent risks in existing and new technologies; increasing digitisation of business processes within, and transactions among, organisations; the increased volume of data (including sensitive data) that organisations collect, generate, hold, use and disclose; the global increase in the sophistication, severity and volume of cyber crime (including the increased occurrence of cyberattacks globally); supply chain disruptions; the prevalence of remote and hybrid working for employees, staff of service providers, and customers; the targeting of local service providers; ongoing and emerging geo-political tensions or wars; and other external events such as acts of terrorism and attacks from state sponsored actors, which could compromise Westpac's information assets and interrupt its usual operations and those of its customers, suppliers and counterparties.

Adverse information security events such as data breaches, cyberattacks, espionage and/or errors are occurring at an unprecedented pace, scale and reach. Cyberattacks and other information security breaches have the potential to cause: financial system instability; reputational damage; serious disruption to customer banking services; economic and non-economic losses to Westpac, its customers, shareholders, suppliers, counterparties and others; compromise data privacy of customers, shareholders, employees and others; and

exposure to contagion risk. While Westpac has systems in place to protect against, detect, contain and respond to cyberattacks and other information security threats, these systems have not always been, and may not always be, effective.

Westpac, its customers, shareholders, employees, suppliers, counterparties or others could suffer losses from cyberattacks, information security breaches or ineffective cyber resilience. Westpac's risks may be heightened where Westpac is holding customer data in breach of legal or regulatory obligations, and that data is compromised as part of a cyberattack or other information security incident. Westpac may not be able to anticipate and prevent a cyberattack or other information security incident, or effectively respond to and/or rectify the resulting damage. Westpac's suppliers and counterparties, and other parties that facilitate Westpac's activities, financial platforms and infrastructure (such as payment systems and exchanges that hold data in relation to Westpac's existing or potential customers) as well as Westpac's customers' suppliers and counterparties are also subject to the risk of cyberattacks and other information security breaches, which could in turn impact Westpac. As the scale and volume of cyberattacks increases globally, there is an increased likelihood of enforcement action from global and domestic regulators and other action from customers or shareholders, such as class action litigation, for information security risk management failures, for failing to protect Westpac's information assets (including customer and other data), for misleading statements made about Westpac's information security practices or for deficiencies in Westpac's response to cyberattacks and information security threats (including any delayed, deficient or misleading notifications).

Westpac's operations rely on the secure processing, storage and transmission of information on its computer systems and networks, and the systems and networks of external suppliers. Although Westpac implements measures to protect the confidentiality, availability and integrity of its information, Westpac's information assets (including the computer systems, software and networks on which Westpac, or its customers, shareholders, employees, suppliers, counterparties or others rely) may be subject to security breaches, unauthorised access, malicious software, external attacks or internal breaches that could have an adverse impact on Westpac's and their confidential information.

Consequences of a successful cyberattack or information security breach (whether targeting Westpac or third parties) could include: damage to technology infrastructure; the potential use of incident response and intervention powers by the Australian Government under the *Security of Critical Infrastructure Act 2018* (Cth); disruptions or other adverse impacts to network access, operations or availability of services; loss of customers, suppliers and market share or reputational damage; loss of data or information; cyber extortion; customer remediation and/or claims for compensation; breach of applicable laws and regulations; increased vulnerability to fraud and scams; litigation and adverse regulatory action including fines or penalties and increased regulatory scrutiny and enforcement action (including the imposition of licence conditions).

All these potential consequences could have regulatory impacts and negatively affect Westpac's business, prospects, reputation, financial performance or financial condition. As cyber threats evolve, Westpac may need to allocate significant resources and incur additional costs to modify or enhance Westpac's systems, investigate and remediate any vulnerabilities or incidents and respond to changing regulatory environments (including regulatory inquiries).

6.2.2 Westpac could be adversely affected by legal or regulatory change

Westpac operates in an environment of sustained legal and regulatory change and ongoing scrutiny of financial services providers. Westpac's business, prospects, reputation, financial performance and financial condition have been, and could in the future be, adversely affected by changes to law, regulation, policies, supervisory activities, the expectations of regulators, and the requirements of industry codes of practice, such as the Banking Code of Practice.

Such changes may affect how Westpac operates and have altered, and may in the future alter, the way Westpac provides its products and services, in some cases requiring Westpac to change or discontinue its offerings. This includes possible future changes in laws, regulations, policy or regulatory expectations arising from ongoing industry-wide reviews and inquiries - for example, the ongoing Senate inquiry into regional and rural branch closures. These changes have in the past limited, and could continue to limit, Westpac's flexibility, require it to incur substantial costs (such as costs of systems changes, the levies associated with the Compensation Scheme of Last Resort, or if Westpac's liability for scams or operational costs relating to scam management are increased as a result of legal or regulatory change), impact the profitability of Westpac's businesses, require Westpac to retain additional capital, impact Westpac's ability to pursue strategic initiatives, result in Westpac being unable to increase or maintain market share and/or create pressure on margins and fees. Changes to regulations in relation to cyber, data, privacy, fraud and scams may also affect the level of threat acting in Australia.

A failure to manage legal or regulatory changes effectively and in the timeframes required has resulted, and could in the future result, in the Westpac Group not meeting its compliance obligations. It could also result in enforcement action, penalties, fines, civil litigation, capital impacts and ultimately loss of business licences. Managing large volumes of regulatory change simultaneously has created, and will continue to create, execution risk. While Westpac updates its technology, systems and processes to keep pace with legal and regulatory change, these steps may not always be successful. System changes can also increase the risk of flaws, human error or unintended consequences and this risk is exacerbated by frequent requirements for change. Westpac expects that it will continue to invest significantly in compliance and the management and implementation of legal and regulatory changes. Significant management attention, costs and resources may be required to update existing, or implement new, processes to comply with such changes. The availability of skilled personnel required to implement changes may be limited.

6 INVESTMENT RISKS

6.2.3 Westpac has been and could be adversely affected by failing to comply with laws, regulations or regulatory policy

Westpac is responsible for ensuring that it complies with all applicable legal and regulatory requirements and industry codes of practice in the jurisdictions in which Westpac operates or obtains funding.

Westpac is subject to compliance and conduct risks. These risks are exacerbated by the complexity and volume of regulation, and the level of ongoing regulatory change, including where Westpac interprets its obligations and rights differently to regulators or a Court, tribunal or other body, or where applicable laws (in different jurisdictions or between regimes in Australia) conflict. The potential for this is heightened when regulation is new, untested or is not accompanied by extensive regulatory guidance, or where industry consultation is limited.

Westpac's compliance management system (which is designed to identify, assess and manage compliance risk) has not always been, and may not always be, effective. Breakdowns have occurred, and may in the future occur, due to flaws in the design or implementation of controls or processes, or when new measures are implemented in short periods of time. These factors can result in a failure by the Westpac Group to meet its compliance obligations (including obligations to report or provide information to regulators). As reviews and change programs are progressed, compliance issues have been, and will likely continue to be, identified.

Conduct risk has occurred, and could continue to occur, through the provision of products and services to customers (including vulnerable customers and customers in hardship) that do not meet their needs or do not meet the expectations of the market. It has occurred, and could continue to occur, through the deliberate, reckless, negligent, accidental or unintentional conduct of Westpac's employees, contractors, agents, authorised representatives, credit representatives (for example, in Westpac's RAMS franchise networks) and/or external services providers that results in the circumvention or inadequate implementation of Westpac's controls, processes, policies or procedures. This could occur through a failure to meet professional obligations to specific clients (including fiduciary, suitability, responsible lending and hardship requirements), conflicts of interest, weakness in risk culture, corporate governance or organisational culture, poor product design and implementation, failure to adequately consider customer needs or selling products and services outside of customer target markets. These risks are heightened where there has been, or is in the future, inadequate supervision and oversight of Westpac's distribution channels. A failure by Westpac's people to comply with its policies, procedures or the law could also negatively impact other employees, which could lead to outcomes including litigation and reputational damage for Westpac.

These factors have resulted, and could continue to result, in poor customer outcomes (including for vulnerable customers and customers in hardship), a failure by the Westpac Group to meet its compliance obligations (or to promptly detect, report and/or remedy non-compliance) and other outcomes including reputational damage and increased regulatory surveillance or investigation. Westpac is currently subject to a number of investigations, reviews and industry inquiries by, and is responding to a number

of requests from, domestic and international regulators including APRA, ASIC, the ATO, the ACCC, AUSTRAC, Banking Code Compliance Committee, Financial Industry Regulatory Authority, Australian Financial Complaints Authority, RBNZ and the Fair Work Ombudsman, Federal Financial Supervisory Authority (BaFin), Bank of Papua New Guinea ("BPNG") and BPNG's Financial Analysis and Supervision Unit, involving significant resources and costs.

Regulatory reviews and investigations have in the past, and may in the future, result in a regulator taking administrative or enforcement action against the Westpac Group and/or its representatives. Regulators have broad powers, and in certain circumstances, can issue directions to Westpac (including in relation to product design and distribution and remedial action). Regulators could also pursue civil or criminal proceedings, seek substantial fines, civil penalties, compliance regimes or other enforcement outcomes. Penalties can be (and have been) more significant where it has taken some time to identify contraventions, or to investigate, correct or remediate contraventions, where there are patterns of similar conduct, or where there has been awareness of contraventions. In addition, regulatory investigations may lead to adverse findings against directors and management, including potential disqualification. The allocation of resources to regulatory reviews and investigations can also impede other activities, including change, simplification and remediation activities.

APRA can also require the Westpac Group to hold additional capital either through a capital overlay or higher risk weighted assets (including in response to a failure to comply with prudential standards and/or expectations including in relation to, for example, stress testing and liquidity management). Following the commencement of civil penalty proceedings, APRA imposed a \$500 million Culture, Governance and Accountability Review overlay and a further \$500 million Risk Governance overlay to Westpac's required operational risk capital in 2019. Both overlays continue to apply.

If the Westpac Group incurs additional capital overlays, Westpac may need to raise additional capital, which could have an adverse impact on its financial performance.

The political and regulatory environment that Westpac operates in has seen (and may continue to see) the expansion of powers of regulators along with materially increased civil penalties for corporate and financial sector misconduct or non-compliance and an increase in criminal prosecutions against institutions and/or their employees and representatives (including where there is no fault element). This could also result in reputational damage and impact the willingness of customers, investors and other stakeholders to deal with Westpac. Given the size of Westpac and scale of its activities, a failure by Westpac may result in multiple contraventions, which could lead to significant financial and other penalties.

Regulatory investigations or actions commenced against the Westpac Group have exposed, and may in the future expose, the Westpac Group to an increased risk of litigation brought by third parties (including through class action proceedings), which may require Westpac to pay compensation to third parties and/or to undertake further remediation activities. In some cases, the amounts claimed and/or to be paid may be substantial. Market developments suggest the scope and nature of potential claims is expanding, including in relation to cyber

incidents, financial crime and environmental, social and governance issues. Westpac has incurred significant remediation costs on a number of occasions (including compensation payments and costs of correcting issues) and new issues may arise requiring remediation. Westpac has faced, and may continue to face, challenges in effectively and reliably scoping, quantifying and implementing remediation activities, including determining how to compensate impacted parties properly, fairly and in a timely way. Remediation activities may be affected or delayed by a number of factors including the number of customers (or other parties) affected, the commencement of investigations or litigation (including regulatory or class action proceedings), requirements of regulators (including as to the method or timeframe for remediation) or difficulties in locating or contacting affected parties and any reluctance of affected parties to respond to contact. Investigation of the underlying issue may be impeded due to the passage of time, technical system constraints, or inadequacy of records. Remediation programs may not prevent regulatory action or investigations, litigation or other proceedings from being pursued, or sanctions being imposed.

Regulatory investigations, inquiries, litigation, fines, penalties, infringement notices, revocation, suspension or variation of conditions of regulatory licences or other enforcement or administrative action or agreements (such as enforceable undertakings) have and could, either individually or in aggregate with other regulatory action, adversely affect Westpac's business, prospects, reputation, financial performance or financial condition.

6.2.4 Westpac has suffered, and in the future could suffer, losses and be adversely affected by the failure to implement effective risk management

Westpac's risk management framework has not always been (and may not in the future be) effective, and the resources Westpac has in place for identifying, escalating, measuring, evaluating, monitoring, reporting and controlling or mitigating material risks may not always be adequate. This may arise due to inadequacies in the design of the framework or key risk management policies, controls and processes, the design or operation of Westpac's remuneration structures and consequence management processes, technology failures, incomplete implementation or embedment, or failure by Westpac's people (including contractors, agents, authorised representatives and credit representatives) to comply with or properly implement Westpac's policies and processes. The potential for these types of failings is heightened if Westpac does not have appropriately skilled, trained and qualified people in key positions or Westpac does not have sufficient capacity, including people, processes and technology, to appropriately manage risks.

There are also inherent limitations with any risk management framework as risks may exist, or emerge in the future, that Westpac has not anticipated or identified.

The risk management framework may also prove ineffective because of weaknesses in risk culture or risk governance practices and policies (for example, where there is a lack of awareness of Westpac's policies, controls and processes or where they are not adequately monitored, audited or enforced). This may result in poor decision-making or risks and control weaknesses not being identified, escalated or acted upon.

Westpac is required to periodically review its risk management framework to determine if it remains appropriate. Past analysis and reviews, in addition to regulatory feedback, have highlighted that while there have been improvements, the framework is still not operating satisfactorily in a number of respects and needs continued focus.

As part of Westpac's risk management framework, Westpac measures and monitors risks against its risk appetite. When a risk is out of appetite, the Westpac Group seeks to take steps to bring this risk back into appetite in a timely way. This may include improving the design of Westpac's risk class frameworks and supporting policies. However, Westpac may not always be able to bring a risk back within appetite within proposed timeframes or institute effective improvements (for example, records management). This may occur because, for example, the required changes involve significant complexity, or because the Westpac Group experiences delays in enhancing Westpac's information technology systems, in recruiting or having sufficient appropriately trained staff for required activities (including where staff are occupied by other regulatory change or remediation projects) or operational failure. It is also possible that due to external factors beyond Westpac's control, certain risks may be inherently outside of appetite for periods of time.

Weaknesses in risk culture and risk management practices have resulted, and may continue to result, in regulatory action. Westpac continues to implement its Integrated Plan in relation to risk governance and remediation, with Promontory Australia as Independent Reviewer providing regular updates to APRA. Promontory Australia has provided eleven reports to APRA so far. These reports are published on Westpac's website every six months at www.westpac.com.au/about-westpac/media/core/ with the latest reports released on 6 November 2023. Westpac expects to complete the Integrated Plan by the December 2023 target date with assessment and closure by Promontory Australia to occur post completion. Westpac remains conscious of execution risks during this final stage. Post-completion, Westpac will continue to focus on sustainability and effectiveness of the uplift delivered by the Integrated Plan through a 12 month transition phase with assurance by Promontory Australia.

If any of Westpac's governance or risk management processes and procedures prove ineffective or inadequate or are otherwise not appropriately implemented or it does not bring risks into appetite (as has occurred) it could be exposed to higher levels of risk than expected and sustained or increased regulatory scrutiny and action. While improvements in risk culture can drive early and increased self-identification and remediation of compliance concerns, this can also highlight concerns that may lead to further regulatory action. This may result in losses, imposition of capital requirements, breaches of compliance obligations, fines and reputational damage which could adversely affect Westpac's business, prospects, financial performance or financial condition or require remediation.

6 INVESTMENT RISKS

6.2.5 Westpac could suffer losses due to technology failures

Maintaining the reliability, availability, integrity, confidentiality, security and resilience of Westpac's information and technology is crucial to Westpac's business. While the Westpac Group has a number of processes in place to preserve and monitor the availability, and facilitate the recovery, of Westpac's systems, there is a risk that Westpac's information and technology systems may be inadequate, fail to operate properly or result in outages, including from events wholly or partially beyond Westpac's control.

If Westpac experiences a technology failure, it may fail to meet a compliance obligation (such as a requirement to retain records and/or data for a certain period, or to destroy records and/or data after a certain period, or other risk management, privacy, business continuity management or outsourcing obligations), or Westpac's employees and customers may be adversely affected, including through the inability for them to access Westpac's products and services, privacy breaches, or the loss of personal data. This could result in reputational damage, remediation costs and a regulator commencing an investigation and/or taking action, or others commencing litigation, against us. Technology issues in the financial sector can also affect multiple institutions. This means Westpac could impact, or be impacted by, other institutions.

The use of legacy systems, as well as the work underway to uplift Westpac's technological capabilities, may heighten the risk of a technology failure and also the risk of non-compliance with Westpac's regulatory obligations or poor customer outcomes. Projects aimed at simplifying/streamlining Westpac's systems will require the allocation of significant resources and incurring significant costs. In addition, the risk of technology failure, regulatory non-compliance or poor customer outcomes may be heightened while those projects are being undertaken. Westpac is also exposed to the risk that such projects may not be completed on time or may require further resources or funding than anticipated.

Failure to regularly renew and enhance Westpac's technology to deliver new products and services, comply with regulatory obligations and ongoing regulatory changes, improve automation of Westpac's systems and controls, and meet Westpac's customers' and regulators' expectations, or to effectively implement new technology projects, could result in cost overruns, technology failures (including due to human error in implementation), reduced productivity, outages, operational failures or instability, compliance failures, reputational damage and/or the loss of market share. This could place Westpac at a competitive disadvantage and also adversely affect Westpac's business, prospects, financial performance or financial condition.

6.2.6 Westpac could suffer losses due to geopolitical and other external events

The Westpac Group continues to face changes in the business environment including competitive, regulatory, economic, geopolitical, technological, social, environmental, and the impacts of criminal activity. There is a risk that the Westpac Group does not identify, understand or respond effectively to such changes or that these changes have an adverse impact on the Westpac Group's ability to pursue its strategy.

Westpac, its customers and suppliers operate businesses and hold assets in a diverse geographic locations. Significant geopolitical risks remain (and are escalating) including those arising from geopolitical instability, conflicts, trade tensions, tariffs, sanctions, social disruption (including civil unrest, war and terrorist activity), acts of international hostility, and complicity with or reluctance to take action against certain types of crimes.

Such events could affect domestic and international economic stability and impact consumer and investor confidence which in turn could disrupt industries, businesses, service providers and supply chains and ultimately adversely impact economic activity. This could lead to shortages of materials and labour, higher energy costs and commodity prices, volatility in markets and damage to property. This in turn could affect asset values and impact customers' ability to repay amounts owing to us, and Westpac's ability to recover amounts owing. All of these impacts could adversely affect Westpac's business, prospects, financial performance or financial condition.

6.2.7 Climate change and other sustainability factors such as human rights and natural capital may have adverse effects on Westpac's business

Climate and other sustainability-related risks have had and are likely to have adverse effects on Westpac, its customers, external suppliers, and the communities in which it operates.

Climate related risks may manifest as physical risks, both acute and chronic, transition risks, and risks related to legal and regulatory action. These risks are magnified by the significant uncertainties in modelling climate and other sustainability-related risks and opportunities, and in assessing their impact.

Physical risks from climate change include risks to Westpac directly, as well as to customers and other stakeholders that may ultimately impact Westpac due to disruption or changes in income, impact on business models, asset values, insurability of assets (or inability to access insurance), and frequency or extent of damage to assets. These risks could arise from increases and variability in temperatures, changes in precipitation, rising sea levels, loss of natural capital (including biodiversity loss), and more severe and frequent climatic events, including fires, storms, floods and droughts. In turn, such events could also increase human rights risk and/or increase customer vulnerability.

Transition risks are risks that the transition to a lower carbon economy could impact Westpac. This could occur from climate change mitigation, obsolescence of certain businesses including from energy transition, changes in investor appetite, shifting customer preferences, technology developments and changes in regulatory

expectations/policy. Transition risks could emerge through Westpac's lending to certain customers that experience reduced revenues or asset values or increased costs, which in turn impacts Westpac's credit risk. Westpac may also be directly impacted by transition risks, or unable to reduce its exposure to impacted customers.

Westpac's ambition to become a net-zero, climate resilient bank, including joining the Net-zero Banking Alliance will lead to changes to lending and operational policies and processes which may present execution risk. Westpac's ability to meet its commitments and targets is in part dependent on the orderly transition of the economy towards net-zero, which may be impacted by external factors including climate policy, levels of investment, electricity grid capacity, and constraints in the development and supply of technology, infrastructure and the skilled labour required to deliver the necessary change. Westpac's ability to transition, including to meet its targets and commitments, may also be impacted by challenges faced by customers in meeting their own transition plans and commitments.

The high dependency of the global economy on nature means natural capital loss is a risk to Westpac, primarily through Westpac's exposure to customers that are materially dependent on nature. Natural capital refers to the stock of renewable and non-renewable natural resources (e.g. plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people. Natural capital loss can also contribute to, and be accelerated by, climate change and these risks can be interdependent. Increasing recognition and market-based responses to this risk also create heightened regulatory and stakeholder expectations on Westpac. As with Westpac's climate ambitions, its ambition to become a nature positive bank will lead to changes to lending and operational policies and processes which may present execution risk, and its ability to meet those ambitions will be impacted by external factors outside Westpac's control. Global strategies and standards for nature positivity are at an early stage, which increases regulatory risk and uncertainty.

Westpac's business may be exposed to social and human rights risks through its operations, supply chain and in the provision of financial services. If Westpac fails to adequately identify and manage these risks, it may cause, contribute to, or be directly linked to adverse social and human rights impacts. This includes a risk that Westpac provides financial services to customers involved in human rights abuses or criminal activity, or that Westpac's platforms and products may be exploited for criminal purposes.

While Westpac seeks to manage and assess social risks and act if it identifies risks, Westpac cannot be certain that its assessment will uncover these risks and/or enable it to act. This could be because Westpac's monitoring systems and analytics have not kept pace with change and/or because of the increasing sophistication of perpetrators.

Data relevant to Westpac's assessment and management of climate, environmental and social risks continue to mature. In some cases, Westpac requires data from third parties to estimate its exposure and risks (in particular, regarding Westpac's scope 3 emissions). If those data sources are not sufficiently available or reliable, there is a risk that Westpac's decision making (including target

setting and reporting) could be affected and Westpac may not be able to meet its targets and commitments.

Failure or perceived failure to adapt the Westpac Group's strategy, governance, procedures, systems and/or controls to proactively manage or disclose evolving climate- and other sustainability-related risks and opportunities (including, for example, perceived misstatement of, or failure to adequately implement or meet, sustainability claims, commitments and/or targets) may give rise to business, reputational, legal and regulatory risks. This includes financial and credit risks that may impact Westpac's profitability and outlook, and the risk of regulatory action or litigation (including class actions) against Westpac and/or its customers.

Westpac may also be subject, from time to time, to legal and business challenges due to actions instituted by activist or other groups. Examples of areas which have attracted activism and challenges include: the financing of businesses perceived to be at greater risk from physical and transition risks of climate change and/or perceived not to demonstrate responsible management of climate change or environmental and social issues; and climate- and sustainability-related disclosures (including net-zero or emissions reductions strategies, targets and policies).

Scrutiny from regulators, shareholders, activists, corporate governance organisations and other stakeholders on climate-related risk management practices, lending policies, targets and commitments, and other sustainability products, claims and marketing practices will likely remain high in coming years. Applicable legal and regulatory regimes, policies, and reporting and other standards are also evolving. For example, in Australia, the government is consulting on mandatory climate-risk reporting legislation, and there is increased compliance and enforcement focus by ASIC and ACCC on a range of issues related to sustainability, sustainable finance, and monitoring/investigation of related claims. This increases compliance, legal and regulatory risks, and costs.

6.2.8 The failure to comply with financial crime obligations has had, and could have further, adverse effects on Westpac's business and reputation

The Westpac Group is subject to anti-money laundering and counter-terrorism financing ("AML/CTF") laws, anti-bribery and corruption laws, economic and trade sanctions laws and tax transparency laws in the jurisdictions in which it operates ("Financial Crime Laws"). These laws can be complex and, in some circumstances, impose a diverse range of obligations. As a result, regulatory, operational and compliance risks are heightened. In some jurisdictions (e.g. the Pacific region) financial crime risks are elevated beyond the Westpac Group's risk appetite.

Financial Crime Laws require Westpac to report certain matters and transactions to regulators (such as international funds transfer instructions, threshold transaction reports and suspicious matter reports) and ensure that Westpac knows who its customers are and that it has appropriate ongoing customer due diligence in place. The failure to comply with some of these laws has had, and in the future could have, adverse impacts for the Westpac Group.

6 INVESTMENT RISKS

The Westpac Group operates within a landscape that is constantly changing, particularly with the emergence of new payment technologies, increased regulatory focus on digital assets, increasing reliance on economic and trade sanctions to manage issues of international concern, and the rapid increase of ransomware and cyber extortion attacks. These developments bring with them new financial crime risks for the Westpac Group (as well as other risks including scams and fraud, and criminal activity that utilises a variety of technology and platforms), which may require adjustments to the Westpac Group's systems, policies, processes and controls.

There has been, and continues to be, a focus on compliance with financial crime obligations, with regulators globally commencing investigations and taking enforcement action for identified non-compliance (often seeking significant penalties). Due to the Westpac Group's scale of operations, an undetected failure or the ineffective implementation, monitoring or remediation of a system, policy, process or control (including a regulatory reporting obligation) has resulted, and could in the future result, in a significant number of breaches of AML/CTF or other financial crime obligations. This in turn could lead to significant financial penalties and other adverse impacts for the Westpac Group, such as reputational damage and litigation risk.

While the Westpac Group has systems, policies, processes and controls in place designed to manage its financial crime obligations (including reporting obligations), these have not always been, and may not in the future always be, effective. This could be for a range of reasons including, for example, a deficiency in the design of a control or a technology failure or a change in financial crime risks or typologies. Westpac's analysis and reviews, in addition to regulator feedback, have highlighted that its systems, policies, processes and controls are not always operating satisfactorily in a number of respects and require improvement. Westpac continues to have an increased focus on financial crime risk management and, as such, further issues requiring attention have been identified and may continue to be identified.

Although the Westpac Group provides updates to various regulators on its remediation and other program activities, there is no assurance that those or other regulators will agree that its remediation and program update activities will be adequate or effectively enhance the Westpac Group's compliance programs.

If Westpac fails to comply with its financial crime obligations, it has faced, and could in the future face, significant regulatory enforcement action and other consequences (as discussed in Section 6.2.3) and increased reputational risks (as discussed in Section 6.2.9).

6.2.9 Reputational damage has harmed, and could in the future harm, Westpac's business and prospects

Reputational risk arises where there are differences between stakeholders' current and emerging perceptions, beliefs and expectations and Westpac's past, current and planned activities, processes, performance and behaviours.

Potential sources of reputational damage include where Westpac's actions (or those of Westpac's contractors, agents, authorised representatives and credit representatives) cause, or are perceived to

cause, a negative outcome for customers, shareholders, stakeholders or the community. Reputational damage could also arise from the failure to effectively manage risks, failure to comply with legal and regulatory requirements, enforcement or supervisory action by regulators, adverse findings from regulatory reviews, failure or perceived failure to adequately prevent or respond to community, environmental, social and ethical issues or expectations and cyber incidents, and inadequate record-keeping, which may prevent Westpac from demonstrating that, or determining if, a past decision was appropriate at the time it was made. Westpac is also exposed to contagion risk from incidents in (or affecting) other financial institutions and/or the financial sector more broadly.

There are potential reputational consequences (together with other potential commercial and operational consequences) of failing to appropriately identify, assess and manage environmental, social and governance related risks, or to respond effectively to evolving standards and stakeholder expectations. Westpac's reputation could also be adversely affected by the actions of customers, suppliers, contractors, authorised representatives, credit representatives, joint-venture partners, strategic partners or other counterparties.

Failure, or perceived failure, to address issues that could or do give rise to reputational risk, has created, and could in the future create, additional legal risk, subject Westpac to regulatory investigations, regulatory enforcement actions, fines and penalties or litigation or other actions brought by third parties (including class actions), and the requirement to remediate and compensate customers, including prospective customers, investors and the market. It could also result in the loss of customers or restrict the Westpac Group's ability to efficiently access capital markets. This could adversely affect Westpac's business, prospects, financial performance or financial condition.

6.2.10 Westpac has and could suffer losses due to litigation

Litigation has been, and could in the future be, commenced against Westpac by a range of plaintiffs, such as customers, shareholders, employees, suppliers, counterparties, activists and regulators and may, either individually or in aggregate, adversely affect the Westpac Group's business, operations, prospects, reputation or financial condition.

In recent years, there has been an increase in class action proceedings, many of which have resulted in significant monetary settlements. The risk of class actions has been heightened by a number of factors, including regulatory enforcement actions, an increase in the number of regulatory investigations and inquiries, a greater willingness on the part of regulators to commence court proceedings, more intense media scrutiny, the increasing prospect of regulatory reforms which might eliminate some of the current barriers to such litigation, and the growth of third party litigation funding and other funding arrangements. Class actions commenced against a competitor could also lead to similar proceedings against Westpac.

Activism strategies directed at financial institutions, particularly in the area of climate change, sustainability and energy transition, have also increased globally in recent years, where the focus, including through the

commencement of proceedings, may be to publicly highlight particular issues, to enforce legal or regulatory standards, or to influence the financial institution to change its operations and activities. Westpac is currently, and in the future may be, exposed to such litigation and/or strategies employed by activist shareholders or organisations.

Litigation is subject to many uncertainties and the outcome may not be predicted accurately. Furthermore, the Westpac Group's ability to respond to and defend litigation may be adversely affected by inadequate record keeping.

Depending on the outcome of any litigation, the Westpac Group has been, and may in the future be, required to comply with broad court orders, including compliance orders, enforcement orders or otherwise pay significant damages, fines, penalties or legal costs. There is a risk that the actual penalty or damages paid following a settlement or determination by a Court for any legal proceedings may be materially higher or lower than any relevant provision (where applicable) or that any contingent liability may be larger than anticipated. There is also a risk that additional litigation or contingent liabilities arise, all of which could adversely affect Westpac's business, prospects, reputation, financial performance or financial condition.

6.2.11 Westpac is exposed to adverse funding market conditions

Westpac relies on deposits, money markets and capital markets to fund its business and source liquidity. Westpac's liquidity and costs of obtaining funding are related to funding market conditions, in addition to Westpac's creditworthiness and credit profile.

Funding markets can be unpredictable and experience extended periods of extreme volatility, disruption and decreased liquidity. Market conditions, and the behaviour of market participants, can shift significantly over very short periods of time. The main risks Westpac faces are damage to market confidence, changes to the access and cost of funding, a slowing in global economic activity, the effects of monetary policy outcomes, the interest rate cycle, other impacts on customers or counterparties and reduction in appetite for exposure to Westpac.

A shift in investment preferences could result in deposit withdrawals. This would increase Westpac's need for funding from other sources. These may offer lower levels of liquidity and increased cost.

If market conditions deteriorate due to economic, financial, political, geopolitical, regulatory, fiscal or monetary policy, or other reasons (including those idiosyncratic to Westpac), there may also be a loss of confidence in bank deposits leading to unexpected withdrawals. These events can transpire quickly and be exacerbated by information transmission on social media. This could increase funding costs, Westpac's liquidity, funding and lending activities may be constrained and its financial solvency threatened. In such events, even robust levels of capital may not be sufficient to safeguard Westpac against detrimental loss of funding.

If Westpac's current sources of funding prove to be insufficient, Westpac may need to seek alternatives which will depend on factors such as market conditions, its credit ratings, reputation and confidence issues and market capacity. Even if available, these alternatives may

be more expensive or on unfavourable terms, which could adversely affect Westpac's financial performance, liquidity, capital resources or financial condition.

If Westpac is unable to source appropriate funding, it may be forced to reduce business activities (e.g. lending) or operate with smaller liquidity buffers. This may adversely impact Westpac's business, prospects, liquidity, capital resources, financial performance or financial condition. If Westpac is unable to source appropriate funding for an extended period, or if it can no longer realise liquidity, Westpac may not be able to pay its debts as and when they fall due or meet other contractual obligations.

Westpac enters into collateralised derivative obligations, which may require it to post additional collateral based on market movements. This has the potential to adversely affect Westpac's liquidity or ability to use derivative obligations to hedge interest rate, currency and other financial instrument risks.

6.2.12 Westpac could be adversely affected by the risk of inadequate capital levels under stressed conditions

The Westpac Group is subject to the risk of an inadequate level or composition of capital to support normal business activities, meet regulatory capital requirements under normal operating environments or stressed conditions, and to maintain its solvency. Even robust levels of capital may not be sufficient to ensure the ongoing sustainability of Westpac in the event of a liquidity run.

Westpac's capital levels and risk appetite are informed by stress testing. Buffers have been built to assist in maintaining capital adequacy during stressed times. Westpac determines its internal management buffers taking into consideration various factors. These include its balance sheet, portfolio mix, potential capital headwinds (including real estate valuations, inflation and rising rates) and stressed outcomes, also noting that models and assumptions may or may not be accurate in predicting the nature and magnitude of particular stress events.

Capital distribution constraints apply when an ADI's Common Equity Tier 1 Capital ratio is within the Capital Buffer range (consisting of the Capital Conservation Buffer plus any Countercyclical Capital Buffer) in line with regulatory requirements. Such constraints could impact future dividends and distributions on Additional Tier 1 Capital instruments. The macro-economic environment, stressed conditions and/or regulatory change or regulatory policy could result in a material increase to risk weighted assets or impact Westpac's capital adequacy, trigger capital distribution constraints, threaten Westpac's financial viability and/or require it to undertake a highly dilutive capital raising. Should AT1 and Tier 2 Capital instruments that Westpac has issued be converted into Ordinary Shares (for example where Westpac's CET1 ratio falls below a certain level or APRA determines Westpac would become non-viable without conversion of capital instruments or equivalent support), this could significantly dilute the value of existing Ordinary Shares. Additionally, APRA's current review of the effectiveness of Additional Tier 1 Capital instruments for use in a potential bank stress scenario (and any prudential reforms arising from this review) could increase the chance that Additional Tier 1 Capital instruments are converted or may adversely impact the pricing and liquidity of Additional Tier 1 Capital instruments.

6 INVESTMENT RISKS

6.2.13 Westpac's business is substantially dependent on the Australian and New Zealand economies, and could be adversely affected by a material downturn or shock to these economies or other financial systems

Westpac's revenues and earnings are dependent on domestic and international economic activity, business conditions and the level of financial services its customers require. Most of Westpac's business is conducted in Australia and New Zealand so Westpac's performance is influenced by the level and cyclical nature of activity in these countries. The financial services industry and capital markets have been, and may continue to be, adversely affected by volatility, global economic conditions (including inflation and rising interest rates), external events, geopolitical instability, political developments, cyberattacks or a major systemic shock.

Market and economic disruptions could cause consumer and business spending to decrease, unemployment to rise, demand for Westpac's products and services to decline and credit losses to increase, thereby reducing its earnings. These events could also undermine confidence in the financial system, reduce liquidity, impair access to funding and adversely affect Westpac's customers and counterparties. In addition, any significant decrease in housing and commercial property valuations, significant increases in inflation or significant increases in interest rates or sustained high interest rates could adversely impact lending activities, possibly leading to higher credit losses.

Given Australia's export reliance on China, slowdown in China's economic growth and foreign policies (including the adoption of protectionist trade measures or sanctions) could negatively impact the Australian economy. This could result in reduced demand for Westpac's products and services and affect supply chains, the level of economic activity and the ability of its borrowers to repay their loans.

The nature and consequences of any such event are difficult to predict but each of these factors could adversely affect Westpac's business, prospects, financial performance or financial condition.

6.2.14 Declines in asset markets could adversely affect Westpac's operations or profitability and an increase in impairments and provisioning could adversely affect Westpac's financial performance or financial condition

Declines in Australian, New Zealand or other asset markets, including equity, bond, residential and commercial property markets, have adversely affected, and could in the future adversely affect, Westpac's operations and profitability. Declining asset prices could also impact customers and counterparties and the value of security (including residential and commercial property) Westpac holds. This may impact Westpac's ability to recover amounts owing to it if customers or counterparties default. It may also affect Westpac's impairment charges and provisions, in turn impacting its financial performance, financial condition and capital levels. Declining asset prices also impact Westpac's wealth management business as its earnings partly depend on fees based on the value of securities and/or assets held or managed.

Westpac establishes provisions for credit impairment based on accounting standards using current information and its expectations. If economic conditions deteriorate beyond Westpac's expectations, some customers and/or counterparties could experience higher financial stress, leading to an increase in impairments, defaults and write-offs, and higher provisioning. Changes in regulatory expectations in relation to the treatment of customers in hardship could lead to increased impairments and/or higher provisioning. Such events could adversely affect Westpac's liquidity, capital resources, financial performance or financial condition.

Credit risk also arises from certain derivative, clearing and settlement contracts Westpac enters into, and from its dealings in, and holdings of, debt securities issued by other institutions and government agencies, the financial conditions of which may be affected to varying degrees by economic conditions in global financial markets.

6.2.15 Sovereign risk may destabilise financial markets adversely

Sovereign risk is the risk that governments will default on their debt obligations, fail to perform contractual obligations or be unable to refinance their debts as they fall due. Potential sovereign contractual defaults, sovereign debt defaults and the risk that governments will nationalise parts of their economy including assets of financial institutions (such as Westpac) could negatively impact the value of Westpac's holdings of assets. Such an event could destabilise global financial markets, adversely affecting Westpac's liquidity, financial performance or financial condition. There may also be a cascading effect to other markets and countries, the consequences of which, while difficult to predict, may be similar to, or worse than, those experienced during the Global Financial Crisis.

6.2.16 Westpac could be adversely affected by the failure to maintain its credit ratings

Credit ratings are independent opinions on Westpac's creditworthiness. Westpac's credit ratings can affect the cost and availability of its funding and may be important to certain customers or counterparties when evaluating Westpac's products and services.

A rating downgrade could be driven by a downgrade of Australia's sovereign credit rating, or one or more of the risks identified in this section or by other events including changes to the methodologies rating agencies use to determine credit ratings. A credit rating or rating outlook could be downgraded or revised where credit rating agencies believe there is a very high level of uncertainty on the impact to key rating factors from a significant event.

A downgrade to Westpac's credit ratings could have an adverse effect on its cost of funds, collateral requirements, liquidity, competitive position, its access to capital markets and its financial stability. The extent and nature of these impacts would depend on various factors, including the extent of any rating change, differences across agencies (split ratings) and whether competitors or the sector are also impacted.

6.2.17 Westpac faces intense competition in all aspects of its business

The financial services industry is highly competitive. Westpac competes with a range of firms, including retail and commercial banks, investment banks, other financial service companies, fintech companies and businesses in other industries with financial services aspirations. This includes those competitors who are not subject to the same capital and regulatory requirements as Westpac, which may allow those competitors to operate more flexibly.

Emerging competitors are increasingly altering the competitive environment by adopting new business models or seeking to use new technologies to disrupt existing business models.

The competitive environment may also change as a result of increased scrutiny by regulators in the sector (such as in the payments space, or the ongoing ACCC inquiry into the market for the supply of retail deposit products) and other legislative reforms, which will stimulate competition, improve customer choice and likely give rise to increased competition from new and existing firms.

Competition in the various markets in which Westpac operates has led, and may continue to lead, to a decline in Westpac's margins or market share.

Deposits fund a significant portion of Westpac's balance sheet and have been a relatively stable source of funding. If Westpac is not able to successfully compete for deposits this could increase its cost of funding, lead it to seek access to other types of funding, or result in it reducing its lending.

Westpac's ability to compete depends on its ability to offer products and services that meet evolving customer preferences. Not responding to changes in customer preferences could see Westpac lose customers. This could adversely affect Westpac's business, prospects, financial performance or financial condition.

6.2.18 Westpac has suffered, and could continue to suffer, losses due to operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes, among other things, model risk, data risk, operations risk, change execution risk and third party risk. While Westpac has policies, processes and controls in place to manage these risks, these have not always been, or may not be, effective.

Ineffective processes and controls (including those of Westpac's contractors, agents, authorised representatives and credit representatives, or inadequate supervision and oversight of their activities) have resulted in, and could continue to result in, adverse outcomes for customers (including vulnerable customers), employees or other third parties.

The risk of operational breakdowns occurring is heightened where measures are implemented quickly in response to external events, such as the COVID-19 pandemic. These types of operational failures may also result in financial losses, customer remediation, regulatory scrutiny and intervention, fines, penalties and capital overlays and, depending on the nature of the failure, result in litigation, including class action proceedings.

Examples of operational risk include:

- Scams and fraud risk. Westpac has incurred, and could in the future incur, losses from scams and fraud (including fraudulent applications for loans, or from incorrect or fraudulent payments and settlements). Such losses could increase significantly if Westpac's liability for scams is impacted by regulatory change (for example, if a UK style bank reimbursement scheme is implemented in Australia or New Zealand, making banks liable to compensate scam victims). Fraudulent conduct can also arise from external parties seeking to access Westpac's systems or customer accounts, the use of mule accounts and where identification records are compromised due to third party cybersecurity events. These risks are heightened by real-time transaction capability, and Westpac is also exposed to contagion risk from incidents in (or affecting) other financial institutions. If systems, procedures and protocols for preventing and managing scams, fraud or improper access to Westpac's systems and customer accounts fail, or are inadequate or ineffective, they could lead to losses which could adversely affect Westpac's customers, business, prospects, reputation, financial performance or financial condition. Regulatory and compliance requirements can impede the ability to swiftly identify or respond to a scam or fraud, or to communicate with affected parties.
- Records management risk. Westpac could incur losses from a failure to adequately implement and monitor effective records management policies and processes, as this could impact Westpac's ability to safeguard or locate relevant records, respond to production and regulatory notices, conduct remediation, and generally meet its compliance obligations. Where there are inadequacies or complexities in Westpac's systems, there is a heightened risk that Westpac may fail to meet a compliance obligation (such as a requirement to retain records and data for, or to destroy or de-identify records and data after, a certain period).
- Artificial Intelligence ("AI"). As Westpac increases the adoption of AI to support Westpac's customers and business processes, Westpac may become more exposed to risks associated with AI, such as lack of transparency, inaccurate data input, risk of biased or inaccurate outputs or outcomes, breaches of confidentiality and privacy obligations, and inaccurate decisions or unintended consequences that are inconsistent with Westpac's policies or values. These could have financial, regulatory, conduct and reputational impacts.
- Third party risk. Financial services entities have been increasingly sharing data with third parties, such as suppliers, FinTechs, and regulators, to conduct their business and meet regulatory obligations. Each third party can give rise to a variety of risks, including financial crime compliance, information security, cyber, privacy, regulatory compliance, conduct, reputation, environmental and business continuity risks. Westpac also relies on suppliers, both in Australia and overseas, to provide services to it and its customers. Failures by these third-party contractors and suppliers (including Westpac's authorised representatives and credit representatives) to deliver services as required (and in accordance with law, regulation and regulatory expectations) could disrupt Westpac's ability to provide its products and services and adversely impact Westpac's customers, operations, financial performance or reputation.

6 INVESTMENT RISKS

- **Change risk.** Westpac is also exposed to change risk through delivery of technology and other change programs, being the risk that a change program fails to deliver the desired goals, or fails to reduce, pre-empt, mitigate and manage the challenges associated with transformation or leads to further regulatory scrutiny. If the technology systems used by the Westpac Group, its counterparties and/or financial infrastructure providers do not operate correctly, this may also cause loss or damage to the Westpac Group, its customers and/or its counterparties. This can also arise from complexities in Westpac's systems, and the interaction between those systems. This could include, for example, where systems issues result in incorrect fees or charges being applied to customers, or other poor customer outcomes.
- **Insurance coverage risk.** There is also a risk that Westpac will not be able to obtain and/or have not obtained appropriate insurance coverage for the risks that the Westpac Group may be exposed to.

6.2.19 Westpac could suffer losses due to market volatility

Westpac is exposed to market risk due to its financial markets businesses, asset and liability management, its holdings in liquid asset securities and its defined benefit plan.

Market risk is the risk of an adverse impact on the Westpac Group's financial performance or financial position resulting from changes in market factors, such as foreign exchange rates, commodity prices, equity prices, credit spreads and interest rates. This includes interest rate risk in the banking book arising from a mismatch between the duration of assets and liabilities that have not been appropriately hedged.

Changes in market price factors could be driven by a variety of developments including economic disruption and geopolitical events. The resulting market volatility could potentially lead to losses and may adversely affect Westpac's financial performance (business, prospects, liquidity, ability to hedge exposures and capital).

As a financial intermediary, Westpac underwrites listed and unlisted debt securities. Westpac could suffer losses if it fails to syndicate or sell down this risk to others. This risk is more pronounced in times of heightened market volatility.

6.2.20 Poor data quality could adversely affect Westpac's business and operations

Accurate, complete and reliable data, along with appropriate data control, retention, destruction and access frameworks and processes, is critical to Westpac's business. Data plays a key role in how Westpac provides products and services to customers, Westpac's systems, its risk management framework and its decision-making and strategic planning.

In some areas of Westpac's business, it is affected by poor data quality or data availability. This has occurred, and could arise in the future, in a number of ways, including through inadequacies in systems, processes and policies, or the ineffective implementation of data management frameworks.

Poor data quality could lead to poor customer service, negative risk management outcomes, and deficiencies in credit systems and processes. Any deficiency in credit systems and processes could, in turn, have a negative impact on Westpac's decision making in the provision of credit and the terms on which it is provided. Westpac also needs accurate data for financial and other reporting.

Poor data has affected, currently affects, and may in the future continue to affect, Westpac's ability to monitor and manage its business, comply with production notices, respond to regulatory notices and conduct remediation.

In addition, poor data or poor data retention/destruction controls, and control gaps and weaknesses, has affected, currently affects, and may in the future continue to affect, Westpac's ability to meet its compliance obligations (including its regulatory reporting obligations) which has led, and could continue to lead, to regulatory investigations or actions against us. Due to the importance of data, Westpac has and will likely continue to incur substantial costs, and devote significant effort, to improving the quality of data and data frameworks and processes, remediating deficiencies where necessary, and compliance generally.

The consequences and effects arising from poor data quality or poor data retention/destruction controls could have an adverse impact on the Westpac Group's business, operations, prospects, reputation, financial performance or financial condition.

6.2.21 Westpac's failure to recruit and retain key executives, employees and Directors may have adverse effects on its business

Key executives, employees and Directors play an integral role in the operation of Westpac's business and its pursuit of its strategic objectives. Westpac's failure to recruit and retain appropriately skilled and qualified people into key roles could have an adverse effect on its business, prospects, reputation, financial performance or financial condition. Macro-environmental factors such as low unemployment, restricted migration levels, on-shoring of work, the prevalence of remote and hybrid working for employees and the competitive talent market, may also have an adverse impact on attracting specialist skills for the Westpac Group.

6.2.22 Certain strategic decisions may have adverse effects on Westpac's business

The Westpac Group routinely evaluates and implements strategic decisions, priorities and objectives including simplification, diversification, innovation, divestment, investment, acquisition or business expansion initiatives. Each of these activities can be complex, costly and may not proceed in a timely manner. For example, they may cause reputational damage, or Westpac may experience difficulties in completing certain transactions, separating or integrating businesses in the scheduled timeframe or at all, disruptions to operations, diversion of management resources or higher than expected transaction costs.

Any failure to successfully divest businesses means that Westpac may have sustained exposure to higher operating costs and to the higher inherent risks in those businesses. For example, Westpac's Pacific businesses face a number of risks including heightened operational risk, sovereign risk, financial crime and exchange control risks which could adversely affect Westpac's customers,

business, prospects, reputation, financial performance or financial condition. In addition, as part of the now-completed Specialist Businesses transactions, Westpac has given a number of warranties and indemnities in favour of counterparties relating to certain pre-completion matters, and made certain other contractual commitments (including in relation to transitional services). Claims under these warranties, indemnities and other contractual commitments may result in Westpac being liable to make significant payments to these counterparties while the various contractual liability regimes remain on foot. Additional operational risk capital is required to be held against the risk pursuant to APRA's published guidance.

Westpac also acquires and invests in businesses. These transactions involve a number of risks and costs. A business Westpac invests in may not perform as anticipated, may result in the assumption of unknown and unaccounted for liabilities, regulatory risks or may ultimately prove to have been overvalued when the transaction was entered into.

Operational, cultural, governance, compliance and risk appetite differences between Westpac and an acquired business may lead to lengthier and more costly integration exercises.

There are also risks involved in not implementing strategies successfully due to internal factors (for example, inadequate funding, resourcing, business capabilities or operating model) or failing to identify, understand or respond effectively to changes in the external business environment (including economic, geopolitical, regulatory, consumer sentiment, technological, environmental, social and competitive factors). This could have a range of adverse effects on Westpac, such as being unable to increase or maintain market share or resulting pressure on margins and fees.

Any of these risks could have a negative impact on Westpac's business, growth prospects, reputation, engagement with regulators, financial performance or financial condition.

6.2.23 Westpac could suffer losses due to impairment of capitalised software, goodwill and other intangible assets that may adversely affect its business, operations or financial condition

In certain circumstances Westpac may incur a reduction in the value of intangible assets. Westpac is required to assess the recoverability of goodwill and other intangible asset balances at least annually or wherever an indicator of impairment exists.

For this purpose, Westpac uses a discounted cash flow calculation. Changes in the methodology or assumptions in calculations, together with changes in expected cash flows, could materially impact this assessment. Estimates and assumptions used in assessing the useful life of an asset can also be affected by a range of factors including changes in strategy, changes in technology and regulatory requirements. In the event that an asset is no longer in use, or its value has been reduced or its estimated useful life has declined, an impairment or accelerated amortisation will be recorded, adversely impacting Westpac's financial performance.

6.2.24 Changes in critical accounting estimates and judgements could expose the Westpac Group to losses

Westpac is required to make estimates, assumptions and judgements when applying accounting policies and preparing financial statements and the determination of the fair value of financial instruments. A change in a critical accounting estimate, assumption and/or judgement resulting from new information or from changes in circumstances or experience could result in the Westpac Group incurring losses greater than those anticipated or recognised. This could have an adverse effect on Westpac's financial performance, financial condition and reputation. Westpac's financial performance and financial condition may also be impacted by changes to accounting standards or to generally accepted accounting principles.

AUSTRALIAN TAX SUMMARY

SECTION 7

This Section sets out:

- 7.1 Summary of the Australian tax consequences for Holders
- 7.2 Class Ruling
- 7.3 Distributions
- 7.4 Disposals of Westpac Capital Notes 10
- 7.5 Conversion of Westpac Capital Notes 10
- 7.6 Westpac Capital Notes 6 Reinvestment Offer
- 7.7 Provision of TFN and/or ABN
- 7.8 GST
- 7.9 Stamp Duty

7 AUSTRALIAN TAX SUMMARY

7.1 Summary of the Australian tax consequences for Holders

The following is a summary of the Australian tax consequences for certain Australian resident and non-Australian resident Holders who subscribe for Westpac Capital Notes 10 under the Offer. This summary has been prepared by Allens, the Australian legal and tax adviser to the Offer on the assumption that all the transactions described in this Prospectus will be carried out in the manner described in this Prospectus.

Allens has consented to the inclusion of this summary in this Prospectus but this consent should not be taken as a statement about any other matter in this Prospectus or in relation to Westpac or the performance of any investment in Westpac.

The information contained in this summary does not constitute financial product advice for the purposes of the Corporations Act. Allens is not licenced, under the Corporations Act, to provide financial product advice and to the extent that this summary contains any information about a financial product within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. An investor or prospective investor should, before making any decision to invest in the Westpac Capital Notes 10, consider taking financial advice from a person who holds an AFSL under the Corporations Act.

This summary does not address all tax consequences of ownership of Westpac Capital Notes 10 and, in particular, does not address the positions of Holders who:

- acquire their Westpac Capital Notes 10 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 Westpac Capital Notes 10 on revenue account or as trading stock; and/or
- are subject to the “taxation of financial arrangements” rules in Division 230 of the Tax Act.

The actual tax consequences of your investment in Westpac Capital Notes 10 may differ depending upon your individual circumstances.

You should consult your own professional tax adviser regarding the consequences of acquiring, holding or disposing of Westpac Capital Notes 10 in light of your particular circumstances.

This summary is based on Australian tax laws and regulations and the current administrative practice of the Australian Taxation Office (“ATO”) as at the date of this Prospectus.

7.2 Class Ruling

Westpac has applied for a public Class Ruling requesting confirmation of the ATO’s views on the principal tax issues considered in this Section 7.

The Class Ruling should be issued shortly after the Westpac Capital Notes 10 are issued. When it has been issued, the Class Ruling will be available on the ATO and Westpac websites.

7.3 Distributions

The Westpac Capital Notes 10 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.

7.3.1 Australian resident Holders

Distributions

Australian resident Holders will be required to include the amounts of any Distributions in their assessable income.

Any franking credits attached to those Distributions should also be included in Holders’ assessable income and tax offsets should generally be available, equal to the amounts of the franking credits, subject to the requirements that the Westpac Capital Notes 10 be held “at risk” for the requisite periods (see the following information in this Section 7.3.1 regarding the “holding period rule”) and that the Commissioner of Taxation (“**Commissioner**”) does not make an adverse determination under certain anti-avoidance rules (see the following information in this Section 7.3.1).

Where Holders who are individuals or complying superannuation entities are entitled to tax offsets, those offsets will either reduce any tax payable by the Holders, or give rise to tax refunds to the extent that the tax offsets exceed the tax that is otherwise payable by the Holders.

To the extent that any Distributions are unfranked, those unfranked amounts will also be included in Holders’ assessable income, without any tax offsets.

Holders that are companies should be entitled to a credit in their franking account equal to the amount of the franking credits attached to a Distribution, subject to the qualifications mentioned above and discussed further below. Holders that are companies are not entitled to refunds of excess franking credits, however such franking credits may be converted to a tax loss which may be carried forward to future years (subject to the Holder satisfying certain tax loss carry forward rules).

“Holding period rule”

A Holder will not be entitled to tax offsets in respect of franking credits on a franked Distribution unless the Holder is a “qualified person” in relation to the Distribution.

To be a “qualified person” in relation to a Distribution, a Holder must have held the Westpac Capital Notes 10 “at risk” for a continuous period of at least 90 days (excluding the days of acquisition and disposal) during:

- the “primary qualification period”, which is the period beginning on the day after the day on which the Westpac Capital Notes 10 are acquired by a Holder and ending on the 90th day after the day that the Westpac Capital Notes 10 became ex-Distribution; or
- if a Holder, or an associate, is under an obligation to make “related payments” (which have the effect of passing on the benefit of the Distribution to other entities) in respect of the Distribution, the “secondary qualification period”, which is the period beginning on the 90th day before, and ending on the 90th day after, the day that the Westpac Capital Notes 10 became ex-Distribution.

7 AUSTRALIAN TAX SUMMARY

To be held “at risk”, the Holder must effectively retain 30% or more of the risks and benefits associated with holding the Westpac Capital Notes 10. Whether or not the Westpac Capital Notes 10 are held “at risk” by a Holder during the relevant periods will depend upon whether the Holder has financial positions or undertakes risk management strategies (e.g. using limited recourse loans, options or forward sale contracts) in relation to the Westpac Capital Notes 10. If Holders hold the Westpac Capital Notes 10 for at least 90 days during the “primary qualification period”, will not have any financial positions or enter into any relevant risk management strategies in relation to the Westpac Capital Notes 10, and will not be under an obligation to make “related payments” to other entities, those Holders should be “qualified persons” in relation to Distributions on the Westpac Capital Notes 10.

Holders who are individuals and who will not claim tax offsets in any one year in excess of \$5,000 (from all sources), will automatically be taken to be “qualified persons” in relation to all Distributions that they receive (provided that they are not under an obligation to make a “related payment” as described in this Section 7.3.1).

The application of the franking rules to Holders will depend upon the particular circumstances of each 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 Westpac Capital Notes 10.

Anti-avoidance rules

There are anti-avoidance rules that may apply in certain circumstances to deny the benefit of franking credits to holders of equity interests.

One such rule, being the so called “anti-hybrid” provision in section 207-158 of the Tax Act, can apply when a franked distribution gives rise to a foreign income tax deduction for the issuer of certain types of equity instruments. However, this provision should not apply to deny franking credits or tax offsets to Holders on their Distributions on Westpac Capital Notes 10.

Section 177EA of the Tax Act is another anti-avoidance provision which is designed to counter schemes where one of the purposes (other than an incidental purpose) of the scheme is to inappropriately divert franking credits and obtain an imputation benefit. There are a number of different objective factors that the Commissioner may take into account in forming a view as to whether a scheme has such a purpose. Where section 177EA applies, the Commissioner may make a written determination with the effect of either:

- imposing a franking debit on the distributing entity’s franking account; or
- denying the imputation benefit on the distribution that flowed directly or indirectly to the relevant taxpayer.

The Commissioner has indicated that, in the usual case, he would not ordinarily assert that section 177EA applied to a convertible instrument which satisfied the requirements to be classified as Additional Tier 1 Capital for APRA regulatory reporting purposes. Although Westpac expects the Commissioner to make a favourable Class Ruling on this issue, which would be binding on the Commissioner in favour of Holders who subscribe for Westpac Capital Notes 10 under this Prospectus, Holders should be aware that they will not have certainty on the ATO’s views unless a Class Ruling is published.

In addition, Westpac does not expect that the Commissioner will seek to apply any of the other anti-avoidance provisions in the tax law to deny the whole or any part of the imputation benefits received by Holders in relation to Distributions.

The Australian Government has also recently introduced into Parliament the *Treasury Laws Amendment (2023 Measures No.1) Bill 2023* (Cth). This Bill includes a provision which is targeted at certain arrangements where a franked distribution is funded, directly or indirectly, by an issue of equity interests. If the provision applies, the relevant distribution would be unfrankable. If enacted in its current form, the provision should not apply to Distributions on the Westpac Capital Notes 10. This conclusion is consistent with Example 5.4 in the Explanatory Memorandum to the Bill, which concludes that the provision should generally not apply to distributions on non-share equity interests issued by an APRA regulated entity with an established practice of paying fully franked distributions on its ordinary shares and non-share equity interests (such as Westpac).

7.3.2 Non-Australian resident Holders

To the extent that Distributions paid to non-Australian resident Holders, who do not hold their Westpac Capital Notes 10 through a permanent establishment in Australia, are franked, those Distributions will not be subject to Australian withholding tax. Where such Distributions are not fully franked, the unfranked portion of any such 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.

7.4 Disposals of Westpac Capital Notes 10

7.4.1 Australian resident Holders

The Westpac Capital Notes 10 should not be “traditional securities” for the purposes of the Tax Act. On that basis, any gains or losses made by Holders on the disposal of their Westpac Capital Notes 10 will be taxed under the capital gains tax (“CGT”) provisions.

A disposal of a Westpac Capital Note 10, whether through an on-market disposal, Redemption, or pursuant to a Transfer Notice, will be 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 Westpac Capital Notes 10, or whether the capital proceeds are less than the reduced cost base of their Westpac Capital Notes 10, respectively.

For Holders who acquire Westpac Capital Notes 10 pursuant to this Prospectus, the first element of the cost base of a Westpac Capital Note 10 will be the amount paid for the relevant Westpac Capital Note 10, which will be its Initial Face Value. Other amounts associated with the acquisition or disposal of the Westpac Capital Notes 10, such as broker fees, may be added to the cost base.

The capital proceeds from a Redemption of a Westpac Capital Note 10 on a Redemption Date will be equal to the Face Value of the Westpac Capital Note 10, unless the market value of a Westpac Capital Note 10 on the Redemption Date (determined as if its Redemption had not occurred or been proposed) is greater or less than the Face Value. In that case, that greater or lesser market

value amount will be deemed to be the capital proceeds of the Redemption, instead of the Face Value actually received.

The capital proceeds from a Transfer of a Westpac Capital Note 10 to a Nominated Party on a Transfer Date will be equal to the Face Value of the Westpac Capital Note 10, assuming that the Holder is dealing at arm's length with the Nominated Party.

If the Face Value of the Westpac Capital Notes 10 has been reduced because there has been a Capital Trigger Event or a Non-Viability Trigger Event, Holders who acquired those Westpac Capital Notes 10 before that reduction occurred may make a capital loss on the Redemption or Transfer of their Westpac Capital Notes 10. 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.

The capital proceeds from an on-market disposal of a Westpac Capital Note 10 will be the sale price of the Westpac Capital Note 10. Holders who sell their Westpac Capital Notes 10 on-market may make capital gains or capital losses, depending upon the amount of capital proceeds that they receive and the cost base (and reduced cost base) of their Westpac Capital Notes 10.

Any capital gain or capital loss made by a Holder will be aggregated with other capital gains and capital losses of the Holder in the relevant income year to determine whether the Holder has a net capital gain or net capital loss. A net capital gain, if any, will be included in the 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 in this Section 7.4.1. 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.

If a Holder is an individual, complying superannuation entity or a trust, and held their Westpac Capital Notes 10 for 12 months or more before the disposal, the Holder may be entitled to a "CGT Discount" for any capital gain made on the disposal of their Westpac Capital Notes 10.

The "CGT Discount" provisions may entitle Holders to reduce their capital gain on the disposal of a Westpac Capital Note 10 (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 the date that is three months from 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 Westpac Capital Notes 10 disposed of by Holders under an agreement entered into within 12 months of the acquisition of the Westpac Capital Notes 10 by those Holders. Holders should seek independent advice to determine if their Westpac Capital Notes 10 have been held for the requisite period.

7.4.2 Non-Australian resident Holders

Any capital gain or capital loss made by a non-Australian resident Holder from the disposal of their Westpac Capital Notes 10 is likely to be disregarded on the basis that Westpac Capital Notes 10 are not likely to be "taxable Australian property" at the time of sale, unless the Westpac Capital Notes 10 were used by the non-resident in carrying on business through a permanent establishment in Australia.

Any non-Australian resident Holders should obtain specific advice in respect of the potential consequences of a disposal of their Westpac Capital Notes 10 in their particular circumstances.

7.5 Conversion of Westpac Capital Notes 10

When a Westpac Capital Note 10 is Converted, a Holder's rights in relation to the Westpac Capital Note 10 will be terminated for an amount equal to the Face Value of the Westpac Capital Note 10 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 Westpac Capital Note 10 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 is effectively deferred until any subsequent sale of the Ordinary Shares acquired by the Holder from the Conversion. This applies to both Australian resident Holders and non-Australian resident Holders.

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 Westpac Capital Note 10.

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 Section 7.4.1).

7.6 Westpac Capital Notes 6 Reinvestment Offer

Under the Reinvestment Offer, Eligible Westpac Capital Notes 6 Holders may apply to reinvest all or some of their Westpac Capital Notes 6 in Westpac Capital Notes 10. This will be effected by the transfer of Westpac Capital Notes 6 to the Westpac Capital Notes 6 Nominated Party on 18 December 2023 for \$100 per Participating Westpac Capital Note 6 and the automatic reinvestment of the transfer proceeds in Westpac Capital Notes 10 (\$100 per Note).

7 AUSTRALIAN TAX SUMMARY

For Westpac Capital Notes 6 holders who do not participate in the Reinvestment Offer (or only participate in respect of some of their Westpac Capital Notes 6), their Non-Participating Westpac Capital Notes 6 are intended to be redeemed by Westpac on 31 July 2024 for \$100 per Westpac Capital Note 6.

The following income tax consequences will generally apply to Participating Westpac Capital Notes 6 Holders whose Westpac Capital Notes 6 are transferred to the Westpac Capital Notes 6 Nominated Party pursuant to the Reinvestment Offer, and to Non-Participating Westpac Capital Notes 6 Holders whose Westpac Capital Notes 6 are intended to be redeemed by Westpac on 31 July 2024, who are Australian tax residents, hold their Westpac Capital Notes 6 as capital assets, are not in the business of dealing or trading in securities and do not otherwise hold their Westpac Capital Notes 6 on revenue account for tax purposes.

Westpac Capital Notes 6 holders may also wish to refer to the Taxation Letter in section 6 of the prospectus for Westpac Capital Notes 6 dated 20 November 2018 which contains a summary of the tax treatment of certain entities that invested in Westpac Capital Notes 6 under the prospectus and Class Ruling CR 2019/3 which contains the ATO's binding views in respect of the tax treatment of certain entities that invested in Westpac Capital Notes 6 under the prospectus for Westpac Capital Notes 6. A copy of the Class Ruling is available on Westpac's website at westpac.com.au/westpaccapnotes6.

7.6.1 Distributions

A Participating Westpac Capital Notes 6 Holder will be paid the Westpac Capital Notes 6 Distribution on 18 December 2023 on each Participating Westpac Capital Note 6 that they hold at 7.00pm (Sydney time) on 8 December 2023, being the record date for the Westpac Capital Notes 6 Distribution, subject to the distribution payment conditions in the Westpac Capital Notes 6 Terms being met.

A Non-Participating Westpac Capital Notes 6 Holder will be paid the Westpac Capital Notes 6 Distribution on 18 December 2023, on each Non-Participating Westpac Capital Note 6 that they hold at 7.00pm (Sydney time) on 8 December 2023, being the record date for the Westpac Capital Notes 6 Distribution, subject to the distribution payment conditions in the Westpac Capital Notes 6 Terms being met.

It is intended that Non-Participating Westpac Capital Notes 6 Holders will continue to be paid distributions in accordance with the Westpac Capital Notes 6 Terms, subject to the distribution payment conditions in the Westpac Capital Notes 6 Terms being satisfied.

Westpac expects these distributions to be fully franked. These distributions will be subject to the same taxation treatment as other distributions paid on Westpac Capital Notes 6. In particular, Australian resident Westpac Capital Notes 6 holders should include the amount of each distribution in their assessable income. In addition, if they are not companies and they satisfy the qualified person (related payments and holding period) rules, they should also include an amount equal to the franking credits attached to the dividend in their assessable income, in which case they should qualify for a tax offset equal to the amount of those franking credits. The comments set out in Section 7.3.1 above in relation to Distributions on Westpac Capital Notes 10 should be equally applicable to these distributions.

7.6.2 Transfer or redemption proceeds

Under the Reinvestment Offer, a Participating Westpac Capital Notes 6 Holder will elect to reinvest their transfer proceeds (\$100 for each Westpac Capital Note 6) in Westpac Capital Notes 10.

A Non-Participating Westpac Capital Notes 6 Holder will also receive an amount of \$100 for each Westpac Capital Note 6 assuming that the intended redemption of their Westpac Capital Notes 6 by Westpac occurs on 31 July 2024.

For both Participating Westpac Capital Notes 6 Holders and Non-Participating Westpac Capital Notes 6 Holders, no part of the transfer or redemption proceeds should be taken to be ordinary assessable income of the Westpac Capital Notes 6 holders.

7.6.3 CGT consequences of transfer or redemption of Westpac Capital Notes 6

Australian residents

The transfer of Westpac Capital Notes 6 by Participating Westpac Capital Notes 6 Holders pursuant to the Reinvestment Offer, or the intended redemption of Westpac Capital Notes 6 by Non-Participating Westpac Capital Notes 6 Holders on 31 July 2024, will be a CGT event for the Westpac Capital Notes 6 holders.

Westpac Capital Notes 6 holders may make a capital gain if their capital proceeds from the transfer or redemption (as relevant) are more than their "cost base" for their Westpac Capital Notes 6, or may make a capital loss if their capital proceeds are less than their "reduced cost base" for their Westpac Capital Notes 6:

- **Cost base or reduced cost base:** the first element of a Westpac Capital Notes 6 holder's cost base, or reduced cost base, for their Westpac Capital Notes 6 is the amount paid by the Westpac Capital Notes 6 holder for their Westpac Capital Notes 6. Certain other amounts associated with the acquisition or disposal of Westpac Capital Notes 6, such as broker fees, may be added to the cost base.
- **Capital proceeds:** the capital proceeds that will be received by a Participating Westpac Capital Notes 6 Holder from the transfer of their Westpac Capital Notes 6 pursuant to the Reinvestment Offer will be \$100 per Westpac Capital Note 6, assuming that they are dealing at arm's length with the Westpac Capital Notes 6 Nominated Party.

The capital proceeds that will be received by a Non-Participating Westpac Capital Notes 6 Holder on the intended redemption of their Westpac Capital Notes 6 on 31 July 2024, will be the market value of the Westpac Capital Notes 6. Based on guidance issued by the Commissioner in Practical Compliance Guideline PCG 2021/1, the Commissioner should accept that the market value of any Westpac Capital Notes 6 which are redeemed on 31 July 2024 is \$100 per Westpac Capital Note 6 (being its face value).

Any capital gain (or capital loss) made by a Westpac Capital Notes 6 holder will be aggregated with other capital gains and capital losses of the Westpac Capital Notes 6 holder in the relevant year of income to determine whether the Westpac Capital Notes 6 holder has a net capital gain or net capital loss. A net capital gain, if any, will be included in the Westpac Capital Notes 6 holder's assessable income and will be subject to income tax, however the "CGT Discount" may be available to reduce the taxable gain for a Westpac Capital Notes 6 holder who is an individual, complying superannuation entity or trust (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.

If a Westpac Capital Notes 6 holder is an individual, complying superannuation entity or a trust, and held their Westpac Capital Notes 6 for 12 months or more before the disposal, the Westpac Capital Notes 6 holder may be entitled to a "CGT Discount" for any capital gain made on the disposal of their Westpac Capital Notes 6. Westpac Capital Notes 6 holders should seek independent advice to determine if their Westpac Capital Notes 6 have been held for the requisite period.

The "CGT Discount" provisions may entitle Westpac Capital Notes 6 holders to reduce their capital gain on the disposal of a Westpac Capital Note 6 (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.

In addition, as described in more detail in Section 7.4.1 above, the Australian Government has announced that MITs and AMITs will not be entitled to the "CGT Discount" at the trust level once legislation implementing this change comes into effect.

The "CGT Discount" is not available to companies.

Non-Australian residents

Any capital gain or capital loss made by non-Australian resident Westpac Capital Notes 6 holders is likely to be disregarded on the basis that Westpac Capital Notes 6 should not be "taxable Australian property" at the time of sale, unless they were used by the non-resident in carrying on business through a permanent establishment in Australia. Any non-resident Westpac Capital Notes 6 holders should obtain specific advice in respect of the potential consequences of that disposal of Westpac Capital Notes 6 in their particular circumstances.

7.6.4 Cost base of Westpac Capital Notes 10 acquired pursuant to the Reinvestment Offer

Where Westpac Capital Notes 10 are acquired by Eligible Westpac Capital Notes 6 Holders pursuant to the Reinvestment Offer, the transfer proceeds that were applied to acquire those Notes will be included in the cost base of the Westpac Capital Notes 10 for the purposes of determining any future gain or loss on the disposal, Conversion, Redemption or Transfer of the Westpac Capital Notes 10 (see Sections 7.4 and 7.5 above).

7.7 Provision of TFN and/or ABN

Westpac is required to deduct withholding tax from payments of Distributions in respect of the Westpac Capital Notes 10 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).

7.8 GST

No GST should be payable by a Holder in respect of acquiring Westpac Capital Notes 10 or on a sale, Conversion, Redemption or Transfer of Westpac Capital Notes 10, or by a Westpac Capital Notes 6 holder in respect of the transfer of Westpac Capital Notes 6, other than in respect of brokerage or similar fees.

7.9 Stamp Duty

No stamp duty should be payable by a Holder on the issue, sale, Conversion, Redemption or Transfer of Westpac Capital Notes 10, or by a Westpac Capital Notes 6 holder in respect of the transfer of Westpac Capital Notes 6.

OTHER INFORMATION

SECTION 8

This Section sets out:

- 8.1 Restrictions on ownership for Westpac
- 8.2 Information, disclosure and availability
- 8.3 Rights attaching to Westpac Capital Notes 10
- 8.4 Rights attaching to Ordinary Shares
- 8.5 Rights attaching to Approved Successor Shares
- 8.6 Summary of the Offer Management Agreement
- 8.7 Consents
- 8.8 Interests of advisers
- 8.9 Interests of Westpac Directors
- 8.10 Contingent liabilities
- 8.11 ASX waivers and approvals
- 8.12 ASIC Relief
- 8.13 Foreign selling restrictions
- 8.14 Acknowledgment
- 8.15 Privacy statement
- 8.16 Governing law

8 OTHER INFORMATION

8.1 Restrictions on ownership for Westpac

The *Financial Sector (Shareholdings) Act 1988* (Cth) restricts the aggregate voting power of a person and their associates in an Australian bank to 20%. A shareholder may apply to the Treasurer of the Commonwealth of Australia to extend its stake beyond 20%, however approval cannot be granted unless the Treasurer is satisfied that it is in the national interest to approve a holding of greater than 20%.

Acquisitions of interests in shares in Australian companies by foreign persons are subject to review and approval by the Treasurer of the Commonwealth of Australia under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) in certain circumstances. Potential investors should consult their professional advisers to determine whether the *Foreign Acquisitions and Takeovers Act 1975* (Cth) may affect their holding or ownership of Notes or Ordinary Shares.

8.2 Information, disclosure and availability

8.2.1 Reporting and disclosure obligations

Westpac is a disclosing entity for the purposes of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require that Westpac prepare both yearly and half-yearly financial statements and a report on the operations of Westpac during the relevant accounting period together with an audit or review report by its auditor. Copies of these documents and other documents lodged with ASIC by Westpac may be obtained from, or inspected at, an ASIC office.

Westpac also has an obligation under the ASX Listing Rules to notify the ASX immediately of any information concerning Westpac of which it becomes aware and which a reasonable person would expect to have a material effect on the price or value of Westpac's securities unless exceptions from disclosure apply under the ASX Listing Rules. ASX maintains records of company announcements for all companies listed on the ASX. Westpac's announcements may be viewed on ASX's website (asx.com.au).

8.2.2 Accessing information about Westpac

Westpac will provide a copy of any of the following documents free of charge to any person who requests a copy during the Offer Period in relation to this Prospectus:

- the financial statements of Westpac for the year ended 30 September 2023 (being the most recent annual financial statements lodged with ASIC before the lodgement of this Prospectus);
- the interim financial results announcement of Westpac for the half year ended 31 March 2023 (being the most recent interim financial statements lodged with ASIC before the lodgement of this Prospectus);
- any document or financial statement lodged by Westpac with ASIC or ASX under the continuous disclosure reporting requirements in the period after the lodgement of the annual financial statements and before the lodgement of this Prospectus; and
- Westpac's Constitution.

Written requests for copies of these documents should be addressed to:

Westpac Group Secretariat
Level 18
275 Kent Street
Sydney NSW 2000

Copies of Westpac's financial statements and annual reports are available at: westpac.com.au/about-westpac/investor-centre/financial-information/.

Copies of Westpac's Constitution are available at: westpac.com.au/about-westpac/westpac-group/corporate-governance/constitution-board/.

8.3 Rights attaching to Westpac Capital Notes 10

The rights attaching to the Notes are contained in the Westpac Capital Notes 10 Terms, which are contained in Appendix B.

8.4 Rights attaching to Ordinary Shares

Ordinary Shares may be issued to Holders by Westpac on Conversion of Notes. These Ordinary Shares will be issued as fully paid and will rank equally with all other Ordinary Shares already on issue in all respects.

The rights attaching to Ordinary Shares are set out in Westpac's Constitution, the ASX Listing Rules and the Corporations Act. A summary of these rights is set out in this Section 8.4.

8.4.1 Transfers

Transfers of Ordinary Shares are not effective until registered. Subject to the ASX Listing Rules, Westpac may refuse to register a transfer of Ordinary Shares without giving any reasons. However, the ASX Listing Rules substantially restrict when Westpac may refuse to register a transfer.

Unless otherwise required by law, Westpac is not required to recognise any interest in Ordinary Shares apart from that of registered holders of Ordinary Shares.

Where two or more persons are registered as joint holders of Ordinary Shares, they are taken to hold the Ordinary Shares as joint tenants with rights of survivorship.

Westpac is not required to register more than three persons as joint holders of an Ordinary Share or issue more than one share certificate or holding statement for Ordinary Shares jointly held.

Restrictions apply in respect of persons who become entitled to Ordinary Shares by reason of the death, bankruptcy or mental incapacity of a holder of Ordinary Shares.

8 OTHER INFORMATION

8.4.2 Profits and Dividends

Holders of Ordinary Shares are entitled to receive such Dividends as may be determined by Westpac. Dividends determined by Westpac are payable to holders of Ordinary Shares in proportion to the amounts paid on the Ordinary Shares that they hold.

Dividends must only be paid in accordance with applicable laws and Westpac's Constitution.

Westpac is restricted from paying Dividends unless:

- Westpac's assets exceed its liabilities immediately before the Dividend is determined and the excess is sufficient for the payment of the Dividend;
- the payment of the Dividend is fair and reasonable to Westpac's shareholders as a whole; and
- the payment of the Dividend does not materially prejudice Westpac's ability to pay its creditors.

Additionally, Dividends would not be payable if making such a payment would breach or cause a breach by Westpac of applicable capital adequacy or other supervisory requirements of APRA, or if Westpac was directed by APRA not to pay a Dividend under the Banking Act. APRA's requirements include that Westpac must obtain APRA's written approval prior to making a Dividend payment on Ordinary Shares if the aggregate amount of Dividend payments on Ordinary Shares in the 12 months covered by one or more sets of publicly available operating results preceding the date of the proposed Dividend payment exceeds Westpac's after-tax earnings after taking into account any payments on more senior capital instruments in the same 12 months.

There are restrictions on the amount of earnings that can be distributed through Tier 1 Capital Distributions should an ADI's Level 1 or Level 2 CET1 Ratios fall below the Total CET1 Requirement of 10.25%¹. See Section 5.2.5 for further information.

Dividends that are paid, but not claimed, may be invested by the Westpac Directors for the benefit of Westpac until required to be dealt with under any law relating to unclaimed moneys.

8.4.3 Winding Up of Westpac

Subject to the preferential entitlement (if any) of preference shareholders, holders of Ordinary Shares are entitled to share equally in any surplus assets if Westpac is wound up.

8.4.4 Meetings and voting rights

Holders of Ordinary Shares are entitled to receive notice of, attend and vote at general meetings of Westpac. Each holder of Ordinary Shares present at a general meeting (whether in person or by proxy or representative) is entitled to one vote on a show of hands or, on a poll, one vote for each Ordinary Share held.

8.4.5 Issue of further Ordinary Shares

The Westpac Directors control the issue of Ordinary Shares. Subject to the Corporations Act, the Westpac Directors may issue further Ordinary Shares, and grant options and pre-emptive rights over Ordinary Shares, on terms they think fit.

8.5 Rights attaching to Approved Successor Shares

If Westpac is replaced as the ultimate holding company of the Westpac Group by an Approved Successor, and the Westpac Capital Notes 10 Terms are amended to enable substitution of the Approved Successor as debtor of the Westpac Capital Notes 10 and the issuer of ordinary shares on Conversion, Holders will be issued with Approved Successor Shares on Conversion (rather than Ordinary Shares). In order to be classified as an Approved Successor, the shares of the proposed successor holding company must be listed on an internationally recognised stock exchange – see clause 16.2 of the Westpac Capital Notes 10 Terms (definition of "Acquisition Event"). The Approved Successor will be obliged to use all reasonable endeavours to obtain quotation of the Approved Successor Shares issued under the Westpac Capital Notes 10 Terms on the stock exchanges on which the other Approved Successor Shares are quoted at the time of a Conversion – see clause 13.4 of the Westpac Capital Notes 10 Terms.

8.6 Summary of the Offer Management Agreement

Westpac and the Joint Lead Managers entered into the Offer Management Agreement ("OMA") on 20 November 2023. Under the OMA, Westpac has appointed Westpac Institutional Bank, ANZ Securities Limited, Commonwealth Bank of Australia, Morgan Stanley Australia Securities Limited, Morgans Financial Limited, National Australia Bank Limited, Ord Minnett Limited, Shaw and Partners Limited and UBS AG, Australia Branch as the Joint Lead Managers and joint bookrunners for the Offer.

Under the OMA, the Joint Lead Managers agree to conduct the Bookbuild before the Opening Date. In this process, Syndicate Brokers and Institutional Investors are invited to lodge bids for a number of Notes at various margins within an indicative margin range. Using those bids, Westpac and the Joint Lead Managers will set the Margin and determine the total number of Notes to be Allocated and Westpac will determine the firm Allocations to Syndicate Brokers and Institutional Investors. The Bookbuild will be conducted on the terms and conditions in the OMA.

The OMA contains various representations and warranties, and imposes various obligations on Westpac, including representations, warranties and obligations to ensure that this Prospectus complies with the Corporations Act and ASX Listing Rules, and to conduct the Offer under the agreed timetable, ASX Listing Rules, this Prospectus and all other applicable laws.

The OMA provides that Westpac will not, without the Joint Lead Managers' consent (not to be unreasonably withheld or delayed), allot, agree to allot or indicate in any way that it may or will allot or agree to allot any ASX listed hybrid debt or preference security with Tier 1 Capital or Tier 2 Capital status before the Issue Date, other than pursuant to the Offer and in certain other specified circumstances.

Note:

1. The Total CET1 Requirement of 10.25% applies to D-SIBs, however it may be higher for individual ADIs (including Westpac) – see Section 5.2.2.

Westpac has agreed to indemnify the Joint Lead Managers (other than Westpac Institutional Bank) and parties affiliated with each Joint Lead Manager against damages, losses, costs, expenses and liabilities in connection with the Offer, other than where these result from any fraud, recklessness, wilful misconduct or negligence of the indemnified parties or certain other events.

The Joint Lead Managers have entered into the OMA with Westpac on an arms' length basis and do not accept any fiduciary obligations to, or any fiduciary, relationship with, any investor or potential investor in Westpac, in connection with the Offer, the Notes or otherwise.

8.6.1 Settlement support

Each Joint Lead Manager has agreed to provide settlement support for the number of Notes Allocated to Syndicate Brokers under the Bookbuild. Under the OMA, as part of that settlement support, each Joint Lead Manager will pay to Westpac, or procure payment to Westpac of, its JLM Amount under the Bookbuild by the settlement date (15 December 2023). Each Joint Lead Manager is only responsible for ensuring that payment is made for Notes Allocated to them or at their direction. Westpac Institutional Bank need only pay, or procure payment, to Westpac of the proportion of its JLM Amount, Institutional Amount and Co-Manager Amount that it actually receives from third party investors.

8.6.2 Fees

Under the OMA, Westpac will pay:

- each Joint Lead Manager, a selling fee of 0.75% of that Joint Lead Manager's JLM Amount;
- to Westpac Institutional Bank, a selling fee of 0.75% of the Co-Manager Amount;
- each Joint Lead Manager whose bid into the Bookbuild equals or exceeds a minimum threshold, a bookrunning fee of 0.50% of that Joint Lead Manager's JLM Amount;
- to Westpac Institutional Bank, a bookrunning fee of 0.50% of the Co-Manager Amount;
- to Westpac Institutional Bank, a selling fee of 0.25% of the Institutional Amount; and
- to Westpac Institutional Bank, an arranger fee.

Westpac Institutional Bank agrees to pay, on behalf of Westpac, a selling fee of 0.75% of the Co-Manager Amount to any Co-Managers (who are not affiliated with a Joint Lead Manager), subject to receipt of this fee from Westpac (as set out above). Westpac Institutional Bank also agrees to pay, on behalf of Westpac, a selling fee of 0.75% of its JLM Amount to certain other participating brokers, subject to Westpac Institutional Bank receiving the selling fee of 0.75% of its JLM Amount described in this Section 8.6.2.

Westpac may pay to Westpac Institutional Bank, and Westpac Institutional Bank agrees to pay on Westpac's behalf to certain investors, a commitment fee of up to 0.75% of the Application Payment made by those investors. This is subject to the satisfaction of certain conditions, including a minimum bid under the Bookbuild and a minimum holding period in respect of the Notes Allocated to those investors.

The Joint Lead Managers may pay fees on behalf of Westpac to Australian financial services licensees and their authorised representatives ("External Third Parties") in respect of Notes Allocated to them for allocation to their clients. Under the OMA, the amount of the fee payable to an External Third Party must not exceed 0.75% (or 1.25% if the External Third Party is an affiliate of the Joint Lead Manager or an External Third Party approved by Westpac) of the amount which is equal to the number of Notes which are Allocated to that External Third Party multiplied by the Initial Face Value. External Third Parties may in turn rebate fees (which may not exceed 0.75% of the amount which is equal to the number of Notes which are Allocated to that External Third Party multiplied by the Initial Face Value) to other External Third Parties for procuring Applications for any Notes by their clients, among other things.

The estimated aggregate fees payable by Westpac to the Joint Lead Managers, Co-Managers (who are not affiliated with a Joint Lead Manager) and the arranger as set out above are approximately \$10 million (exclusive of GST), making certain assumptions as to the allocation of Westpac Capital Notes 10 between the New Money Offer and Reinvestment Offer, as well as to the total amount of Westpac Capital Notes 10 issued.

8.6.3 Termination

Any/each Joint Lead Manager may terminate its obligations under the OMA on the occurrence of a number of customary termination events, including (among others):

- a downgrade of certain credit ratings assigned to Westpac;
- ASIC issues a stop order in relation to the Offer;
- a supplementary prospectus is required under section 719 of the Corporations Act;
- ASX refuses to quote the Notes on the ASX;
- any person (other than a Joint Lead Manager or Co-Manager) withdraws their consent to be named in this Prospectus;
- certain breaches of the OMA;
- Westpac withdraws this Prospectus or the Offer;
- trading of certain ASX listed Capital Securities is suspended for a certain period of time, or certain ASX listed Capital Securities cease to be quoted on the ASX;
- Westpac withdraws the TMD and a new TMD is not issued or made by or promptly after such withdrawal;
- a new TMD is issued without the prior consultation with the Joint Lead Managers;
- Westpac amends any part of the TMD or makes a new TMD;
- the occurrence of a review trigger under the TMD or an event or circumstance that would reasonably suggest the TMD is no longer appropriate;
- unauthorised alterations to the Notes Deed Poll or Westpac's Constitution; and
- an adverse change in the financial position or prospects of the Westpac Group.

8 OTHER INFORMATION

Certain termination events will only give rise to a right to terminate if the Joint Lead Manager has reasonable and bona fide grounds to believe and does believe that the event has or is likely to have a material adverse effect on the Offer. If termination occurs, the Joint Lead Manager who terminates (or each Joint Lead Manager that terminates) will no longer be a lead manager or bookrunner and will not be obliged to conduct the Bookbuild or provide settlement support for the Bookbuild.

Under the OMA, if one Joint Lead Manager terminates, each other Joint Lead Manager must give notice in writing to Westpac and each of the terminating Joint Lead Managers stating whether it will also terminate or whether it will assume the obligations of the terminating Joint Lead Manager(s).

8.7 Consents

Each Westpac Director has given, and not withdrawn, their consent to the lodgement of this Prospectus with ASIC.

Each of the parties (referred to as “**Consenting Parties**”), who are named in this Section 8.7:

- has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based other than as specified in this Section 8.7;
- has not made any statements in this Prospectus, other than the reference to its name and/or statement or report included in this Prospectus with the consent of that Consenting Party and does not accept responsibility for any statements in the Prospectus other than the reference to its name and/or the statement or report included in this Prospectus with the consent of that Consenting Party nor omissions from the Prospectus;
- has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named; and
- in the case of Allens, has given and has not, before the lodgement of this Prospectus with ASIC withdrawn its written consent to the inclusion of Section 7 in the form and context in which it appears in this Prospectus.

Role	Consenting Parties
Arranger	Westpac Institutional Bank
Joint Lead Managers	Westpac Institutional Bank
	ANZ Securities Limited
	Commonwealth Bank of Australia
	Morgan Stanley Australia Securities Limited
	Morgans Financial Limited
	National Australia Bank Limited
	Ord Minnett Limited
	Shaw and Partners Limited
	UBS AG, Australia Branch

Role	Consenting Parties
Co-Managers	Bell Potter Securities Limited JBWere Limited LGT Crestone Wealth Management Limited Wilsons Advisory and Stockbroking Limited
Australian legal and tax adviser to the Offer, including the Reinvestment Offer	Allens
Auditor	PricewaterhouseCoopers
Accounting adviser	PricewaterhouseCoopers Securities Limited
Registrar	Link Market Services Limited

8.8 Interests of advisers

Westpac Institutional Bank has acted as arranger and a Joint Lead Manager, in respect of which it will receive the fees set out in Section 8.6.2. The remaining Joint Lead Managers and Co-Managers (who are not affiliated with a Joint Lead Manager) will receive fees, as also set out in Section 8.6.2.

The Joint Lead Managers and Co-Managers are full service securities firms and they, along with their respective affiliates, are engaged in various activities, including securities trading, investment management, financing and brokerage activities and financial planning and benefits counselling for both companies and individuals. In the ordinary course of these activities, the Joint Lead Managers, Co-Managers and their respective affiliates may trade or provide advice in relation to the securities of Westpac and its related bodies corporate, and may receive customary fees or commissions for so doing. The Joint Lead Managers and Co-Managers have represented to Westpac that they will manage any conflicts in connection with their role as Joint Lead Managers or Co-Managers in compliance with their legal obligations.

Allens is acting as Australian legal and tax adviser to Westpac in relation to the Offer, including the Reinvestment Offer. In respect of this work, Westpac estimates that it will pay to Allens approximately \$515,000 (excluding disbursements and GST). Further amounts in relation to the Offer, including the Reinvestment Offer, may be paid to Allens under its normal time-based charges.

PricewaterhouseCoopers Securities Limited is acting as accounting adviser to Westpac. Westpac estimates that it will pay to PricewaterhouseCoopers Securities Limited approximately \$90,000 (excluding disbursements and GST). Further amounts in relation to the Offer may be paid to PricewaterhouseCoopers Securities Limited under its normal time-based charges.

Other than as set out in this Prospectus:

- no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; and
- no promoter or underwriter of the Offer of the Notes or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds at the date of this Prospectus, or has held in the two years before that date, an interest in:

- the formation or promotion of Westpac;
- the Offer; or
- any property acquired or proposed to be acquired by Westpac in connection with its formation or promotion or with the Offer.

Other than as set out in this Prospectus, no such person has been paid or agreed to be paid any amount, nor has any benefit been given or agreed to be given to any such persons for services provided by them, in connection with the formation or promotion of Westpac or with the Offer.

8.9 Interests of Westpac Directors

The Westpac Directors and their associates may acquire Notes offered under this Prospectus subject to the ASX Listing Rules, including any waivers described in Section 8.11. Details of the Westpac Directors' holdings of Ordinary Shares and other securities of Westpac are disclosed to, and available from, ASX at [asx.com.au](https://www.asx.com.au).

Non-executive Westpac Directors are remunerated for their services from the maximum aggregate amount approved by shareholders for this purpose. Westpac shareholders approved the current limit (\$4.5 million in aggregate) at Westpac's 2008 Annual General Meeting. Westpac Board and Board Committee fees are reviewed annually. Separate fees may also be paid for additional responsibilities that may arise on an ad hoc basis. Proposed Non-executive Westpac Directors will be paid out of the same fee pool commensurate with other Non-executive Westpac Directors. Details of the remuneration paid to Westpac Directors by Westpac for financial year 2023 are set out in the Remuneration Report in Westpac's 2023 Annual Report. Westpac's 2023 Annual Report can be accessed as described in Section 8.2.2.

Other than as set out in this Section 8.9, no Westpac Director or proposed Westpac Director holds, at the date of this Prospectus, or has held in the two years before that date, an interest in:

- the formation or promotion of Westpac;
- the Offer; or
- any property acquired or proposed to be acquired by Westpac in connection with its formation or promotion or with the Offer.

Other than as set out in this Section 8.9, no Westpac Director or proposed Westpac Director has been paid or agreed to be paid any amount (whether in cash or in shares or otherwise), nor has any benefit been given or agreed to be given to any Westpac Director or proposed Westpac Director to induce them to become or qualify them as a Westpac Director, or for services provided by them in connection with the formation or promotion of Westpac or with the Offer.

8.10 Contingent liabilities

Amongst other matters, contingent liabilities exist in respect of actual and potential claims and proceedings. An assessment of Westpac's likely loss has been made on a case-by-case basis for the purposes of Westpac's financial statements for the year ended 30 September 2023. Specific provisions have been made where appropriate. See Note 25 of Westpac's financial statements in the 2023 full year financial results announcement, for further details (these financial statements can be accessed as described in Section 8.2.2).

8.11 ASX waivers and approvals

Westpac has received the following ASX waivers or confirmations in relation to the Westpac Capital Notes 10 Terms and the Offer:

- 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 the Offer and be issued Notes without shareholder approval on the following conditions:
 - the number of Notes which may be issued to Westpac Directors and their associates collectively is no more than 0.2% of the total number of Notes issued under the Offer, and the participation of the Westpac Directors and their associates in the Offer is on the same terms and conditions as applicable to other subscribers for Notes;
 - Westpac releases the terms of the waiver to the market when the Offer is announced; and
 - when the Notes are issued, Westpac announces to the market the total number of Notes issued to the Westpac Directors and their associates in aggregate;
- the Westpac Capital Notes 10 Terms are appropriate and equitable for the purposes of ASX Listing Rule 6.1;
- the Notes are classified as "equity securities" for the purposes of the ASX Listing Rules;
- ASX Listing Rule 6.12 does not apply to the terms of issue of the Notes which provide for their Conversion, write-off, Redemption or Transfer;
- for the purposes of ASX Listing Rule 7.1, the maximum number of Ordinary Shares into which the Notes can be Converted should be calculated in accordance with ASX Listing Rule 7.1B.1(e);
- the issue of Ordinary Shares on Conversion of the Notes will be within Exception 9 of ASX Listing Rule 7.2 and will not be subject to ASX Listing Rule 7.1; and
- a confirmation that the timetable for the Offer is acceptable.

Westpac has also received the following ASX confirmations in relation to Westpac Capital Notes 6 and the Reinvestment Offer:

- that the amendments to the Westpac Capital Notes 6 Terms as described in Section 3.6.1 are appropriate and equitable for the purposes of ASX Listing Rule 6.1;
- that ASX has no objection to the amendments to the Westpac Capital Notes 6 Terms as described in Section 3.6.1 for the purposes of Listing Rule 15.1.2; and
- that the timetable for the Reinvestment Offer is acceptable.

8 OTHER INFORMATION

8.12 ASIC Relief

Westpac obtained relief from section 734(2) of the Corporations Act to enable it to provide its securityholders with details on the structure of the Offer before the release of this Prospectus.

8.13 Foreign selling restrictions

8.13.1 Other foreign jurisdictions

The distribution of this Prospectus (including an electronic copy) in jurisdictions outside Australia may be restricted by law. If you come into possession of this Prospectus in jurisdictions outside Australia, then you should seek advice on, and observe, any such restrictions. If you fail to comply with such restrictions, that failure may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify Notes or the Offer or to otherwise permit a public offering of Notes in any jurisdiction outside Australia.

8.13.2 United States

The Notes have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, delivered or transferred in the United States or to, or for the account or benefit of, any US Person. Neither this Prospectus nor any online Application, or other materials relating to the Offer may be distributed in the United States.

Each of the Joint Lead Managers has agreed that it will not offer, sell, deliver or transfer the Notes within the United States or to, or for the account or benefit of, US Persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offer and the Issue Date (the “**Distribution Compliance Period**”), and it will have sent to each dealer, distributor or other relevant parties to which Notes are Allocated during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers, sales, deliveries and transfers of the Notes within the United States or to, or for the account or benefit of, US Persons.

In addition, until 40 days after the commencement of the Offer, an offer or sale of Notes within the United States by any dealer that is not participating in the Offer may violate the registration requirements of the US Securities Act.

Each of the Joint Lead Managers has agreed that (i) neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts within the meaning of Rule 902 under the US Securities Act with respect to the Notes, and it and they have complied with and will comply with the offering restrictions requirement of Regulation S under the US Securities Act and (ii) it has not entered and will not enter into any contractual arrangement with any person with respect to the distribution of the Notes, unless such person has agreed in writing that all offers and sales of the Notes prior to the expiration of the Distribution Compliance Period shall be made only in accordance with the OMA and Regulation S under the US Securities Act.

8.13.3 New Zealand

This Prospectus has not been and will not be registered in New Zealand, and no advertisement or offering material relating to the Notes may be distributed in New Zealand. Notes may not be offered or sold directly or indirectly in New Zealand, other than to a “wholesale investor” as that term is defined in clause 3(2) of Schedule 1 to the *Financial Markets Conduct Act 2013 of New Zealand* (“**FMCA**”), being:

- a person who is:
 - (i) an “investment business”;
 - (ii) “large”; or
 - (iii) a “government agency”,
 in each case as defined in Schedule 1 to the FMCA; or
- a person who meets the “investment activity criteria” specified in clause 38 of Schedule 1 to the FMCA.

8.14 Acknowledgment

By making an Application you:

- acknowledge having personally received a copy of the full Prospectus (and any supplementary or replacement document) and declare that you have read them all in full;
- acknowledge that the information contained in this Prospectus (and any supplementary or replacement document) is not financial product or investment advice or a recommendation that Westpac Capital Notes 10 are suitable for you, and has been prepared without taking into account your investment objectives, financial situation or particular needs;
- acknowledge that Westpac Capital Notes 10 are not deposit liabilities or protected accounts of Westpac for the purposes of the Banking Act or Financial Claims Scheme, are not subject to the depositor protection provisions of Australian banking legislation (including the Australian Government guarantee of certain bank deposits), and are not guaranteed or insured by the Australian government, or any government agency or compensation scheme of Australia or any other jurisdiction;
- acknowledge that an investment in Westpac Capital Notes 10 is subject to investment risk, including possible delays in payment and loss of income and principal invested, and that neither Westpac nor any member of the Westpac Group guarantees the capital value or performance of Notes or any particular rate of return;
- acknowledge that investments in Westpac Capital Notes 10 are an investment in Westpac and may be affected by the ongoing performance and financial position and solvency of Westpac;
- agree to be registered as a Holder of Westpac Capital Notes 10 and to be bound by the terms of the Offer, this Prospectus, the Westpac Capital Notes 10 Terms and the Notes Deed Poll;
- agree to become a member of Westpac and to be bound by the terms of Westpac’s Constitution, if issued Ordinary Shares on Conversion;

- declare that you have provided evidence to your Syndicate Broker that you satisfy the eligibility requirements set out in the Target Market Determination for the Notes and described in Sections 1.7.2 and 4.2;
- represent and warrant that you are not acting for the account or benefit of any person to whom it would not be lawful to make the Offer under applicable securities laws;
- represent and warrant that you are not in a jurisdiction in which it would not be lawful for the Offer to be made to you, and that you are not in the United States and you are not a US Person (and not acting for the account or benefit of a US Person), and you will not offer, sell, deliver or transfer Westpac Capital Notes 10 in the United States or to, or for the account or benefit of, any US Person;
- acknowledge and declare that you consent to the use and disclosure of your personal information by Westpac and members of the Westpac Group (and their agents, including the Registrar, on Westpac's behalf) in the manner set out in Section 8.15 of this Prospectus;
- authorise Westpac and the Joint Lead Managers and their respective officers or agents to do anything on your behalf reasonably necessary for Westpac Capital Notes 10 to be Allocated to you, including acting on instructions received by the Registrar upon using the contact details provided in connection with your Application;
- acknowledge that once you submit an Application, you may not modify or withdraw it subject to applicable law;
- declare that all details and statements in your Application (including as set out in any Application Form) are complete and accurate;
- apply for the number of Westpac Capital Notes 10 in the Australian dollar amount pursuant to your Application and agree to be issued such number of Westpac Capital Notes 10 or a lesser number (or no Westpac Capital Notes 10 at all), as described in this Prospectus; and
- acknowledge that Westpac reserves the right not to accept an Application from any Applicant, including where an Application and/or Application Payment is not properly made or submitted by the Closing Date for the Offer.

8.15 Privacy statement

Westpac is required to collect certain information about Applicants and Holders under company and tax law. Applicants will be asked to provide personal information to Westpac (directly or via its agents, including the Registrar). You acknowledge, and consent to the collection, use and disclosure by Westpac (and its agents, including the Registrar) of any personal information submitted as part of your Application, including in any Application Form or other documents and otherwise provided to Westpac (directly or via its agents, including the Registrar) in order to process your Application, administer your Westpac Capital Notes 10 holding (and following Conversion, if applicable, your holding of Ordinary Shares), provide facilities and services that you request, carry out appropriate administration and as otherwise required or authorised by law (including, without limitation, any law relating to taxation, money laundering or counter-terrorism).

Westpac may also use and disclose your personal information to send you marketing information about the products and services of members of the Westpac Group, including future offers of securities. However, Westpac won't send you such offers if you have previously told Westpac you don't want to receive them. If you do not wish to receive information about the products and services of members of the Westpac Group, including future offers of securities, please contact the **Westpac Capital Notes 10 Information Line (Monday to Friday, 8.30am to 7.30pm, Sydney time) on 1800 176 125 (free call within Australia) and +61 1800 176 125 (outside Australia)**, or alternatively use the opt-out facility provided to you in each marketing message, and request that Westpac does not send you marketing material.

Westpac may disclose your personal information to third parties including other members of the Westpac Group and to Westpac's agents, service providers, auditors and advisers. Such disclosure may also include disclosure to domestic and overseas regulators or other government agencies (including ASIC and the ATO), stock exchanges, and the public by way of public registers maintained by regulators or other bodies.

You may access and correct your personal information or make a complaint. See our Privacy Statement at **westpac.com.au/privacy** (see sections 21-23) for details. Information on how we keep your personal information safe and secure is also included in our Privacy Statement (see section 19). You do not need to provide us with any personal information, however, you acknowledge that if you do not provide the personal information required for your Application, including in any Application Form or other documents, it might not be possible to process your Application, administer your securityholding and/or send you information about the products and services of members of the Westpac Group, including future offers of securities.

8.16 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications are governed by the laws applicable in New South Wales, Australia and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

GLOSSARY

APPENDIX A

APPENDIX A GLOSSARY

Defined terms in this glossary and in clause 16.2 of the Westpac Capital Notes 10 Terms are used throughout this Prospectus and any Application Forms.

ABN	Australian Business Number
Acquisition Event	<p>occurs when:</p> <ul style="list-style-type: none"> • a takeover bid is made and certain conditions are satisfied; or • a court orders one or more meetings to be convened to approve a scheme of arrangement and certain conditions are satisfied <p>An Acquisition Event does not occur upon the proposed replacement of Westpac as the ultimate holding company of the Westpac Group if certain conditions are met</p>
Acquisition Event Conversion Date	has the meaning set out in clause 5.9(a)(iii) of the Westpac Capital Notes 10 Terms
Additional Tier 1 Capital or AT1	has the meaning prescribed by APRA in the Prudential Standards
ADI	an Authorised Deposit-taking Institution under the Banking Act
AFSL	Australian Financial Services Licence
AI	Artificial intelligence
Allocation	<p>the number of Notes allocated via the Bookbuild to Applicants under the Reinvestment Offer and the New Money Offer</p> <p>Allocate, Allocated and Allocating have the corresponding meaning</p>
Allotment	<p>the issue of Notes to Applicants on the Issue Date under their Allocation</p> <p>Allotted and Allot have the corresponding meaning</p>
Alternative BBSW Rate	<p>a rate other than the 3 month BBSW Rate, that is, in Westpac's opinion, generally accepted in the Australian market as the successor to the 3 month BBSW Rate, or if there is no such rate:</p> <ul style="list-style-type: none"> • a reference rate that is, in Westpac's opinion, appropriate to floating rate debt securities of a tenor and interest period most comparable to Westpac Capital Notes 10; or • such other reference rate as Westpac considers appropriate having regard to available comparable indices <p>For the full definition, see clause 3.1 of the Westpac Capital Notes 10 Terms</p>
AML/CTF	anti-money laundering and counter-terrorism financing
Applicant	a person who submits an Application in accordance with this Prospectus
Application	a valid application made under this Prospectus for a specified number of Notes (including on an Application Form)
Application Form	means a paper or online application form (as the context requires), accompanying this Prospectus, which Syndicate Brokers may require Applicants to complete
Application Payment	the monies payable on Application, calculated as the number of Notes applied for multiplied by the Initial Face Value
Approved Successor	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 clause 16.2 of the Westpac Capital Notes 10 Terms

APPENDIX A GLOSSARY

Approved Successor Share	a fully paid ordinary share in the capital of the Approved Successor
APRA	Australian Prudential Regulation Authority
APRA Discussion Paper	the discussion paper released by APRA on 21 September 2023 titled “ <i>Discussion paper – Enhancing bank resilience: Additional Tier 1 Capital in Australia</i> ”
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the securities market operated by ASX Limited, as the context requires
ASX Listing Rules	the listing rules of ASX from time to time with any modification or waivers which ASX may grant to Westpac
ASX Operating Rules	the market operating rules of ASX as amended, varied or waived by ASX from time to time
ATO	Australian Taxation Office
AUSTRAC	Australian Transaction Reports and Analysis Centre
Australian Tax Rules	the rules concerning the use of franking credits, and various tax integrity measures, contained in the Tax Act that apply at the time of each Distribution
Banking Act	<i>Banking Act 1959</i> (Cth)
BBSW Rate	has the meaning given in clause 3.1 of the Westpac Capital Notes 10 Terms
BBSW Rate Disruption Event	occurs when in Westpac’s opinion, the 3 month BBSW Rate: <ul style="list-style-type: none"> • has been discontinued or otherwise ceased to be calculated or administered; or • is no longer generally accepted in the Australian market as a reference rate appropriate to floating rate debt securities of a tenor and interest period comparable to that of Westpac Capital Notes 10
BCBS	Basel Committee on Banking Supervision
Bookbuild	the process conducted by the Joint Lead Managers to determine the Margin and firm Allocations of the Notes to Syndicate Brokers and Institutional Investors
BPR	the RBNZ Banking Prudential Requirements
Business Day	a day which is: <ul style="list-style-type: none"> • a business day as defined in the ASX Listing Rules; and • for all purposes other than any calculation in respect of a Conversion, a date on which banks are open for general business in Sydney
Buy Back	a transaction involving the acquisition by Westpac of its Ordinary Shares pursuant to the provisions of Part 2J of the Corporations Act
Capital Buffer	consists of Capital Conservation Buffer plus any Countercyclical Capital Buffer
Capital Conservation Buffer or CCB	has the meaning prescribed by APRA in the Prudential Standards
Capital Reduction	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	Ordinary Shares or any equity, hybrid or subordinated debt capital security (whether comprised of one or more instruments) issued by Westpac excluding the Notes

Capital Trigger Event	<p>occurs when:</p> <ul style="list-style-type: none"> Westpac determines; or APRA notifies Westpac in writing that it believes, <p>that either or both the Westpac Level 1 Common Equity Tier 1 Capital Ratio or Westpac Level 2 Common Equity Tier 1 Capital Ratio (each as defined in the Westpac Capital Notes 10 Terms) is equal to or less than 5.125%</p>
Capital Trigger Event Conversion Date	has the meaning set out in clause 5.2(d)(iii) of the Westpac Capital Notes 10 Terms
Cash Rate	the interest rate which banks pay to borrow funds from other banks in the money market on an overnight basis
Cash Rate Target	the RBA's operational target for the implementation of monetary policy. A decision to ease policy is reflected in a new lower target for the cash rate, while a decision to tighten policy is reflected in a higher target
Cboe	Cboe Australia Pty Ltd (ACN 129 584 667) or the financial market operated by Cboe Australia Pty Ltd, as the context requires
Change of Law	<ul style="list-style-type: none"> 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; a judicial decision interpreting, applying or clarifying laws or regulations affecting taxation in Australia; 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 a challenge in relation to (or in connection with) the tax treatment of the Notes asserted or threatened in writing from a governmental authority or regulatory body in Australia, <p>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</p>
CHESS	Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532)
Closing Date	the last day on which Applications for the Reinvestment Offer and New Money Offer will be accepted, expected to be 5.00pm Sydney time on 12 December 2023 ¹
Co-Managers	Bell Potter Securities Limited, JBWere Limited, LGT Crestone Wealth Management, Wilsons Advisory and Stockbroking Limited and any other co-managers appointed to the Offer by Westpac
Co-Manager Amount	the Allocation to any Co-Managers (who are not affiliated with a Joint Lead Manager) multiplied by the Initial Face Value
Common Equity Tier 1 Capital or CET1	has the meaning prescribed by APRA in the Prudential Standards
Common Equity Tier 1 Capital Ratio or CET1 Ratio	has the meaning prescribed by APRA in the Prudential Standards
Consenting Party	each of the consenting parties named in Section 8.7

Note:

- Westpac and the Joint Lead Managers may, in their absolute discretion, close the Offer early or extend the Offer Period without notice. Westpac may also withdraw the Offer at any time before the Notes are issued.

APPENDIX A GLOSSARY

Conversion	the conversion of all, some or in the case of a Capital Trigger Event or Non-Viability Trigger Event only, a proportion of the Face Value of each of the, Notes into Ordinary Shares under the Westpac Capital Notes 10 Terms Convert and Converted have the corresponding meaning
Conversion Date	the applicable: <ul style="list-style-type: none"> • Scheduled Conversion Date; • Capital Trigger Event Conversion Date; • Non-Viability Trigger Event Conversion Date; • Acquisition Event Conversion Date; or • Optional Conversion Date
Conversion Number	has the meaning given in clause 9.1 of the Westpac Capital Notes 10 Terms
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Countercyclical Capital Buffer	has the meaning prescribed by APRA in the Prudential Standards
CPS 190	Prudential Standard CPS 190 Recovery and Exit Planning
DDO	product design and distribution obligations
DDO Laws	Corporations Act provisions (in Part 7.8A of the Corporations Act) which were introduced by the Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019 (Cth)
Distribution	interest on the Face Value of each Note as set out in clause 3.1 of the Westpac Capital Notes 10 Terms
Distribution Payment Conditions	the conditions set out in clause 3.3 of the Westpac Capital Notes 10 Terms, being: <ul style="list-style-type: none"> • Westpac's absolute discretion; • 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 Prudential Standards as they are applied to the Westpac Group at the time of the payment; • the payment of the Distribution 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 of the Distribution
Distribution Payment Date	has the meaning given in clause 3.5 of the Westpac Capital Notes 10 Terms
Distribution Period	the period from (but excluding) the Issue Date until (and including) the first Distribution Payment Date or thereafter from (but excluding) each Distribution Payment Date until (and including) the next Distribution Payment Date
Distribution Rate	has the meaning given in clause 3.1 of the Westpac Capital Notes 10 Terms
Dividend	any interim, final or special dividends payable in accordance with the Corporations Act and Westpac's Constitution in relation to Ordinary Shares
D-SIB	Domestic Systemically Important Bank

Eligible Westpac Capital Notes 6 Holder	<p>an investor who:</p> <p>(a) is a registered holder of Westpac Capital Notes 6 shown on the Register at 7.00pm (Sydney time) on the Reinvestment Offer Record Date, being 10 November 2023, as having an address in Australia;</p> <p>(b) is a company or individual (including as a trustee of a family, hybrid or unit trust) aged 18 years or older;</p> <p>(c) has an Australian residential address; and</p> <p>(d) is either:</p> <ul style="list-style-type: none"> – within the Target Market and has received personal advice from a financial adviser to acquire Westpac Capital Notes 10, or – a Wholesale Client
Equal Ranking Capital Securities	has the meaning given in clause 16.2 of the Westpac Capital Notes 10 Terms
Exposure Period	the period from 20 November 2023 to 27 November 2023 (as may be extended by ASIC by up to a further seven days), during which the Corporations Act prohibits the acceptance of Applications (and Westpac will not accept any Applications) but investors interested in applying for Notes need to contact their Syndicate Broker as soon as possible during this period if they wish to participate
Face Value	<p>as applicable, either:</p> <ul style="list-style-type: none"> • the Initial Face Value; or • the Initial Face Value reduced by the amount of Face Value per Note which has previously been Converted in accordance with clauses 5.2 or 5.4 of the Westpac Capital Notes 10 Terms or the rights in respect of which have been terminated in accordance with clause 5.8 of the Westpac Capital Notes 10 Terms
FATCA	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)
Financial Claims Scheme	the financial claims scheme established under the Banking Act
Financial Crime Laws	AML/CTF laws, anti-bribery and corruption laws, economic and trade sanctions laws and tax transparency laws in the jurisdictions in which the Westpac Group operates
First Scheduled Conversion Condition	the VWAP on the 25th 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, as set out in clause 4.2(a)(i) of the Westpac Capital Notes 10 Terms
FSTR Act	<i>Financial Sector (Transfer and Restructure) Act 1999</i> (Cth)
GST	Goods and Services Tax, as contained in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth) and any relevant GST regulations
Holder	a registered holder of Notes
Holding Statement	a statement issued to Holders by the Registrar which sets out details of Notes Allotted to them under the Offer
HQLA	has the meaning prescribed by APRA in the Prudential Standards

APPENDIX A GLOSSARY

Ineligible Holder	<p>either:</p> <ul style="list-style-type: none"> 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 <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth), the <i>Financial Sector (Shareholdings) Act 1998</i> (Cth) and Part IV of the <i>Competition and Consumer Act 2010</i> (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 Notes, it shall only be treated as an Ineligible Holder in respect of those Notes and not in respect of the balance of its Notes); or a Holder whose address in the 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
Initial Face Value or Issue Price	\$100 per Note
Institutional Amount	the Allocation to Institutional Investors multiplied by the Initial Face Value
Institutional Investor	a Wholesale Client to whom offers of securities can be made without the need for a prospectus (or other formality, other than a formality which Westpac is willing to comply with), including in Australia persons to whom offers of securities can be made without the need for a lodged prospectus under Chapter 6D of the Corporations Act
IRRBB	has the meaning prescribed by APRA in the Prudential Standards
Issue Date	the date on which the Notes are issued, expected to be 18 December 2023
Issue Date VWAP	the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with clauses 9.4 to 9.7 of the Westpac Capital Notes 10 Terms
JLM Amount	for each Joint Lead Manager, the Initial Face Value multiplied by the Allocation to that Joint Lead Manager and its affiliated retail brokers
Joint Lead Managers	Westpac Institutional Bank, ANZ Securities Limited, Commonwealth Bank of Australia, Morgan Stanley Australia Securities Limited, Morgans Financial Limited, National Australia Bank Limited, Ord Minnett Limited, Shaw and Partners Limited and UBS AG, Australia Branch
LCR	has the meaning prescribed by APRA in the Prudential Standards
Level 1, Level 2 and Level 3	has the meaning prescribed by APRA in the Prudential Standards
LIBOR	London Interbank Offered Rate
Liquidation Sum	an amount of surplus assets equal to \$100 per Note (as adjusted for any Conversion under clauses 5.2 or 5.4 of the Westpac Capital Notes 10 Terms or any termination of rights under clause 5.8 of the Westpac Capital Notes 10 Terms)
Margin	the margin for the Notes, which is expected to be in the range of 3.10% to 3.30% per annum and will be determined at the end of the Bookbuild

Maximum Conversion Number	<p>has the meaning given in clause 9.1 of the Westpac Capital Notes 10 Terms, calculated according to the following formula:</p> $\frac{\text{Face Value}}{\text{Relevant Percentage} \times \text{Issue Date VWAP}}$ <p>Where:</p> <p>Relevant Percentage means if Conversion is occurring on a Scheduled Conversion Date or an Optional Conversion Date on 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032, 50%; and if Conversion is occurring at any other time, 20%</p>
Maximum Distributable Amount	restrictions on the percentage of earnings that can be distributed through dividends, Additional Tier 1 Capital distributions and discretionary staff bonuses should an ADI's Level 2 or Level 1 CET1 Ratio fall below the Total CET1 Requirement
New Money Offer	<p>the offer made to eligible clients of the Syndicate Brokers, and Institutional Investors, to apply for a new investment in Westpac Capital Notes 10 (ie not under the Reinvestment Offer)</p> <p>Applications for the New Money Offer can only be made by investors who receive an Allocation from the Syndicate Broker via the Bookbuild</p>
Nominated Party	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-Participating Westpac Capital Notes 6	<p>Westpac Capital Notes 6 which are not reinvested in Notes under the Reinvestment Offer, whether because:</p> <ul style="list-style-type: none"> • an Eligible Westpac Capital Notes 6 Holder chose not to participate in the Reinvestment Offer; • an Eligible Westpac Capital Notes 6 Holder elected to participate in the Reinvestment Offer but in respect of only some Westpac Capital Notes 6; • a holder of Westpac Capital Notes 6 does not satisfy the eligibility requirements to qualify as an Eligible Westpac Capital Notes 6 Holder and therefore cannot elect to participate in the Reinvestment Offer; or • an Eligible Westpac Capital Notes 6 Holder who has elected to participate in the Reinvestment Offer but either (a) did not receive an Allocation from the Syndicate Broker or (b) had their Allocation scaled back
Non-Participating Westpac Capital Notes 6 Holder	a holder of Non-Participating Westpac Capital Notes 6
Non-Viability Trigger Event	<p>occurs when APRA notifies Westpac in writing that it believes:</p> <ul style="list-style-type: none"> • Conversion of the 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
Non-Viability Trigger Event Conversion Date	has the meaning set out in clause 5.4(c)(iii) of the Westpac Capital Notes 10 Terms
Notes Deed Poll	the Notes Deed Poll in relation to the Notes to be dated on or around the date of the Bookbuild
NSFR	has the meaning prescribed by APRA in the Prudential Standards
Offer	the offer of the Notes under this Prospectus at an Initial Face Value and Issue Price of \$100 each to raise approximately \$750 million with the ability to raise more or less. The offer is comprised of the Reinvestment Offer and the New Money Offer

Note:

- Westpac and the Joint Lead Managers may, in their absolute discretion, close the Offer early or extend the Offer Period without notice. Westpac may also withdraw the Offer at any time before the Notes are issued.

APPENDIX A GLOSSARY

Offer Period	the period from the Opening Date to the Closing Date ²
OMA or Offer Management Agreement	the Offer Management Agreement entered into between Westpac and the Joint Lead Managers as summarised in Section 8.6
Opening Date	the day the Offer opens, which is expected to be 28 November 2023
Optional Conversion	a Conversion at Westpac's option in accordance with clause 6 of the Westpac Capital Notes 10 Terms
Optional Conversion Date	in respect of each Note: <ul style="list-style-type: none"> • 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032; or • the date specified by Westpac as the Optional Conversion Date in accordance with clause 6.3(b)(i)(B) of the Westpac Capital Notes 10 Terms
Optional Conversion Notice	a notice issued in accordance with clause 6 of the Westpac Capital Notes 10 Terms
Optional Conversion Restriction	has the meaning given in clause 6.2 of the Westpac Capital Notes 10 Terms
Ordinary Share	a fully paid ordinary share in the capital of Westpac
Participating Westpac Capital Notes 6	Westpac Capital Notes 6 which are reinvested in Westpac Capital Notes 10 under the Reinvestment Offer
Participating Westpac Capital Notes 6 Holder	an Eligible Westpac Capital Notes 6 Holder who elects to participate in the Reinvestment Offer and receives an Allocation of Westpac Capital Notes 10
Prospectus	this document (including the electronic form), and any supplementary or replacement Prospectus in relation to the Offer (including the electronic form)
Prudential Capital Requirements or PCRs	has the meaning prescribed by APRA in the Prudential Standards
Prudential Standards	the Prudential Standards and guidelines published by APRA and applicable to Westpac or the Westpac Group from time to time
RBA	the Reserve Bank of Australia
RBNZ	the Reserve Bank of New Zealand
Record Date	in the case of: <ul style="list-style-type: none"> • the payment of Distributions, the date which is eight calendar days before the relevant Distribution Payment Date or, if that date does not fall on a Business Day, the immediately preceding Business Day (or such other date as may be prescribed under the ASX Listing Rules or, if not prescribed by the ASX Listing Rules, a date determined by Westpac and notified to ASX); and • the payment of the Face Value of the Note upon a Redemption or Transfer, a date determined by Westpac and notified to ASX (or such other date as may be prescribed by ASX)
Redemption	the redemption of all or some of the Notes for their Face Value under the Westpac Capital Notes 10 Terms Redeem and Redeemed have the corresponding meaning
Redemption Date	in respect of each Note: <ul style="list-style-type: none"> • 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032; or • the date specified by Westpac as the Redemption Date in accordance with clause 7.2(b)(i)(B) of the Westpac Capital Notes 10 Terms

Register	the official register of Ordinary Shares, Westpac Capital Notes 10 (if issued), Westpac Capital Notes 9, Westpac Capital Notes 8, Westpac Capital Notes 7, Westpac Capital Notes 6 or Westpac Capital Notes 5 maintained by Westpac, and includes any sub-register established and maintained under CHESS
Registrar	Link Market Services Limited (ABN 54 083 214 537) or any other registrar that Westpac appoints to maintain a register of its securities
Regulatory Event	<ul style="list-style-type: none"> • broadly, will occur if Westpac receives legal advice that, as a result of a change of law or regulation after the Issue Date: • 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 • Westpac determines or APRA confirms that Westpac will not be entitled to treat some or all of the Notes as Additional Tier 1 Capital of the Westpac Group • a Regulatory Event will not arise where, at the Issue Date, Westpac expected the event would occur
Reinvestment Offer	<p>the offer to clients of the Syndicate Brokers, and Institutional Investors, who are Eligible Westpac Capital Notes 6 Holders to apply to reinvest all or some of their Westpac Capital Notes 6 in Westpac Capital Notes 10 which will be via the transfer of Participating Westpac Capital Notes 6 to the Westpac Capital Notes 6 Nominated Party for \$100 per Participating Westpac Capital Note 6 and the automatic reinvestment of the transfer proceeds in Westpac Capital Notes 10 (\$100 per Westpac Capital Note 10) as described in Section 3 of this Prospectus</p> <p>Applications under the Reinvestment Offer can only be made by investors who receive an Allocation from a Syndicate Broker via the Bookbuild. Westpac will use best endeavours to give priority to Applications received under the Reinvestment Offer</p>
Reinvestment Offer Record Date	10 November 2023 (7.00pm Sydney time)
Relevant Securities	a security forming part of the Tier 1 Capital of Westpac on a Level 1 basis or Level 2 basis
RWA	risk weighted assets
Sale Agent	the 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 Holders who do not wish to receive Ordinary Shares on Conversion or who are Ineligible Holders
Scheduled Conversion	Conversion on the Scheduled Conversion Date
Scheduled Conversion Conditions	the First Scheduled Conversion Condition and the Second Scheduled Conversion Condition
Scheduled Conversion Date	<p>the date that is the earlier of:</p> <ul style="list-style-type: none"> • 22 June 2034; and • the first Distribution Payment Date after 22 June 2034, <p>on which the Scheduled Conversion Conditions are satisfied</p>
Second Scheduled Conversion Condition	the VWAP during the period of 20 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, as set out in clause 4.2(a)(ii) of the Westpac Capital Notes 10 Terms

APPENDIX A GLOSSARY

Senior Creditors	<p>all creditors of Westpac (present and future), including depositors of Westpac and all holders of Westpac's senior or subordinated debt:</p> <ul style="list-style-type: none"> • whose claims are admitted in a Winding Up; and • whose claims are not made as holders of indebtedness arising under: <ul style="list-style-type: none"> • an Equal Ranking Capital Security; or • an Ordinary Share
Solvent Reconstruction	<p>a scheme of amalgamation or reconstruction, not involving a bankruptcy or insolvency, where the obligations of Westpac in relation to the outstanding Notes are assumed by the successor entity to which all, or substantially all of the property, assets and undertakings of Westpac are transferred or where an arrangement with similar effect not involving a bankruptcy or insolvency is implemented</p>
Special Resolution	<ul style="list-style-type: none"> • a resolution passed at a meeting of Holders by a majority of at least 75% of the votes validly cast by Holders in person or by proxy and entitled to vote on the resolution; or • the written approval of Holders holding at least 75% of the Notes
Sydney time	time in Sydney, New South Wales, Australia
Syndicate Broker	any of the Joint Lead Managers (or their affiliated retail brokers), Co-Managers or Third Party Brokers and any other participating broker in the Offer
Target Market	the class of retail investors that comprise the target market for Westpac Capital Notes 10, as set out in the TMD and described in Sections 1.7.2 and 4.2
Target Market Determination or TMD	<p>the Target Market Determination made for the purposes of section 994B of the Corporations Act in relation to Westpac Capital Notes 10 (as amended or replaced from time to time). A copy of the Target Market Determination is available at westpac.com.au/westpaccapnotes10</p>
Tax Act	<p>the <i>Income Tax Assessment Act 1936</i> (Cth) or the <i>Income Tax Assessment Act 1997</i> (Cth) (both as amended from time to time, as the case may be, and a reference to a section of the <i>Income Tax Assessment Act 1936</i> (Cth) includes a reference to that section as rewritten in the <i>Income Tax Assessment Act 1997</i> (Cth)) and any other law setting the rate of income tax payable or regulation made under such laws</p>
Tax Event	<p>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:</p> <ul style="list-style-type: none"> • Westpac would be exposed to a more than de minimis adverse tax consequence or increased cost in relation to the Notes; or • any Distribution would not be a frankable distribution within the meaning of Division 202 of the Tax Act <p>A Tax Event will not arise where, at the Issue Date, Westpac expected the event would occur</p>
Tax Rate	<p>the Australian corporate tax rate applicable to the franking account of Westpac at the relevant Distribution Payment Date. At the date of this Prospectus, the relevant Tax Rate is 30% or, expressed as a decimal, 0.30 (but that rate may change)</p>
TFN	Tax File Number
Third Party Broker	any third party broker appointed to the Offer by Westpac Institutional Bank to participate in the Bookbuild

Tier 1 Capital, Tier 1 Capital Ratio, Tier 2 Capital and Tier 2 Capital Ratio	have the meaning prescribed by APRA in the Prudential Standards
Tier 1 Capital Distributions	Dividends, Additional Tier 1 Capital distributions (which will include Distribution payments on the Notes) and discretionary staff bonuses
Total Capital and Total Capital Ratio	have the meaning prescribed by APRA in the Prudential Standards
Total CET1 Requirement	sum of the ratios of the minimum CET1 prudential capital requirement and the Capital Buffer (consisting of the Capital Conservation Buffer plus any Countercyclical Capital Buffer)
Transfer	the transfer of Notes by Holders to a Nominated Party in accordance with clause 9 of the Westpac Capital Notes 10 Terms Transferred has a corresponding meaning
Transfer Date	in respect of each Note: <ul style="list-style-type: none"> • 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032; or • the date specified by Westpac as the Transfer Date in accordance with clause 8.2(b)(i)(B) of the Westpac Capital Notes 10 Terms
Transfer Notice	a notice issued in accordance with clause 8 of the Westpac Capital Notes 10 Terms under which Westpac elects that a Transfer occur in relation to some or all of the Notes
US Person	has the meaning given in Regulation S of the US Securities Act
US Securities Act	United States Securities Act of 1933, as amended
VWAP	subject to any adjustments under clauses 9.2 and 9.3 of the Westpac Capital Notes 10 Terms, 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 the ASX and Cboe 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	the period over which the VWAP is calculated, as set out in clause 16.2 of the Westpac Capital Notes 10 Terms
Westpac	Westpac Banking Corporation (ABN 33 007 457 141, AFSL No. 233714)
Westpac's Constitution	the constitution of Westpac
Westpac Capital Notes 5	the 16,903,383 Westpac Capital Notes 5 issued by Westpac under a prospectus dated 13 February 2018
Westpac Capital Notes 6	the 14,230,580 Westpac Capital Notes 6 issued by Westpac under a prospectus dated 20 November 2018
Westpac Capital Notes 6 Distribution	the expected distribution to be paid to a Westpac Capital Notes 6 holder in respect of their Westpac Capital Notes 6 for the period from (but excluding) 18 September 2023 to (and including) 18 December 2023, provided such Westpac Capital Notes 6 holder is a registered holder of Westpac Capital Notes 6 at 7.00pm (Sydney time) on 8 December 2023 (and provided the distribution payment conditions in the Westpac Capital Notes 6 Terms are satisfied)

APPENDIX A GLOSSARY

Westpac Capital Notes 6 Nominated Party	the nominated party identified in the transfer notice given under clause 8.1 of the Westpac Capital Notes 6 Terms in respect of Participating Westpac Capital Notes 6
Westpac Capital Notes 6 Terms	the full terms of issue of Westpac Capital Notes 6 set out in Appendix B of the Westpac Capital Notes 6 prospectus dated 20 November 2018
Westpac Capital Notes 7	the 17,229,363 Westpac Capital Notes 7 issued by Westpac under a prospectus dated 13 November 2020
Westpac Capital Notes 8	the 17,500,000 Westpac Capital Notes 8 issued by Westpac under a prospectus dated 25 August 2021
Westpac Capital Notes 9	the 15,090,880 Westpac Capital Notes 9 issued by Westpac under a prospectus dated 29 June 2022
Westpac Capital Notes 10 or Notes	are fully paid, non-cumulative, convertible, transferable, redeemable, subordinated, perpetual, unsecured notes of Westpac, to be issued under the Offer in accordance with the Westpac Capital Notes 10 Terms
Westpac Capital Notes 10 Terms	the Westpac Capital Notes 10 terms of issue set out in Appendix B
Westpac Directors	some or all of the directors of Westpac acting as a board
Westpac Group or Group	Westpac and its controlled entities taken as a whole
Westpac Institutional Bank	Westpac Institutional Bank, a division of Westpac
Westpac USD AT1 Securities	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
Wholesale Client	as defined in section 761G of the Corporations Act
Winding Up	<ul style="list-style-type: none"> • 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 • an effective resolution is passed by shareholders or members for the winding up of Westpac in Australia, <p>other than in connection with a Solvent Reconstruction</p>
WNZL	Westpac New Zealand Limited

WESTPAC CAPITAL NOTES 10 TERMS

APPENDIX B

CAUTION – Westpac Capital Notes 10 are not deposit liabilities of Westpac, are riskier than bank deposits and may not be suitable for some investors. Their complexity may make them difficult to understand and the risks associated with the Notes could result in the loss of all of your investment. If you do not fully understand how they work or the risks associated with them, you should obtain professional advice.

APPENDIX B WESTPAC CAPITAL NOTES 10 TERMS

1 Form and Initial Face Value of Westpac Capital Notes 10

1.1 Form

Westpac Capital Notes 10:

- (a) are non-cumulative, convertible, transferable, redeemable, subordinated, perpetual, unsecured notes of Westpac;
- (b) are designated as being of a particular series as set out in the Prospectus;
- (c) are constituted under and issued on the terms set out in the Deed Poll and these Terms; and
- (d) take the form of entries in the Westpac Capital Notes 10 Register.

1.2 Initial Face Value

Each Westpac Capital Note 10 is issued fully paid at an issue price of \$100.

2 Ranking on Winding Up

- (a) Holders do not have any right to prove in a Winding Up in respect of Westpac Capital Notes 10, except as permitted under clause 2(b).
- (b) Westpac Capital Notes 10 will rank for payment of the Liquidation Sum in a Winding Up:
 - (i) senior to Ordinary Shares;
 - (ii) equally among themselves 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 Westpac Capital Notes 10 in a Winding Up to defeat the subordination in this clause.
- (d) Westpac Capital Notes 10 are perpetual and these Terms do not include events of default or any other provisions entitling the Holders to require that Westpac Capital Notes 10 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 clause 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 clauses 5.2 or 5.4.

3 Distributions

3.1 Distributions

Subject to these Terms, each Westpac Capital Note 10 entitles the Holder to receive on the relevant Distribution Payment Date interest on the Face Value of each Westpac Capital Note 10 ("**Distribution**"), calculated using the following formula:

$$\text{Distribution} = \frac{\text{Distribution Rate} \times \text{Face Value} \times N}{365}$$

where:

Distribution Rate (expressed as a percentage per annum) is calculated using the following formula:

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

where:

BBSW Rate (expressed as a percentage per annum) for each Distribution Period, means:

(a) subject to paragraph (b) below:

- (i) the mid rate designated as "BBSW" in respect of prime bank eligible securities having a tenor of 3 months which ASX (or its successor as administrator of that rate) publishes through information vendors at approximately 10.30am (Sydney time) (or such other time at which such rate is accustomed to be so published), in the case of the first Distribution Period, on the Issue Date, and in the case of any other Distribution Period, on the first Business Day of that Distribution Period; or
- (ii) if Westpac determines that such rate as is described in paragraph (a)(i) above is not published by 10.45am (Sydney time) on that day (or such other time at which such rate is accustomed to be so published), or is published but Westpac determines that there is an obvious error in that rate, such other rate that Westpac determines in good faith, having regard to comparable indices then available.

(b) if Westpac determines that a BBSW Rate Disruption Event has occurred, then, subject to APRA's prior written approval, Westpac:

- (i) shall use as the BBSW Rate such Alternative BBSW Rate as it may determine;
- (ii) shall make such adjustments to the Terms as it determines to be reasonably necessary to calculate Distributions in accordance with such Alternative BBSW Rate; and
- (iii) in making the above determination in this paragraph (b):
 - (A) shall act in good faith and in a commercially reasonable manner;
 - (B) may consult such sources of market practice as it considers appropriate; and
 - (C) may otherwise make such determination in its discretion.

(c) for the purposes of this definition of “BBSW Rate”:

(i) **Alternative BBSW Rate** means a rate other than the rate described in paragraph (a) of the definition of BBSW Rate, that is, in Westpac’s opinion, generally accepted in the Australian market as the successor to the BBSW Rate, or if there is no such rate:

(A) a reference rate that is, in Westpac’s opinion, appropriate to floating rate debt securities of a tenor and interest period most comparable to Westpac Capital Notes 10; or

(B) such other reference rate as Westpac considers appropriate having regard to available comparable indices,

provided that Westpac reserves the discretion, subject to APRA’s prior written approval, to incorporate an adjustment (which may be positive or negative) or a formula or methodology for calculating such an adjustment in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit to Holders as a result of the use of an Alternative BBSW Rate; and

(ii) **BBSW Rate Disruption Event** occurs when, in Westpac’s opinion, the rate for prime bank eligible securities having a tenor of 3 months in paragraph (a) of the definition of BBSW Rate:

(A) has been discontinued or otherwise ceased to be calculated or administered; or

(B) is no longer generally accepted in the Australian market as a reference rate appropriate to floating rate debt securities of a tenor and interest period comparable to that of Westpac Capital Notes 10.

Holders should note that APRA’s approval may not be given for any Alternative BBSW Rate (or related adjustments) that APRA considers to have the effect of increasing the Distribution Rate contrary to applicable Prudential Standards.

Margin means the rate (expressed as a percentage per annum) determined under the Bookbuild;

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; and

N means, in respect of a Distribution Period, the number of days in that Distribution Period.

3.2 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 clause 3.1;

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; and

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.

3.3 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 ASX as soon as reasonably practicable if payment of any Distribution will not be made because of this clause.

3.4 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 clause 3.3 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 clause 3.3, or because of any other reason, does not constitute an event of default.

APPENDIX B WESTPAC CAPITAL NOTES 10 TERMS

3.5 Distribution Payment Date

Distributions in respect of Westpac Capital Notes 10 are payable:

- (a) quarterly in arrear on 22 March, 22 June, 22 September and 22 December of each year, commencing on 22 March 2024 until that Westpac Capital Note 10 has been Converted at its full Face Value (or terminated following a failure to Convert) or Redeemed, in each case in accordance with these Terms; and
- (b) on the Conversion Date (other than a Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date), Redemption Date or Transfer Date (as the case may be) on which such Westpac Capital Note 10 is Converted, Redeemed or Transferred, in each case in accordance with these Terms,

(each a “**Distribution Payment Date**”).

3.6 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.

3.7 Restrictions in the case of non-payment of a Distribution

Subject to clause 3.8, if for any reason a Distribution has not been paid in full for a relevant Distribution Payment Date, Westpac must not:

- (a) determine or pay any Dividends; or
 - (b) undertake any discretionary Buy Back or Capital Reduction,
- unless and until:
- (c) the amount of the unpaid Distribution is paid in full within 20 Business Days of the relevant Distribution Payment Date;
 - (d) all Westpac Capital Notes 10 are Converted at their full Face Value, Redeemed or terminated following a failure to Convert;
 - (e) a Distribution for any subsequent Distribution Period is paid in full on the relevant Distribution Payment Date; or
 - (f) a Special Resolution of the Holders has been passed approving such action,

and, in respect of the actions contemplated by paragraphs (d), (e) and (f), APRA does not otherwise object.

3.8 Restrictions not to apply in certain circumstances

The restrictions in clause 3.7 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.

3.9 Notification

- (a) In relation to each Distribution Period, Westpac must notify the ASX of the Distribution Rate and the amount of Distribution payable on each Westpac Capital Note 10.
- (b) Westpac must give notice under this clause 3.9 as soon as practicable after it makes its calculations or determinations and, in any event, by no later than the fifth Business Day of the relevant Distribution Period.
- (c) Westpac may amend the calculation or determination of any amount, date, or rate (or make appropriate alternative arrangements by way of adjustment) including as a result of the extension or reduction of a Distribution Period without prior notice, but must notify ASX promptly after doing so.

3.10 Calculations and determinations final

The calculation or determination by Westpac of all rates and amounts payable by it in relation to Westpac Capital Notes 10 is, in the absence of manifest or proven error, final and binding on Westpac, the Registrar and each Holder.

4 Scheduled Conversion

4.1 Scheduled Conversion

Subject to clauses 5, 6, 7 and 8, Westpac must Convert all (but not some) Westpac Capital Notes 10 on issue on the date that is the earlier of:

- (a) 22 June 2034; and
- (b) the first Distribution Payment Date after 22 June 2034, 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 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 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, Westpac will announce to ASX not less than 21 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, 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 Convert such number of Westpac Capital Notes 10 (or, if it so determines, such percentage of the Face Value of each Westpac Capital Note 10) as is sufficient (following any conversion, write-off or write down of other Relevant Securities as referred to in paragraph 5.2(c)(i) below) 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 Westpac Capital Notes 10, or percentage of the Face Value of each

Westpac Capital Note 10, which must be Converted in accordance with this clause, Westpac will:

- (i) first, convert, write-off or write down such number or percentage of the face value of any other Relevant Securities whose terms require them to be converted, written-off or written down, before Conversion of Westpac Capital Notes 10; and
- (ii) second, if conversion, write-off or write down of those Relevant Securities is not sufficient, Convert (in the case of Westpac Capital Notes 10) 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 Face Value of the Westpac Capital Notes 10 and the face value 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 face value of any Westpac Capital Notes 10 or 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 of the relevant number of Westpac Capital Notes 10 or percentage of the Face Value of each Westpac Capital Note 10 (as the case may be) or, if applicable, the termination of the relevant Holder's rights and claims in accordance with clause 5.8.

- (d) If a Capital Trigger Event occurs:
 - (i) the relevant number of Westpac Capital Notes 10, or percentage of the Face Value of each Westpac Capital Note 10, must be Converted immediately upon occurrence of the Capital Trigger Event in accordance with clauses 5.7 and 9 and the Conversion will be irrevocable;
 - (ii) Westpac must give notice as soon as practicable that Conversion has occurred to ASX and the Holders; and
 - (iii) the notice must specify:
 - (A) the date on which the Capital Trigger Event occurred (“**Capital Trigger Event Conversion Date**”);
 - (B) the relevant number of the Westpac Capital Notes 10 which were, or the percentage of the Face Value of each Westpac Capital Note 10 which was, Converted and details of any other Relevant Securities converted, written-off or written down in accordance with clause 5.2(c); and
 - (C) 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 Westpac Capital Notes 10 remaining on issue.
- (e) Failure or delay in undertaking any of the steps in clauses 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.
- (f) For the purposes of clauses 5.2(b) and 5.2(c), where the specified currency of the face value of Relevant

APPENDIX B WESTPAC CAPITAL NOTES 10 TERMS

Securities and/or the Face Value of Westpac Capital Notes 10 is not the same, Westpac may treat them as if converted into a single currency of Westpac's choice at such rate of exchange as Westpac in good faith considers reasonable.

5.3 Non-Viability Trigger Event

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

- (a) Conversion of the Westpac Capital Notes 10, 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 Convert such number of Westpac Capital Notes 10 (or, if it so determines, such percentage of the Face Value of each Westpac Capital Note 10) as is equal (following any conversion, write-off or write down of other Relevant Securities as referred to in paragraph 5.4(b)(ii)(A) below) to the aggregate face value of capital instruments as is necessary to satisfy APRA that Westpac will no longer be non-viable.
- (b) In determining the number of Westpac Capital Notes 10, or percentage of the Face Value of each Westpac Capital Note 10, which must be Converted in accordance with this clause, Westpac will:
 - (i) where a Non-Viability Trigger Event occurs under clause 5.3(b), Convert at their full Face Value all of the Westpac Capital Notes 10; or
 - (ii) in all other circumstances:
 - (A) first, convert, write-off or write down such number or percentage of the face value of any other Relevant Securities whose terms require them to be converted, written-off or written down before Conversion of Westpac Capital Notes 10; and
 - (B) second, if conversion, write-off or write down of those securities is not sufficient, Convert (in the case of Westpac Capital Notes 10) 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 Face Value of the Westpac Capital Notes 10 and the face value 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 face value of any Westpac Capital Notes 10 or 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 of the relevant number of Westpac Capital Notes 10 or percentage of the Face Value of each Westpac Capital Note 10 (as the case may be) or, if applicable, the termination of the relevant Holder's rights and claims in accordance with clause 5.8.

(c) If a Non-Viability Trigger Event occurs:

- (i) the relevant number of Westpac Capital Notes 10, or percentage of the Face Value of each Westpac Capital Note 10, must be Converted immediately upon occurrence of the Non-Viability Trigger Event in accordance with clauses 5.7 and 9 and the Conversion will be irrevocable;
- (ii) Westpac must give notice as soon as practicable that Conversion has occurred to ASX and the Holders; and
- (iii) the notice must specify:

(A) the date on which the Non-Viability Trigger Event occurred ("**Non-Viability Trigger Event Conversion Date**");

(B) the relevant number of the Westpac Capital Notes 10 which were, or the percentage of the Face Value of each Westpac Capital Note 10 which was, Converted, and details of any other Relevant Securities converted, written-off or written down in accordance with clause 5.4(b); and

(C) 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 Westpac Capital Notes 10 remaining on issue.

(d) Failure to undertake any of the steps in clauses 5.4(c)(ii) and 5.4(c)(iii) does not prevent, invalidate, delay or otherwise impede Conversion.

(e) For the purposes of clauses 5.4(a) and 5.4(b), where the specified currency of the face value of Relevant Securities and/or the Face Value of Westpac Capital Notes 10 is not the same, Westpac may treat them as if converted into a single currency of Westpac's choice at such rate of exchange as Westpac in good faith considers reasonable.

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 obligations

A Conversion required because of a Capital Trigger Event or a Non-Viability Trigger Event takes place on the date, and in the manner, required by clauses 5.2, 5.4, 5.7 and 5.8, notwithstanding any other provision for Conversion, Redemption or Transfer in these Terms and any Redemption Notice outstanding at the time a Capital Trigger Event or Non-Viability Trigger Event occurs will be automatically revoked and of no effect.

5.7 Automatic Conversion 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 Westpac Capital Notes 10 (or percentage of the Face Value of each Westpac Capital Note 10) are required to be Converted in accordance with clauses 5.2 or 5.4, then:

- (a) Conversion of the relevant Westpac Capital Notes 10 or percentage of the Face Value of each Westpac Capital Note 10 will be taken to have occurred in accordance with clause 9 immediately upon the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date;
- (b) subject to clause 9.10, the entry of the corresponding Westpac Capital Notes 10 in each relevant Holder's holding in the Westpac Capital Notes 10 Register will constitute an entitlement of that Holder to the relevant number of Ordinary Shares (and, if applicable, also to any remaining balance of Westpac Capital Notes 10 or Westpac Capital Notes 10 with a Face Value equal to the aggregate of the remaining percentage of the Face Value of each Westpac Capital Note 10), 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 Westpac Capital Notes 10 Register and the Ordinary Share register); and
- (c) subject to clause 9.10, upon Conversion a Holder has no further right or claim under these Terms in respect of the Westpac Capital Notes 10 Converted, except in relation to the relevant number of Ordinary Shares and the Holder's entitlement, if any, to Westpac Capital Notes 10 which have not been required to be Converted or Westpac Capital Notes 10 representing the unconverted outstanding Face Value.

5.8 No further rights if Conversion does not occur for any reason

If, for any reason, Conversion of any Westpac Capital Notes 10 (or a percentage of the Face Value of any Westpac Capital Notes 10) required to be Converted under clauses 5.2 or 5.4 fails to take effect under clauses 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 Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date, then:

- (a) such Westpac Capital Notes 10 or percentage of the Face Value of Westpac Capital Notes 10 will not be Converted in respect of such Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be) and will not be Converted, Redeemed or Transferred under these Terms on any subsequent date; and
- (b) the relevant Holders' rights (including to payment of Distributions and Face Value and any other payments) in relation to such Westpac Capital Notes 10 or

percentage of the Face Value of Westpac Capital Notes 10 are immediately and irrevocably terminated and such termination will be taken to have occurred immediately upon the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date, as the case may be.

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) Westpac Capital Notes 10;
 - (ii) Westpac must give notice as soon as practicable and in any event within 10 Business Days after becoming aware of that event occurring to ASX and 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 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 Westpac Capital Notes 10 will Convert in accordance with clause 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 clause 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 Westpac Capital Notes 10 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 Westpac Capital Notes 10 may not occur as a consequence of the Replacement (as defined in clause 13.4(a)). Instead, these Terms may be amended in accordance with clause 13.4.

APPENDIX B WESTPAC CAPITAL NOTES 10 TERMS

6 Optional Conversion

6.1 Conversion at the option of Westpac

(a) Subject to the other provisions of this clause 6, Westpac may at its option Convert in accordance with clause 9:

(i) all or some Westpac Capital Notes 10 on:

(A) 22 September 2031;

(B) 22 December 2031;

(C) 22 March 2032; or

(D) 22 June 2032; or

(ii) all (but not some) of the Westpac Capital Notes 10 on an Optional Conversion Date following the occurrence of a Tax Event or Regulatory Event.

(b) If only some (but not all) Westpac Capital Notes 10 are to be Converted under clause 6.1(a)(i), those Westpac Capital Notes 10 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, directive or requirement of ASX.

6.2 Restriction on election to Convert

Westpac may only elect to Convert the Westpac Capital Notes 10 under clause 6.1(a) if on the second 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 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 clause 6.1(a)(i), greater than 56.12% of the Issue Date VWAP; and

(b) in respect of a Conversion under clause 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 clause 6.2, Westpac may only Convert under clause 6.1(a)(i) if Westpac has given an Optional Conversion Notice of its election to do so at least 25 Business Days before the proposed Optional Conversion Date to ASX and 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 clause 6.1(a)(i), will be the specified Optional Conversion Date; and

(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 Westpac Capital Notes 10 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 clause 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 Westpac Capital Notes 10 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 clause 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 Terms:

(a) the Optional Conversion Date will be deferred until the first Distribution Payment Date (under clause 3.5(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 clause 4 (the “Deferred Conversion Date”);

(b) Westpac must convert the Westpac Capital Notes 10 on the Deferred Conversion Date unless the Westpac Capital Notes 10 are Converted earlier in accordance with these Terms; and

(c) until the Deferred Conversion Date, all rights attaching to the Westpac Capital Notes 10 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 Westpac Capital Notes 10 at any time.

7 Optional Redemption

7.1 Redemption at the option of Westpac

- (a) Subject to the other provisions of this clause 7, Westpac may at its option Redeem:
- (i) all or some Westpac Capital Notes 10 on:
 - (A) 22 September 2031;
 - (B) 22 December 2031;
 - (C) 22 March 2032; or
 - (D) 22 June 2032; or
 - (ii) all (but not some) of the Westpac Capital Notes 10 on a Redemption Date following the occurrence of a Tax Event or Regulatory Event,

in each case for their Face Value.

- (b) If only some (but not all) Westpac Capital Notes 10 are to be Redeemed under clause 7.1(a)(i), those Westpac Capital Notes 10 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, directive or requirement of ASX.

7.2 Optional Redemption Notice

- (a) Westpac may only Redeem under clause 7.1(a) if Westpac has given a Redemption Notice of its election to do so at least 10 Business Days before the proposed Redemption Date to ASX and 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 clause 7.1(a)(i), the specified optional Redemption Date;
 - (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 Westpac Capital Notes 10 to be Redeemed on the Redemption Date.

7.3 APRA approval to Redeem

Westpac may only Redeem under this clause 7 if:

- (a) either:
- (i) before or concurrently with Redemption, Westpac replaces Westpac Capital Notes 10 with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than Westpac Capital Notes 10 and the replacement of Westpac Capital Notes 10 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 Westpac Capital Notes 10; 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 and Holders should not expect that APRA's approval will 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

Holders do not have a right to request Redemption of their Westpac Capital Notes 10 at any time.

7.6 Effect of Redemption Notice

Subject to clause 5.6 and any early Conversion required because of a Capital Trigger Event or a Non-Viability Trigger Event and any termination of rights under clause 5.8, any Redemption Notice given under this clause 7 is irrevocable and Westpac must (subject to clause 11.1) Redeem Westpac Capital Notes 10 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 Westpac Capital Notes 10 on:
 - (A) 22 September 2031;
 - (B) 22 December 2031;
 - (C) 22 March 2032; or
 - (D) 22 June 2032; or
 - (ii) all (but not some) of the Westpac Capital Notes 10 on a Transfer Date following the occurrence of a Tax Event or Regulatory Event.
- (b) If only some (but not all) Westpac Capital Notes 10 are to be Transferred under clause 8.1(a)(i), the number of Westpac Capital Notes 10 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, directive or requirement of ASX.

8.2 Optional Transfer Notice

- (a) Westpac may only elect to Transfer Westpac Capital Notes 10 under clause 8.1(a) if Westpac has given a Transfer Notice at least 10 Business Days before the proposed Transfer Date to ASX and 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 clause 8.1(a)(i), the specified optional Transfer Date;
 - (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

APPENDIX B WESTPAC CAPITAL NOTES 10 TERMS

- (ii) whether any Distribution will be paid in respect of the Westpac Capital Notes 10 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 Westpac Capital Notes 10 at any time.

8.5 Effect of Transfer Notice

- (a) Any Transfer Notice given under this clause 8 is irrevocable and Westpac must (subject to clause 11.1) Transfer Westpac Capital Notes 10 on the Transfer Date specified in that Transfer Notice.
- (b) If Westpac issues a Transfer Notice under this clause 8:
- (i) each Holder is taken irrevocably to offer to sell the relevant number of their Westpac Capital Notes 10 to the Nominated Party on the Transfer Date for a cash amount per Westpac Capital Note 10 equal to the Face Value (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 Face Value to Holders, all right, title and interest in the relevant number of Westpac Capital Notes 10 will be Transferred from the Holders to the Nominated Party on the Transfer Date; and
 - (iii) if the Nominated Party does not pay the Face Value to the relevant Holders on the Transfer Date, the relevant number of Westpac Capital Notes 10 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 Westpac Capital Notes 10 of that Holder will not be Transferred until payment is made but the Transfer of all other relevant Westpac Capital Notes 10 will not be affected by the failure.

9 General provisions applicable to Conversion

9.1 Conversion

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

- (a) Westpac will allot and issue the Conversion Number of Ordinary Shares for each Westpac Capital Note 10 ("**Conversion Number**") 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:

$$\text{Conversion Number} = \frac{\text{Face Value}}{0.99 \times \text{VWAP}}$$

where:

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

Maximum Conversion Number for each Westpac Capital Note 10 means a number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Face Value}}{\text{Relevant Percentage} \times \text{Issue Date VWAP}}$$

Relevant Percentage means:

- (i) if Conversion is occurring on a Scheduled Conversion Date or an Optional Conversion Date on 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032, 50%; and
 - (ii) if Conversion is occurring at any other time, 20%.
- (b) 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 Conversion Date or a Non-Viability Trigger Event Conversion Date) in relation to each Westpac Capital Note 10 that is being Converted will be immediately and irrevocably terminated for an amount equal to the Face Value and Westpac will apply the Face Value of each Westpac Capital Note 10 by way of payment for the subscription for the Ordinary Shares to be allotted and issued under clause 9.1(a). Each Holder is taken to have irrevocably directed that any amount payable under this clause 9.1 is to be applied as provided for in this clause 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 Westpac Capital Notes 10 includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded.

9.2 Adjustments to VWAP generally

For the purposes of calculating VWAP under clause 9.1:

- (a) where, on some or all of the 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 Westpac Capital Notes 10 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 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 clause 9.2(a) (i) which is traded on ASX on any of those Business Days, the volume weighted average price of all such entitlements sold on ASX during the VWAP Period on the 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 Business Days in the VWAP Period, Ordinary Shares have been quoted as ex dividend or ex any other distribution or entitlement, and Westpac Capital Notes 10 will be Converted into Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the 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 clause 9.2 will be effective and binding on Holders under these Terms and these Terms 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 clause 9.3(a) will be effective and binding on Holders under these Terms and these Terms 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 clause 9.1, adjustments will be made in accordance with clause 9.2 and clause 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 clauses 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 Terms and these Terms will be construed accordingly.

9.5 Adjustments to Issue Date VWAP for bonus issues

- (a) Subject to clauses 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:

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

where:

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

Vo 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) Clause 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 clause, 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 clause 9.5 for any offer of Ordinary Shares not covered by clause 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 clause 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.

APPENDIX B WESTPAC CAPITAL NOTES 10 TERMS

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 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 clauses 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 \$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 clause 9 to ASX and the Holders within 10 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).
- (b) Westpac will use all reasonable endeavours to list the Ordinary Shares issued on Conversion of Westpac Capital Notes 10 on ASX.

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

- (a) If Westpac Capital Notes 10 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; or

- (ii) the Holder is an Ineligible Holder,

then, on the Conversion Date, all of the Holder's rights in relation to each such Westpac Capital Note 10 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 Conversion Date or a Non-Viability Trigger Event Conversion 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 and charges, to the relevant Holder.

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.

- (b) If Conversion under this clause 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 clauses 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 Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date, then:
- (i) such Westpac Capital Notes 10 or percentage of the Face Value of Westpac Capital Notes 10 will not be Converted in respect of such Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be) and will not be Converted, Redeemed or Transferred under these Terms on any subsequent date; and
- (ii) the relevant Holders' rights (including to payment of Distributions and Face Value and any other payments) in relation to such Westpac Capital Notes 10 or percentage of the Face Value of Westpac Capital Notes 10 are immediately and irrevocably terminated and such termination will be taken to have occurred immediately upon the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date, as the case may be.

9.11 Final Distribution

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

9.12 No Conversion after Winding Up commences

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

9.13 Conversion of a percentage of Face Value

If under these Terms it is necessary to Convert a percentage of the Face Value, this clause 9 will apply to the Conversion as if references to the Face Value were references to the relevant percentage of the Face Value to be Converted multiplied by the Face Value and references to the Westpac Capital Note(s) 10 were references to the percentage of the Face Value of the Westpac Capital Note(s) 10 to be Converted.

9.14 Consent to receive Ordinary Shares and other acknowledgements

Subject to clause 5.8, each Holder irrevocably:

- (a) upon receipt of the Conversion Number of Ordinary Shares following Conversion of Westpac Capital Notes 10 in accordance with clauses 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 it has given notice in accordance with clause 9.10 that it does not wish to receive Ordinary Shares as a result of Conversion, it is obliged to accept Ordinary Shares of Westpac on Conversion notwithstanding anything that might otherwise affect a Conversion of Westpac Capital Notes 10 including:
 - (i) any change in the financial position of Westpac since the issue of the Westpac Capital Notes 10;
 - (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 Westpac Capital Notes 10;
- (c) acknowledges and agrees that:
 - (i) Conversion is not subject to any conditions other than those expressly provided for in these Terms;
 - (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 Westpac Capital Notes 10;
 - (iii) it will not have any rights to vote in respect of any Conversion; and
 - (iv) notwithstanding clause 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 clause 5.8 applies, no other conditions or events will affect the operation of that clause and it will not have any rights to vote in respect of any termination under that clause;
- (e) acknowledges and agrees that it has no right to request that Westpac Convert Westpac Capital Notes 10; and
- (f) acknowledges and agrees that it has no remedies on account of the failure of Westpac to issue Ordinary Shares in accordance with clauses 5.2 or 5.4 other than, subject to clause 5.8, to seek specific performance of Westpac's obligation to issue Ordinary Shares.

10 Title and transfer of Westpac Capital Notes 10

10.1 CHESS

While a Westpac Capital Note 10 remains in CHESS:

- (a) the rights of a person holding an interest in the Westpac Capital Note 10; and
 - (b) all dealings (including transfers and payments) in relation to the Westpac Capital Note 10,
- will be governed by and subject to the rules and regulations of CHESS (but without affecting any of these Terms which affect the eligibility of the Westpac Capital Notes 10 as Additional Tier 1 Capital). To the extent of any inconsistency:
- (c) between these Terms (other than any of these Terms which affect the eligibility of the Westpac Capital Notes 10 as Additional Tier 1 Capital) and the rules and regulations of CHESS, the rules and regulations of CHESS prevail; and
 - (d) between any of these Terms which affect the eligibility of the Westpac Capital Notes 10 as Additional Tier 1 Capital and the rules and regulations of CHESS, these Terms prevail.

10.2 Effect of entries in Westpac Capital Notes 10 Register

Each entry in the Westpac Capital Notes 10 Register of a person as a Holder constitutes:

- (a) conclusive evidence of that person's:
 - (i) absolute ownership of those Westpac Capital Notes 10; and
 - (ii) entitlement to the other benefits given to Holders under these Terms in respect of Westpac Capital Notes 10; and
 - (b) an undertaking by Westpac to pay a Distribution and any other amount in accordance with these Terms,
- subject to correction of the Westpac Capital Notes 10 Register for fraud or error.

10.3 Non-recognition of interests

Except as required by law, Westpac and the Registrar must treat the person whose name is entered in the Westpac Capital Notes 10 Register as a Holder as the absolute owner of that Westpac Capital Notes 10. This clause applies despite any notice of ownership, trust or interest in that Westpac Capital Notes 10.

10.4 Joint Holders

Where two or more persons are entered in the Westpac Capital Notes 10 Register as joint Holders, they are taken to hold those Westpac Capital Notes 10 as joint tenants with rights of survivorship but the Registrar is not bound to register more than three persons as joint Holders of any Westpac Capital Notes 10.

APPENDIX B WESTPAC CAPITAL NOTES 10 TERMS

10.5 Transfers

- (a) A Holder may transfer Westpac Capital Notes 10:
- (i) while Westpac Capital Notes 10 are registered with CHESS, in accordance with the rules and regulations of CHESS; or
 - (ii) at any other time:
 - (A) by a proper transfer under any other applicable computerised or electronic system recognised by the Corporations Act; or
 - (B) by any proper or sufficient instrument of transfer of marketable securities under applicable law, provided such instrument is delivered to the Registrar with any evidence the Registrar reasonably requires to prove title to or the right to transfer Westpac Capital Notes 10.
- (b) Title to Westpac Capital Notes 10 passes when details of the transfer are entered in the Westpac Capital Notes 10 Register.
- (c) Westpac Capital Notes 10 may be transferred in whole but not in part.
- (d) Westpac must comply with all Applicable Regulations and any other relevant obligations imposed on it in relation to the transfer of Westpac Capital Notes 10.
- (e) Westpac must not charge any fee on the transfer of Westpac Capital Notes 10.
- (f) 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 Westpac Capital Notes 10.
- (g) Upon registration and entry of the transferee in the Westpac Capital Notes 10 Register, the transferor ceases to be entitled to future benefits under these Terms in respect of the transferred Westpac Capital Notes 10.
- (h) Subject to Applicable Regulations, Westpac may determine that transfers of some or all Westpac Capital Notes 10 will not be registered during any period reasonably specified by it prior to the Conversion Date, Redemption Date or Transfer Date of such Westpac Capital Notes 10.

10.6 Refusal to register

- (a) Westpac may only refuse to register a transfer of Westpac Capital Notes 10 if permitted by, or if such registration would contravene or is forbidden by, Applicable Regulations or these Terms.
- (b) If Westpac refuses to register a transfer, Westpac must give the lodging party notice of the refusal and the reasons for it within five Business Days after the date on which the transfer was delivered to the Registrar.

10.7 Transmission

A person becoming entitled to Westpac Capital Notes 10 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 Westpac Capital Notes 10.

11 Payments

11.1 General

- (a) All payments in respect of Westpac Capital Notes 10:
- (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 rules and regulations of CHESS while Westpac Capital Notes 10 remain in CHESS;
 - (B) the particulars recorded in the Westpac Capital Notes 10 Register on the relevant Record Date; and
 - (C) these Terms.
- (b) If the date scheduled for any payment under these Terms (other than a payment made under clause 9.1(b) in connection with the Conversion of Westpac Capital Notes 10 following a Capital Trigger Event or a Non-Viability Trigger Event) is not a Business Day, then the payment will be made on the next Business Day (and without any additional interest or other payment in respect of such delay).
- (c) All calculations of payments will be rounded to four decimal places. For the purposes of making any payment in respect of a Holder's aggregate holding of Westpac Capital Notes 10, any fraction of a cent will be rounded to the nearest one Australian cent (with one half of an Australian cent being rounded up to one Australian cent).

11.2 Payments to Holders

- (a) Each payment in respect of a Westpac Capital Note 10 will be made to the person that is recorded in the Westpac Capital Notes 10 Register as the Holder of that Westpac Capital Note 10 on the Record Date for that payment.
- (b) A payment to any one joint Holder of a Westpac Capital Note 10 will discharge Westpac's liability in respect of the payment.

11.3 Method of payments

- (a) Westpac may, in its absolute discretion, pay to a Holder or any other person entitled to any amount payable in respect of a Westpac Capital Note 10:
- (i) by crediting an account nominated in writing by that Holder or person;
 - (ii) by cheque made payable to the Holder or person, sent to the address of that Holder or person as notified to Westpac by that Holder or person; or
 - (iii) in any other manner as Westpac determines (provided that Distributions must always be paid in cash).
- (b) Westpac may send a cheque referred to in clause 11.3(a)(ii), if relevant, to:
- (i) the address in the Westpac Capital Notes 10 Register of the Holder;
 - (ii) if that Westpac Capital Note 10 is jointly held, the address in the Westpac Capital Notes 10 Register of the Holder named first in the register in respect of the Westpac Capital Note 10; or
 - (iii) any other address which that person directs in writing.
- (c) If Westpac decides to make a payment by electronic or other means determined under clause 11.3(a)(iii) and an account is not nominated by the Holder or joint Holder, Westpac may hold the amount payable in a separate account of 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 Westpac.
- (d) 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.
- (e) 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 Westpac Capital Notes 10 in accordance with such applicable law, administrative practice or procedure or the requirements of any relevant government or regulatory authority.
- (f) Westpac shall not be liable for any costs or loss suffered by a Holder in exercising its discretion under clause 11.3(e), 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 Westpac Capital Note 10 (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 clause 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 Westpac Capital Notes 10 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 Westpac Capital Notes 10.

APPENDIX B WESTPAC CAPITAL NOTES 10 TERMS

13 Amendment of these Terms

13.1 Amendment generally

No amendment to these Terms is permitted without APRA's prior written approval if such amendment would impact, or potentially impact, the classification of the Westpac Capital Notes 10 as Additional Tier 1 Capital on a Level 1 or Level 2 basis.

13.2 Amendment without consent

Subject to clause 13.1, and complying with all applicable laws and with APRA's prior written approval (except in the case of paragraph 13.2(a)(iii) below), Westpac may, without the authority, assent or approval of Holders, amend these Terms:

- (a) if Westpac is of the opinion that the amendment is:
 - (i) of a formal, minor or technical nature;
 - (ii) made to cure any ambiguity;
 - (iii) made to correct any manifest error;
 - (iv) expedient for the purpose of enabling the Westpac Capital Notes 10 to be listed for quotation or to retain listing on any stock exchange or to be offered for, or subscription for, sale under the laws for the time being in force in any place; or
 - (v) necessary to comply with the provisions of any statute, the requirements of any statutory authority, the ASX Listing Rules or the listing or quotation requirements of any stock exchange on which the Westpac Capital Notes 10 are quoted; or
- (b) generally, in any case where such amendment is considered by Westpac not to be materially prejudicial to the interests of Holders as a whole.

13.3 Amendment with consent

Without limiting clause 13.2 and subject to clause 13.1, Westpac may, with APRA's prior written approval, amend these Terms if the amendment has been approved by a Special Resolution.

13.4 Amendment for Approved Successor

- (a) Subject to clause 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 Terms 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 Terms as amended by this clause 13.4;
 - (B) to comply with the restriction in clause 3.7 (with all appropriate modifications) of these Terms; 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 Terms on the stock exchanges on which the other Approved Successor Shares are quoted at the time of a Conversion,
- (b) If Westpac gives an Approved Replacement Notice to Holders in accordance with clause 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 Terms (as may be amended from time to time) with the same effect as if the Approved Successor had been named as Westpac in these Terms and the Deed Poll;
 - (ii) Westpac (or any corporation which has previously assumed the obligations of Westpac) will be released from its liability under these Terms and the Deed Poll;
 - (iii) references to Westpac in these Terms will be taken to be references to the Approved Successor and references to Ordinary Shares in these Terms will be taken to be references to Approved Successor Shares; and
 - (iv) such other amendments may be made to these Terms as in Westpac's reasonable opinion are necessary and appropriate to effect the substitution of an Approved Successor as debtor in respect of Westpac Capital Notes 10 and the issuer of the Approved Successor Shares on Conversion in the manner contemplated by these Terms (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 clause 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 clause 14.10 to do all things necessary or desirable to give effect to this clause 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 Westpac Capital Notes 10; and
 - (ii) any capital injection carried out pursuant to paragraph 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 Westpac Capital Notes 10, unless otherwise approved by APRA in writing.
- (e) Nothing in this clause 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 Meanings

In this clause “**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) Westpac Capital Notes 10 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 Westpac Capital Notes 10 and neither Westpac nor any member of the Westpac Group guarantees Westpac Capital Notes 10.

14.2 Further issues

Westpac reserves the right to issue further Westpac Capital Notes 10 or other securities which rank senior to, equally with or behind existing Westpac Capital Notes 10, whether in respect to distributions, dividends, return of capital on a Winding Up or otherwise.

14.3 No netting or set-off

Westpac Capital Notes 10 are not subject to netting, and, without limitation, neither Westpac nor any Holder is entitled to set-off any amounts due in respect of the Westpac Capital Notes 10 against any amount of any nature owed by Westpac to the Holder or by the Holder to Westpac (as applicable).

14.4 Quotation

Westpac must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure quotation of Westpac Capital Notes 10 on the financial market operated by ASX.

14.5 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 Terms and the granting of approvals, consents and waivers.

14.6 Notices

The Deed Poll contains provisions for the giving of notices.

14.7 No other rights

Before Conversion, Westpac Capital Notes 10 confer no rights on a Holder:

- (a) to vote at, or receive notices of, any meeting of shareholders 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 set out in these Terms.

14.8 Ability to trade, buy-back or purchase

- (a) 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 Westpac Capital Notes 10 in the open market, by tender to all or some of the Holders, by private agreement or in any other manner, at any price.
- (b) Subject to APRA's prior written approval, Westpac may purchase on-market or otherwise conduct a buy-back in relation to Westpac Capital Notes 10 at any time and at any price.
- (c) Any Westpac Capital Note 10 purchased or bought-back by Westpac pursuant to this clause is immediately cancelled.

14.9 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 clause 15.

14.10 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 Terms.

APPENDIX B WESTPAC CAPITAL NOTES 10 TERMS

- (b) The power of attorney given in this clause 14.10 is given for valuable consideration and to secure the performance by the Holder of the Holder's obligations under these Terms and is irrevocable.

15 Governing Law

These Terms 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 Terms unless the contrary intention appears or the context otherwise requires.

- (a) Definitions and interpretation under Westpac's constitution will also apply to these Terms unless the contrary intention is expressed.
- (b) Unless the context otherwise requires, if there is any inconsistency between the provisions of these Terms and Westpac's constitution then, to the maximum extent permitted by law, the provisions of these Terms will prevail.
- (c) Unless otherwise specified, the Westpac Directors may exercise all powers of Westpac under these Terms as are not, by the Corporations Act or by Westpac's constitution, required to be exercised by Westpac in general meeting.
- (d) 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.
- (e) Unless otherwise specified, a reference to a clause is a reference to a clause of these Terms.
- (f) If a calculation is required under these Terms, unless the contrary intention is expressed, the calculation will be rounded to four decimal places.
- (g) If a payment is required to be made under these Terms, unless the contrary intention is expressed, the payment will be made in Australian dollars only.
- (h) 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.
- (i) Any provisions in these Terms 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.
- (j) The terms takeover bid, relevant interest, scheme of arrangement, buy-back and on-market buy-back when used in these Terms have the meaning given in the Corporations Act.
- (k) Headings and boldings are for convenience only and do not affect the interpretation of these Terms.
- (l) The singular includes the plural and vice versa.

- (m) A reference to a statute, ordinance, directive, code or other law (however described) includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.
- (n) Other than in relation to a Capital Trigger Event or a Non-Viability Trigger Event (including a Conversion of the Westpac Capital Notes 10 on a Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date and any termination of rights under clause 5.8) and other than as otherwise specified in these Terms, if an event under these Terms must occur on a stipulated day which is not a Business Day, then the event will be done on the next Business Day.
- (o) A reference to \$, dollars or cents is a reference to the lawful currency of Australia.
- (p) A reference to time in these Terms is a reference to Sydney, New South Wales, Australia time.
- (q) Calculations, elections and determinations made by Westpac under these Terms are binding on Holders in the absence of manifest error.
- (r) If any provision of these Terms 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 clause, 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 Terms are of full force and effect.

16.2 Definitions

In these Terms, 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 Terms as contemplated in clause 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 Westpac Capital Notes 10;
- (g) the proposed successor holding company has, in the reasonable opinion of Westpac, the financial capacity to satisfy Westpac's obligations under these Terms 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 clause 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).

Alternative BBSW Rate has the meaning given in clause 3.1.

Applicable Regulations means the ASX Listing Rules, the ASX Settlement Operating Rules, the ASX Operating Rules, the rules and regulations of CHESS, the Corporations Act and any rules or regulations made under or pursuant to them.

Approved Replacement Notice has the meaning given in clause 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 Terms.

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 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.

ASX Settlement Operating Rules means the settlement operating rules of ASX from time to time with any applicable modification or waiver granted by ASX.

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

BBSW Rate has the meaning given in clause 3.1.

BBSW Rate Disruption Event has the meaning given in clause 3.1.

Bookbuild means a process conducted by or on behalf of Westpac whereby bids are lodged for the Westpac Capital Notes 10, and, on the basis of those bids, Westpac determines the Margin.

Business Day means a day which is:

- (a) a business day as defined in the ASX Listing Rules; and
- (b) for all purposes other than any calculation in respect of a Conversion, a date on which banks are open for general business in Sydney.

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.

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 Westpac Capital Notes 10. **Capital Security** has the corresponding meaning.

Capital Trigger Event has the meaning given in clause 5.1.

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

Cboe means Cboe Australia Pty Ltd (ACN 129 584 667) or the financial market operated by Cboe Australia Pty Ltd, as the context requires.

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 Westpac Capital Notes 10 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.

APPENDIX B WESTPAC CAPITAL NOTES 10 TERMS

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

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

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 Face Value of each of the, Westpac Capital Notes 10 into Ordinary Shares under these Terms and **Convert** and **Converted** have corresponding meanings.

Conversion Date means the applicable:

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

Conversion Number has the meaning given in clause 9.1.

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

Deed Poll means the deed poll entitled “Westpac Capital Notes 10 Deed Poll” executed by Westpac and dated on or about the date of the Bookbuild.

Distribution has the meaning given in clause 3.1.

Distribution Payment Date has the meaning given in clause 3.5.

Distribution Period means the period from (but excluding) the Issue Date until (and including) the first Distribution Payment Date or thereafter from (but excluding) each Distribution Payment Date until (and including) the next Distribution Payment Date.

Distribution Rate has the meaning given in clause 3.1.

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 5, Westpac Capital Notes 6, Westpac Capital Notes 7, Westpac Capital Notes 8, Westpac Capital Notes 9 and Westpac USD AT1 Securities) which ranks or is expressed to rank for payment of a dividend, distribution or interest equally with Westpac Capital Notes 10; 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 5, Westpac Capital Notes 6, Westpac Capital Notes 7, Westpac Capital Notes 8, Westpac Capital Notes 9 and Westpac USD AT1 Securities) which ranks or is expressed to rank equally with Westpac Capital Notes 10 for repayment or a return of capital if Westpac is wound up.

Face Value means as applicable either:

- (a) the Initial Face Value; or
- (b) the Initial Face Value reduced by the amount of Face Value per Westpac Capital Note 10 which has previously been Converted in accordance with clause 5.2 or clause 5.4 or the rights in respect of which have been terminated in accordance with clause 5.8.

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).

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

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

Holder means, in respect of a Westpac Capital Note 10, the person whose name is for the time being entered in the Westpac Capital Notes 10 Register as the owner of it or, where it is held jointly by two or more persons, the persons whose names appear in the Westpac Capital Notes 10 Register as the joint owners of the Westpac Capital Note 10.

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 Westpac Capital Notes 10, it shall only be treated as an Ineligible Holder in respect of those Westpac Capital Notes 10 and not in respect of the balance of its Westpac Capital Notes 10); or
- (b) a Holder whose address in the Westpac Capital Notes 10 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.

Initial Face Value means \$100 per Westpac Capital Note 10.

Issue Date means the date on which Westpac Capital Notes 10 are issued, which is expected to be on or about 18 December 2023.

Issue Date VWAP means the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding but not including the Issue Date, as adjusted in accordance with clauses 9.4 to 9.7.

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 \$100 per Westpac Capital Note 10 (as adjusted for any Conversion under clauses 5.2 or 5.4 or any termination of rights under clause 5.8).

Margin has the meaning given in clause 3.1.

Maximum Conversion Number has the meaning given in clause 9.1.

Next Distribution Payment Date means the scheduled quarterly Distribution Payment Date 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 clause 5.3.

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

Optional Conversion means a Conversion in accordance with clause 6.

Optional Conversion Date means, in respect of each Westpac Capital Note 10:

- (a) 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032; or
- (b) the date specified by Westpac as the Optional Conversion Date in accordance with clause 6.3(b)(i)(B).

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

Optional Conversion Restriction has the meaning given in clause 6.2.

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

Prospectus means the prospectus relating to the offer of Westpac Capital Notes 10 dated on or about 20 November 2023 and any supplementary or replacement prospectus.

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 clause 9.3.

Record Date means, in the case of:

- (a) the payment of Distributions, the date which is eight calendar days before the relevant Distribution Payment Date or, if that date does not fall on a Business Day, the immediately preceding Business Day (or such other date as may be prescribed under the ASX Listing Rules or, if not prescribed by the ASX Listing Rules, a date determined by Westpac and notified to ASX); and
- (b) the payment of the Face Value of the Westpac Capital Note 10 upon a Redemption or Transfer, a date determined by Westpac and notified to ASX (or such other date as may be prescribed by ASX).

Redemption means the redemption of all or some Westpac Capital Notes 10 for their Face Value under these Terms and **Redeem**, **Redeemable** and **Redeemed** have corresponding meanings.

Redemption Date means, in respect of each Westpac Capital Note 10:

- (a) 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032; or
- (b) the date specified by Westpac as the Redemption Date in accordance with clause 7.2(b)(i)(B).

Redemption Notice means a notice issued in accordance with clause 7.

Registrar means Link Market Services Limited (ABN 54 083 214 537) or any other person appointed by Westpac to maintain the Westpac Capital Notes 10 Register.

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 Westpac Capital Notes 10; or
 - (iv) there would be a more than de minimis negative impact on the Westpac Group in relation to (or in connection with) Westpac Capital Notes 10,

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

APPENDIX B WESTPAC CAPITAL NOTES 10 TERMS

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 Face Value of all or some, Westpac Capital Notes 10 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 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 clause 13.4(a).

Sale Agent means the 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 Holders who do not wish to receive Ordinary Shares on Conversion or who are Ineligible Holders.

Scheduled Conversion Conditions means the conditions in clause 4.2.

Scheduled Conversion Date has the meaning given in clause 4.1.

Second Scheduled Conversion Condition has the meaning set out in clause 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.

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 Westpac Capital Notes 10 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 means:

- (a) a resolution passed at a meeting of Holders by a majority of at least 75% of the votes validly cast by Holders in person or by proxy and entitled to vote on the resolution; or
- (b) the written approval of Holders holding at least 75% of the Westpac Capital Notes 10.

Subsidiary has the meaning given in the Corporations Act.

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 Westpac Capital Notes 10; or
- (b) any Distribution would not be a frankable distribution within the meaning of Division 202 of the Tax Act.

Terms means these terms and conditions of Westpac Capital Notes 10.

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

Transfer means the transfer of Westpac Capital Notes 10 by Holders to a Nominated Party in accordance with clause 8 and **Transferred** has a corresponding meaning.

Transfer Date means, in respect of each Westpac Capital Note 10:

- (a) 22 September 2031, 22 December 2031, 22 March 2032 or 22 June 2032; or
- (b) the date specified by Westpac as the Transfer Date in accordance with clause 8.2(b)(i)(B).

Transfer Notice means a notice issued in accordance with clause 8.

VWAP means, subject to any adjustments under clauses 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 Cboe 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 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 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 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 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 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 Terms.

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

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 Capital Notes 9 means the Westpac Capital Notes 9 issued by Westpac under the note deed poll dated 24 June 2022.

Westpac Capital Notes 10 means the Westpac Capital Notes 10 issued by Westpac under these Terms.

Westpac Capital Notes 10 Register means the register of Holders maintained by Westpac or its agent and includes any subregister established and maintained under CHESS.

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 Terms.

16.3 Inconsistency with ASX Listing Rules

So long as Westpac Capital Notes 10 are quoted on ASX, these Terms as they relate to those Westpac Capital Notes 10 are to be interpreted in a manner consistent with the applicable ASX Listing Rules, provided always that where a clause of these Terms is required to give effect to the Prudential Standards, the interpretation which gives effect to that APRA requirement shall prevail.

CORPORATE DIRECTORY

CORPORATE DIRECTORY

REGISTERED OFFICE OF WESTPAC

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

AUSTRALIAN LEGAL AND TAX ADVISER TO THE OFFER, INCLUDING THE REINVESTMENT OFFER

Allens
Level 28, Deutsche Bank Place
Corner Hunter & Phillip Streets
Sydney NSW 2000

AUDITOR

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay
Barangaroo
Sydney NSW 2000

ACCOUNTING ADVISER

PricewaterhouseCoopers Securities Limited
One International Towers Sydney
Watermans Quay
Barangaroo
Sydney NSW 2000

REGISTRAR

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

ARRANGER AND JOINT LEAD MANAGER

Westpac Institutional Bank
Level 3, Westpac Place
275 Kent Street
Sydney NSW 2000

JOINT LEAD MANAGERS

ANZ Securities Limited
Level 9
833 Collins Street
Docklands VIC 3008

Commonwealth Bank of Australia
Level 1, Commonwealth Bank Place South
11 Harbour Street
Sydney NSW 2000

Morgan Stanley Australia Securities Limited
Level 39, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Morgans Financial Limited
Level 29, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

National Australia Bank Limited
Level 6
2 Carrington Street
Sydney NSW 2000

Ord Minnett Limited
Level 18, Grosvenor Place
225 George Street
Sydney NSW 2000

Shaw and Partners Limited
Level 7, Chifley Tower
2 Chifley Square
Sydney NSW 2000

UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

CO-MANAGERS

Bell Potter Securities Limited
Level 38, Aurora Place
88 Philip Street
Sydney NSW 2000

JBWere Limited
Level 31
405 Bourke Street
Melbourne VIC 3000

LGT Crestone Wealth Management Limited
Level 32, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Wilsons Advisory and Stockbroking Limited
Level 53
111 Eagle Street
Brisbane QLD 4000

HOW TO CONTACT US

Website: westpac.com.au/westpaccapnotes10

Westpac Capital Notes 10 Information Line (Monday to Friday, 8.30am to 7.30pm, Sydney time)
1800 176 125 (free call within Australia) and +61 1800 176 125 (outside Australia)

