

# Release

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18 November 2021

## NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

**Westpac Banking Corporation (“Westpac”) – issue of US\$1,250,000,000 3.020% Subordinated Notes due 2036 (the “2036 Tier 2 Subordinated Notes”) and US\$1,000,000,000 3.133% Subordinated Notes due 2041 (the “2041 Tier 2 Subordinated Notes”) and, together with the 2036 Tier 2 Subordinated Notes, the “Tier 2 Subordinated Notes”)**

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

1. Westpac will issue the Tier 2 Subordinated Notes today. Offers of the Tier 2 Subordinated Notes do not require disclosure to investors under Part 6D.2 of the Act.
2. Attached to this notice are the following:
  - a. a description of the rights and liabilities attaching to the Tier 2 Subordinated Notes (“**Terms**”) as set out under the “Description of the Subordinated Debt Securities” on pages 7 to 42 of the Form F-3ASR (Registration No. 333-260703) (“**Form F-3**”) of Westpac filed with the U.S. Securities and Exchange Commission on 3 November 2021 pursuant to the U.S. Securities Act of 1933, as amended, which is attached to this notice as Annex A, as supplemented by the “Description of the Notes” on pages S-24 to S-31 of the Prospectus Supplement dated 8 November 2021 in respect of the 2036 Tier 2 Subordinated Notes, and as supplemented by the “Description of the Notes” on pages S-23 to S-29 of the Prospectus Supplement dated 8 November 2021 in respect of the 2041 Tier 2 Subordinated Notes (together, the “**Prospectus Supplements**”), which are attached to this notice as Annex B and Annex C, respectively; and
  - b. a description of the rights and liabilities attaching to the ordinary shares of Westpac as set out under the “Description of the Ordinary Shares” on pages 43 to 44 of the Form F-3, which is attached to this notice as Annex D.
3. The Tier 2 Subordinated Notes are expected to be treated as Tier 2 regulatory capital under the Basel III capital adequacy framework as implemented in Australia by the Australian Prudential Regulation Authority (“**APRA**”).
4. If APRA determines that Westpac is or would become non-viable, the Tier 2 Subordinated Notes may be:
  - (a) Converted into fully paid ordinary shares in the capital of Westpac; or

- (b) immediately and irrevocably Written-off (and rights attaching to the Tier 2 Subordinated Notes terminated) if for any reason Conversion does not occur within five ASX Business Days of APRA notifying Westpac of the determination,

in accordance with the Terms.

- 5. In order to enable ordinary shares in the capital of Westpac issued on Conversion to be sold without disclosure under Chapter 6D of the Act, Westpac has elected to give this notice under section 708A(12H)(e) of the Act as inserted by the Instrument. The Terms and the information in the attached Schedule are included in, and form part of, this notice.
- 6. Westpac confirms that:
  - (a) the information in this notice remains current as at today's date;
  - (b) this notice complies with section 708A of the Act, as notionally modified by the Instrument; and
  - (c) this notice complies with the content requirements of section 708A(12I) of the Act as inserted by the Instrument.
- 7. Unless otherwise defined, capitalised expressions used in this notice have the meanings given to them in the Form F-3 or Prospectus Supplements.

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

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

This market announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction.

## SCHEDULE

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

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

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

The proceeds of the issue, less the costs of the issue, are expected to increase Westpac's total capital ratio on a Level 2 basis by 0.7%.

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

The rights and liabilities attaching to the Tier 2 Subordinated Notes are set out in the Form F-3 as supplemented by the Prospectus Supplements.

### **C. Effect on Westpac of the issue of the ordinary shares if the Tier 2 Subordinated Notes are required to be Converted<sup>1</sup>**

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

If a Non-Viability Trigger Event occurs and Westpac Converts the Tier 2 Subordinated Notes and issues ordinary shares to Holders (as required under the Terms), the effect of Conversion on Westpac would be to reduce loan capital by the principal amount, less any unamortised costs of the issue, of the Tier 2 Subordinated Notes being Converted and increase Westpac's shareholders' equity (ordinary share capital) by a corresponding amount. APRA has not provided extensive guidance as to how it would determine non-viability. Non-viability could be expected to include serious impairment of Westpac's financial position and concerns about its capital, funding or liquidity levels and/or insolvency. APRA has indicated that non-viability is likely to arise prior to insolvency.

The number of ordinary shares issued on Conversion is variable, but is limited to the Maximum Conversion Number. Limiting the number of ordinary shares which may be issued to the Maximum Conversion Number means that it is likely that Holders will receive a number of ordinary shares that have a market value that is significantly less than the Outstanding Principal Amount of the Tier 2 Subordinated Notes. The Australian Dollar may depreciate in value against the U.S. Dollar by the time of Conversion. In that case, the Maximum Conversion Number is more likely to apply.

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

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

The Maximum Conversion Number is 575.4939 Westpac ordinary shares per Tier 2 Subordinated Note (with a nominal value of US\$2,000), based on the Issue Date VWAP of A\$23.80. If Conversion of any Tier 2 Subordinated Notes does not occur for any reason within five ASX Business Days after the occurrence of the Non-Viability Trigger Event, the Tier 2 Subordinated Notes will be Written-off, and all corresponding rights and claims of Holders under the Terms (including with respect to payments of interest, the repayment of the Outstanding Principal Amount and upon Conversion, the receipt of ordinary shares) will be immediately and irrevocably written-off and terminated, with effect on and from the Non-Viability Trigger Event Date in accordance with the Terms, and investors will lose all or some of their investment and will not receive any compensation.

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

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

In addition, the rights and liabilities attaching to the ordinary shares in the capital of Westpac are described on pages 43 to 44 of the Form F-3 (attached in Annex D)<sup>2</sup>.

#### **E. Additional information**

Information about the Tier 2 Subordinated Notes is contained in the Form F-3 and the Prospectus Supplements.

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

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

Any person has the right to obtain copies of:

- Westpac's half-yearly and annual financial reports; and
- any continuous disclosure notices given by Westpac after the lodgement of the 2021 Westpac Group Annual Report, but before the date of this notice,

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

from [www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre), or by request made in writing to Westpac at:

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

**ANNEX A**

**“Description of the Subordinated Debt Securities” on pages 7 to 42 of the Form F-3**

## DESCRIPTION OF THE SUBORDINATED DEBT SECURITIES

*The following discussion describes the general terms and conditions applicable to Subordinated Debt Securities that we may offer. In addition to these general provisions, in connection with an investment in a particular series of Subordinated Debt Securities, investors should review the description of the provisions and any risk factors applicable to that series of Subordinated Debt Securities, including those set forth herein and in any applicable prospectus supplement or term sheet.*

Unless the context otherwise requires, references to “we”, “us”, “our” and “Westpac” in this description of the Subordinated Debt Securities refer only to Westpac Banking Corporation ABN 33 007 457 14 and not to any of its subsidiaries.

The Subordinated Debt Securities will be issued under the Fourth Amended and Restated Subordinated Indenture, dated as of November 3 2021, between us and The Bank of New York Mellon as the trustee, which we refer to as the subordinated indenture. The subordinated indenture provides that there may be more than one trustee, each with respect to one or more series of Subordinated Debt Securities.

We have summarized below certain terms of the subordinated indenture which we believe will be most important to your decision to invest in our Subordinated Debt Securities. You should keep in mind, however, that it is the subordinated indenture, and not this summary, which defines your rights as a holder of Subordinated Debt Securities. There may be other provisions in the subordinated indenture which are also important to you. You should read the subordinated indenture for a full description of the terms of the Subordinated Debt Securities. The subordinated indenture is filed as an exhibit to the registration statement that includes this prospectus. See “Where You Can Find More Information” for information on how to obtain copies of the subordinated indenture.

The following description of the terms of the Subordinated Debt Securities sets forth certain general terms and provisions of the Subordinated Debt Securities to which any applicable prospectus supplement or term sheet may relate. The particular terms of the Subordinated Debt Securities offered by any applicable prospectus supplement or term sheet and the extent, if any, to which such general provisions may not apply to the Subordinated Debt Securities will be described in the applicable prospectus supplement or term sheet. Accordingly, for a description of the terms of a particular issue of Subordinated Debt Securities, you should refer to both the applicable prospectus supplement or term sheet and to the following description.

Certain defined terms used in the following description of the terms of the Subordinated Debt Securities have the meanings given to them in “— Additional Provisions Applicable to Subordinated Debt Securities — Definitions.”

### Ranking

The Subordinated Debt Securities are subordinate and junior in right of payment to senior debt securities and other Senior Creditors (as defined below) in the manner and to the extent described in Section 1 “— Status of the Subordinated Debt Securities — General” below under the caption “— Additional Provisions”.

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

Section 13A(3) of the Australian Banking Act provides that if Westpac becomes unable to meet its obligations or suspends payment, the assets of Westpac in Australia are to be available to satisfy, in priority to all other liabilities of Westpac, including the Subordinated Debt Securities:

- first, certain liabilities of Westpac owed to the Australian Prudential Regulation Authority, which we refer to as APRA, (if any) in respect of any payments that APRA makes or is liable to make to (i) holders of protected accounts under the Australian Banking Act or (ii) a body corporate pursuant to a determination made by APRA in connection with a transfer of Westpac’s business to that body corporate (where the transfer includes liabilities of Westpac in respect of protected accounts) under the Australian Financial Sector (Transfer and Restructure) Act 1999;

- second, APRA's costs (if any) in exercising its powers and performing its functions relating to Westpac in connection with the FCS (an Australian Government scheme that protects depositors of banks like Westpac from potential loss due to their failure);
- third, Westpac's liabilities (if any) in Australia in relation to protected accounts that accountholders keep with Westpac;
- fourth, Westpac's debts (if any) to the Reserve Bank of Australia, which we refer to as the RBA; and
- fifth, Westpac's liabilities (if any) under an industry support contract that is certified under Section 11CB of the Australian Banking Act.

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

Under Section 16(2) of the Australian Banking Act, certain other debts of Westpac due to APRA shall in a winding-up of Westpac have, subject to Section 13A(3) of the Australian Banking Act, priority over all other unsecured debts of Westpac. Further, Section 86 of the Reserve Bank Act provides that in a winding-up of Westpac, debts due by Westpac to the RBA shall, subject to Section 13A(3) of the Australian Banking Act, have priority over all other debts of Westpac. Further, certain assets, such as the assets of Westpac in a cover pool for covered bonds issued by Westpac, are excluded from constituting assets in Australia for the purposes of Section 13A of the Australian Banking Act, and those assets are subject to the prior claims of the covered bond holders and certain other secured creditors in respect of the covered bonds.

The Subordinated Debt Securities are not protected accounts or deposit liabilities for the purpose of the Australian Banking Act or the FCS, are not subject to the depositor protection provisions of the Australian Banking Act, and are not insured or guaranteed by (1) the Commonwealth of Australia or any governmental agency of Australia, (2) the United States Federal Deposit Insurance Corporation or any other governmental agency or instrumentality of the United States, (3) any compensation scheme of the Commonwealth of Australia or the United States or (4) any other jurisdiction or party.

#### **General Terms of the Subordinated Debt Securities**

Westpac may issue the Subordinated Debt Securities in one or more series pursuant to an indenture that supplements the subordinated indenture, or a resolution of our board of directors or a duly authorized committee of our board of directors. (Section 3.1 of the subordinated indenture.) The aggregate principal amount of Subordinated Debt Securities that may be issued under the subordinated indenture is unlimited. You should refer to the applicable prospectus supplement or term sheet for the specific terms of each series of Subordinated Debt Securities which may, subject to such terms being consistent and in compliance with the Prudential Standards in effect at the time of issuance of such Subordinated Debt Securities, include the following:

- title and aggregate principal amount;
- any additional subordination provisions;
- percentage(s) of principal amount at which such series of Subordinated Debt Securities will be issued;
- maturity date(s);
- interest rate(s) or the method for determining the interest rate(s) including dates on which any interest rate may be reset and the method for resetting such interest rate;
- dates on which interest will accrue or the method for determining dates on which interest will accrue and dates on which interest will be payable;
- the calculation agent, if any;
- place(s) where principal and interest will be payable;



- any payment of additional amount provisions that vary or add to those described herein;
- any redemption or early repayment provisions including any that vary or add to the definitions of Adverse Tax Event or Regulatory Event;
- conversion or write-off provisions that vary or add to those described herein, including whether conversion or write-off will be the primary loss absorption mechanism;
- authorized denominations;
- any discount with which such series of Subordinated Debt Securities will be issued;
- whether such series of Subordinated Debt Securities will be issued in the form of one or more global securities (whether in whole or in part);
- identity of the depository for global securities;
- whether a temporary security is to be issued with respect to such series of Subordinated Debt Securities and whether any interest payable prior to the issuance of definitive Subordinated Debt Securities of such series will be credited to the account of the persons entitled to such interest;
- the terms upon which beneficial interests in a temporary global Subordinated Debt Security may be exchanged in whole or in part for beneficial interests in a definitive global Subordinated Debt Security or for definitive Subordinated Debt Securities and the terms upon which such exchanges may be made;
- currency, currencies or currency units in which the purchase price for, the principal of and any interest on, such series of Subordinated Debt Securities will be payable;
- time period within which, the manner in which and the terms and conditions upon which the purchaser of such series of Subordinated Debt Securities can select the payment currency;
- securities exchange(s) on which such series of Subordinated Debt Securities will be listed, if any; and
- additional terms not inconsistent with the provisions of the subordinated indenture.

General information about US and Australian tax considerations is set out under “Taxation.” Certain US federal income tax and Australian tax considerations applicable to any series of Subordinated Debt Securities due to its particular terms will be described in the applicable prospectus supplement or term sheet.

Unless otherwise specified in the applicable prospectus supplement or term sheet, the Subordinated Debt Securities will be issued in denominations of \$1,000 and any integral multiple of \$1,000. (Section 3.2 of the subordinated indenture.) Subject to the limitations provided in the subordinated indenture and in the applicable prospectus supplement or term sheet, Subordinated Debt Securities will be issued in registered form and may be registered, transferred or exchanged at the principal corporate trust office of the trustee or at the office or agency that we will maintain for such purpose in the Borough of Manhattan, The City of New York, without the payment of any service charge, other than any tax or other governmental charge payable in connection with the registration or transfer or exchange. (Sections 3.5 and 12.2 of the subordinated indenture.)

Westpac may issue Subordinated Debt Securities of any series in definitive form or in the form of one or more global Subordinated Debt Securities (in whole or in part) as described below under “— Global Securities”. Westpac may issue Subordinated Debt Securities of a series at different times. In addition, Westpac may issue Subordinated Debt Securities within a series with terms different from the terms of other Subordinated Debt Securities of that series. (Section 3.1(c) of the subordinated indenture.)

Subject to applicable law, Westpac or any of its affiliates may at any time purchase or repurchase Subordinated Debt Securities of any series in any manner and at any price, subject to APRA’s prior written approval (which may or may not be given and Holders should not expect that APRA’s prior written approval will be given for any redemption or purchase of Subordinated Debt Securities). Subordinated Debt Securities of any series purchased by Westpac or any of its affiliates may be held or surrendered by the purchaser of the Subordinated Debt Securities for cancellation or may be resold.

**Global Securities**

Westpac may issue the Subordinated Debt Securities of a series in the form of one or more global securities (in whole or in part) that will be deposited with, or on behalf of, a depository identified in the applicable prospectus supplement or term sheet. Westpac will issue global securities in registered form and in either temporary or definitive form. Unless and until it is exchanged in whole or in part for the definitive Subordinated Debt Securities, a global security may not be transferred except as a whole by the depository for such global security to a nominee of such depository or by a nominee of such depository to such depository or another nominee of such depository or by such depository or any such nominee to a successor of such depository or a nominee of such successor. (Section 2.3 and Section 2.4 of the subordinated indenture.)

The specific terms of the depository arrangement with respect to any Subordinated Debt Securities of a series and the rights of and limitations upon owners of beneficial interests in a global security, to the extent it differs from the provisions discussed below, will be described in the applicable prospectus supplement or term sheet. We expect that the following provisions will generally apply to depository arrangements.

Upon the issuance of a global security, the depository for such global security or its nominee will credit, on its book entry registration and transfer system, the respective principal amounts of the definitive Subordinated Debt Securities represented by such global security to the accounts of persons that have accounts with such depository and will make adjustments to such amounts in the event of a Conversion or Write-off. Such accounts shall be designated by the dealers, underwriters or agents with respect to the Subordinated Debt Securities or by us if such Subordinated Debt Securities are offered and sold directly by us. Ownership of beneficial interests in a global security will be limited to persons that have accounts with the applicable depository, who are referred to in this prospectus as participants, or persons that may hold interests through participants. Ownership of beneficial interests in such global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the applicable depository or its nominee with respect to interests of participants and the records of participants with respect to interests of persons other than participants. The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a global security.

So long as the depository for a global security, or its nominee, is the registered owner of a global security, such depository or such nominee, as the case may be, will be considered the sole owner or holder of the Subordinated Debt Securities represented by that global security for all purposes under the subordinated indenture. Except as provided below, owners of beneficial interests in a global security will not be entitled to have any of the definitive Subordinated Debt Securities of the series represented by that global security registered in their names, will not receive or be entitled to receive physical delivery of any Subordinated Debt Securities of such series in definitive form and will not be considered the owners or holders thereof under the subordinated indenture.

Payments of principal and interest, if any, on definitive Subordinated Debt Securities represented by a global security registered in the name of a depository or its nominee will be made to the depository or its nominee, as the case may be, as the registered owner of the global security representing the Subordinated Debt Securities. None of Westpac, the trustee for the Subordinated Debt Securities, any paying agent, the registrar or any underwriter or agent for the Subordinated Debt Securities will have any responsibility or liability for any aspect of the records relating to or payments made by the depository or any participants on account of beneficial ownership interests in the global security for the Subordinated Debt Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We expect that the depository for a series of Subordinated Debt Securities or its nominee, upon receipt of any payment of principal or interest in respect of a permanent global security representing the Subordinated Debt Securities, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global security for the Subordinated Debt Securities as shown on the records of the depository or its nominee. We also expect that payments by participants to owners of beneficial interests in a global security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in "street name". Such payments will be the responsibility of such participants.

If the depository for a series of Subordinated Debt Securities notifies us at any time that it is unwilling, unable or ineligible to continue as depository and a successor depository is not appointed by us within 90 days, Westpac will issue definitive Subordinated Debt Securities of that series in exchange for the global security or securities representing that series of Subordinated Debt Securities. In addition, we may at any time and in our sole discretion, subject to any limitations described in the applicable prospectus supplement or term sheet relating to the Subordinated Debt Securities, determine not to have any Subordinated Debt Securities of a series represented by one or more global securities, and, in such event, will issue definitive Subordinated Debt Securities of that series in exchange for the global security or securities representing that series of Subordinated Debt Securities. If definitive Subordinated Debt Securities are issued, an owner of a beneficial interest in a global security will be entitled to physical delivery of definitive Subordinated Debt Securities of the series represented by that global security equal in principal amount to that beneficial interest and to have the Subordinated Debt Securities registered in its name. Definitive Subordinated Debt Securities of any series so issued will be issued in denominations, unless otherwise specified by us in the applicable prospectus supplement or term sheet, of \$1,000 and integral multiples of \$1,000 in excess thereof.

For information concerning Conversion or Write-off upon the occurrence of a Non-Viability Trigger Event, see “— Additional Provisions” below. The point of “non-viability” is entirely within the discretion of APRA. APRA has not published extensive guidance on what might constitute or amount to “non-viability”. APRA has not yet made a determination of non-viability. “Non-viability” is expected to include serious impairment of Westpac’s financial position and solvency, but may not be confined to solvency measures and capital ratios and may include other matters, such as liquidity. APRA has indicated that it may regard non-viability as occurring well before an ADI is at risk of becoming insolvent.

#### **Payment of Additional Amounts**

The subordinated indenture provides that Westpac will pay all amounts that it is required to pay in respect of the Subordinated Debt Securities without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges imposed or levied by or on behalf of Australia or any political subdivision or taxing authority thereof or therein, unless such withholding or deduction is required by law. In that event, Westpac will pay such additional amounts as may be necessary so that the net amount received by the holder of the Subordinated Debt Securities, after such withholding or deduction, will equal the amount that the holder would have received in respect of the Subordinated Debt Securities without such withholding or deduction. However, as described below, the subordinated indenture provides that, under certain circumstances, Westpac will not pay additional amounts.

The subordinated indenture provides that Westpac will not pay additional amounts in respect of Subordinated Debt Securities for or on account of:

- any tax, duty, assessment or other governmental charge that would not have been imposed but for the fact that the holder, or the beneficial owner, of the Subordinated Debt Securities was a resident, domiciliary or national of, or engaged in business or maintained a permanent establishment or was physically present in, Australia or any political subdivision or taxing authority thereof or therein or otherwise had some connection with Australia or any political subdivision or taxing authority thereof or therein other than merely holding such Subordinated Debt Securities, or receiving payments under such Subordinated Debt Securities;
- any tax, duty, assessment or other governmental charge that would not have been imposed but for the fact that the holder of the Subordinated Debt Securities presented such Subordinated Debt Securities for payment in Australia, unless the holder was required to present such Subordinated Debt Securities for payment and they could not have been presented for payment anywhere else;
- any tax, duty, assessment or other governmental charge that would not have been imposed but for the fact that the holder of the Subordinated Debt Securities presented such Subordinated Debt Securities for payment more than 30 days after the date such payment became due and was provided for, whichever is later, except to the extent that the holder would have been entitled to the additional amounts on presenting such Subordinated Debt Securities for payment on any day during that 30 day period;

- any estate, inheritance, gift, sale, transfer, personal property or similar tax, duty, assessment or other governmental charge;
- any tax, duty, assessment or other governmental charge which is payable otherwise than by withholding or deduction;
- any tax, duty, assessment or other governmental charge that would not have been imposed if the holder, or the beneficial owner, of the Subordinated Debt Securities complied with Westpac's request to provide information concerning his, her or its nationality, residence or identity or to make a declaration, claim or filing or satisfy any requirement for information or reporting that is required to establish the eligibility of the holder, or the beneficial owner, of such Subordinated Debt Securities to receive the relevant payment without (or at a reduced rate of) withholding or deduction for or on account of any such tax, duty, assessment or other governmental charge;
- any tax, duty, assessment or other governmental charge that would not have been imposed but for the holder, or the beneficial owner, of the Subordinated Debt Securities being an associate of Westpac for purposes of section 128F of the Australian Tax Act (other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme under the Australian Corporations Act);
- any tax, duty, assessment or other governmental charge that is imposed or withheld as a consequence of a determination having been made under Part IVA of the Australian Tax Act (or any modification thereof or provision substituted therefor) by the Australian Commissioner of Taxation that such tax, duty, assessment or other governmental charge is payable in circumstances where the holder, or the beneficial owner, of such Subordinated Debt Securities is a party to or participated in a scheme to avoid such tax which Westpac was not a party to;
- any tax, duty, assessment or other governmental charge to, or to a third party on behalf of, a holder of Subordinated Debt Securities, or any beneficial owner of any interest in, or rights in respect of, such Subordinated Debt Securities, upon, with respect to, or by reason of, such person being issued Ordinary Shares;
- any tax, duty, assessment or other governmental charge arising under or in connection with, or in order to ensure compliance with, (a) Section 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended, which we refer to as the Code, including any regulations or official interpretations issued, (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above, or (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction, which we refer to as FATCA; or
- any combination of the foregoing.

In addition, the subordinated indenture provides that additional amounts will also not be payable by Westpac with respect to any payment on any Subordinated Debt Security to any holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent that payment would, under the laws of Australia or any political subdivision or taxing authority thereof or therein, be treated as being derived or received for tax purposes by a beneficiary or settler of that fiduciary or member of that partnership or a beneficial owner, in each case, who would not have been entitled to those additional amounts had it been the actual holder of such Subordinated Debt Securities.

If, as a result of Westpac's consolidation or merger with or into an entity organized under the laws of a country other than Australia or a political subdivision of a country other than Australia or the sale, conveyance or transfer by Westpac of all or substantially all its assets to such an entity, such an entity assumes the obligations of Westpac under the subordinated indenture and the Subordinated Debt Securities, such entity will pay additional amounts on the same basis as described above, except that references to "Australia" (other than in the exception applicable in the event the holder or beneficial owner of the Subordinated Debt Securities is an associate of Westpac for purposes of section 128F(6) of the Australian Tax Act) will be treated as references to both Australia and the country in which such entity is organized or resident (or deemed resident for tax purposes).

Westpac, and any other person to or through which any payment with respect to the Subordinated Debt Securities may be made, shall be entitled to withhold or deduct from any payment with respect to such Subordinated Debt Securities amounts required to be withheld or deducted under or in connection with, or in order to ensure compliance with, FATCA, and holders and beneficial owners of such Subordinated Debt Securities shall not be entitled to receive any gross up or other additional amounts on account of any such withholding or deduction.

(Section 12.8 of the subordinated indenture.)

### **Redemption of Subordinated Debt Securities**

#### ***General***

If the Subordinated Debt Securities of a series provide for redemption at Westpac's election (subject to APRA's prior written approval, which may or not be given), unless otherwise provided in the applicable prospectus supplement or term sheet and except as described below under "— Redemption for Taxation Reasons" and "— Redemption for Regulatory Reasons", Westpac may redeem the Subordinated Debt Securities of such series in whole, but not in part, and such redemption shall not be permitted earlier than the fifth anniversary of the issue date.

Any redemption of the Subordinated Debt Securities of a series shall be on not less than 30 nor more than 60 days' notice. In the case of Subordinated Debt Securities in global form, such Subordinated Debt Securities will be selected for redemption in accordance with the procedures of the depository. Notice of such redemption will be mailed to holders of Subordinated Debt Securities of such series to their last addresses as they appear on the register of the Subordinated Debt Securities of such series.

Westpac may redeem the Subordinated Debt Securities of a series only if Westpac has received the prior written approval of APRA (approval is at the discretion of APRA and may or may not be given and Holders should not expect that APRA's prior written approval will be given for any redemption or purchase of Subordinated Debt Securities) and:

- before or concurrently with the redemption, Westpac replaces the Subordinated Debt Securities with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than the Subordinated Debt Securities and the replacement of the Subordinated Debt Securities is done under conditions that are sustainable for the income capacity of Westpac (for the purposes of the Prudential Standards); or
- Westpac obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of Westpac and the Group, that Westpac does not have to replace the Subordinated Debt Securities.

Holders should not expect that APRA's prior written approval will be given for any redemption of the Subordinated Debt Securities.

No holder of the Subordinated Debt Securities has the right to request redemption of their Subordinated Debt Securities at any time.

(Sections 1.6, 13.1 and 13.3 of the subordinated indenture.)

#### ***Redemption for Taxation Reasons***

The subordinated indenture provides that if an Adverse Tax Event (as defined below) has occurred, Westpac may, subject to the conditions described below and provided that Westpac has obtained a supporting opinion of legal or tax advisers of recognized standing in Australia (or, if a Relevant Transaction (as defined below) occurs and the home jurisdiction for tax purposes of such other entity is not Australia, legal or tax advisers of recognized standing in such other jurisdiction), redeem all, but not less than all, of any series of Subordinated Debt Securities at a redemption price, equal to the Outstanding Principal Amount of the Subordinated Debt Securities to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. (Section 13.6 of the subordinated indenture.)

An “Adverse Tax Event” shall, with respect to any Subordinated Debt Securities of a series, mean that either:

- any amendment to, clarification of, or change in the Tax Legislation which has been or will be effected; or
- any Administrative Action under or in connection with the Tax Legislation or any amendment to, clarification of, or change in, any such Administrative Action,

being 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 announced) on or after the issue date of the Subordinated Debt Securities of such series but which Westpac did not expect at the issue date of the Subordinated Debt Securities of such series (provided that, if after the issue date Westpac is merged into or consolidated with another entity or all or substantially all of Westpac’s assets are sold or transferred to another entity and such entity assumes the obligations of Westpac under the subordinated indenture and the Subordinated Debt Securities (a “Relevant Transaction”), and the home jurisdiction for tax purposes of such other entity is not Australia (or if such home jurisdiction has already become a jurisdiction other than Australia, is different to the jurisdiction which it is immediately prior to the Relevant Transaction), the references herein to “issue date” of the Subordinated Debt Securities of such series shall be deemed to be to the date the Relevant Transaction is completed) and:

- there is a material risk that Westpac would be exposed to a more than de minimis adverse tax consequence in relation to the Subordinated Debt Securities of such series; or
- Westpac determines that any interest payable on the Subordinated Debt Securities is not, or may not be, allowed as a deduction for the purposes of Australian income tax of such series; or
- Westpac has or will become obliged to pay additional amounts.

Westpac may redeem the Subordinated Debt Securities of a series upon the occurrence of an Adverse Tax Event only if Westpac has received the prior written approval of APRA (approval is at the discretion of APRA and may or may not be given and Holders should not expect that APRA’s prior written approval will be given for any redemption or purchase of Subordinated Debt Securities) and:

- before or concurrently with the redemption, Westpac replaces the Subordinated Debt Securities with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than the Subordinated Debt Securities and the replacement of the Subordinated Debt Securities is done under conditions that are sustainable for the income capacity of Westpac (for the purposes of the Prudential Standards); or
- Westpac obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of Westpac and the Group, that Westpac does not have to replace the Subordinated Debt Securities.

(Sections 13.1 and 13.6 of the subordinated indenture.)

#### ***Redemption for Regulatory Reasons***

The subordinated indenture provides that if a Regulatory Event (as defined below) has occurred, Westpac may, subject to the conditions described below and provided that Westpac has obtained a supporting opinion of advisers of recognized standing in Australia or confirmation from APRA, redeem all, but not less than all, of any series of Subordinated Debt Securities at a redemption price, equal to the Outstanding Principal Amount of the Subordinated Debt Securities to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. (Section 13.6 of the subordinated indenture.)

A “Regulatory Event” shall, with respect to any of the Subordinated Debt Securities of a series, mean that either:

- as a result of any amendment to, clarification of or change (including any announcement of a change that will be introduced) in, any law or regulation of the Commonwealth of Australia or the Prudential Standards, or any official administrative pronouncement or action or judicial decision interpreting or applying such law, regulation or Prudential Standards, which amendment, clarification

or change is effective, or pronouncement, action or decision is announced, on or after the issue date of the Subordinated Debt Securities of such series; or

- written confirmation is received from APRA after the issue date of the Subordinated Debt Securities of such series that,

Westpac is not or will not be entitled to treat all of the Subordinated Debt Securities of such series as Tier 2 Capital in whole, provided that, in each case, Westpac did not expect at the issue date of the Subordinated Debt Securities of such series that the matter giving rise to the Regulatory Event would occur.

Westpac may redeem the Subordinated Debt Securities of a series upon the occurrence of a Regulatory Event only if Westpac has received the prior written approval of APRA (approval is at the discretion of APRA and may or may not be given and Holders should not expect that APRA's prior written approval will be given for any redemption or purchase of Subordinated Debt Securities) and:

- before or concurrently with redemption, Westpac replaces the Subordinated Debt Securities with a capital instrument which is of the same or better quality (for the purposes of the Prudential Standards) than the Subordinated Debt Securities and the replacement of the Subordinated Debt Securities is done under conditions that are sustainable for the income capacity of Westpac (for the purposes of the Prudential Standards); or
- Westpac obtains confirmation from APRA that APRA is satisfied, having regard to the capital position of Westpac and the Group, that Westpac does not have to replace the Subordinated Debt Securities.

(Sections 13.1 and 13.6 of the subordinated indenture.)

#### **Events of Default**

The subordinated indenture provides that, if an event of default in respect of any series of Subordinated Debt Securities shall have occurred and be continuing, the sole remedies for either the trustee or the holder of any outstanding Subordinated Debt Securities of the relevant series shall be the remedies described below.

The subordinated indenture defines an event of default in respect of any series of Subordinated Debt Securities as any of the following events or circumstances:

- Westpac fails to pay (i) any Outstanding Principal Amount in respect of the Subordinated Debt Securities of the relevant series on the maturity date or within seven days thereafter, or (ii) any amount of interest in respect of the Subordinated Debt Securities of the relevant series on the due date for payment thereof or within fourteen days thereafter, unless, in each case, prior to the commencement of a Winding-Up in Australia, the failure to make such payment is the result of Westpac not being Solvent on the date such payment is due or Westpac would not be Solvent immediately thereafter as a result of making such payment; or
- a Winding-Up in Australia.

Upon the occurrence of an event of default for a failure to pay principal or interest as described above, the sole remedies for the trustee or the holder of any Subordinated Debt Securities of the relevant series shall be to bring proceedings:

- to recover any amount then due and payable but unpaid on such Subordinated Debt Securities (subject to Westpac being able to make the payment and remain Solvent);
- to obtain an order for specific performance of any other obligation in respect of such Subordinated Debt Securities; or
- for a winding-up of Westpac in Australia.

In the event of a Winding-Up in Australia (but not in any other jurisdiction), the Subordinated Debt Securities of the relevant series will, without any further action on the part of the trustee or any holder thereof, become immediately due and payable by Westpac, unless they have been Converted or Written-off, and the trustee or any such holder may, subject to the limitations described under "— Additional Provisions

Applicable to Subordinated Debt Securities — Status and Subordination”, prove or claim for the Outstanding Principal Amount of each Subordinated Debt Security it holds (together with all interest accrued but unpaid to the date of payment). However, it is unlikely a Winding-Up will occur without a Non-Viability Trigger Event having occurred first and the Subordinated Debt Securities being Converted or Written-off. In that event:

- if the Subordinated Debt Securities have Converted into Ordinary Shares, holders will rank equally with existing holders of Ordinary Shares; and
- if the Subordinated Debt Securities are Written-off, all rights in relation to the Subordinated Debt Securities will be terminated, and holders will not have their Outstanding Principal Amount repaid or receive any outstanding interest or accrued interest, or have the right to have the Subordinated Debt Securities Converted into Ordinary Shares. In such an event, a holder’s investment in the Subordinated Debt Securities will lose all of its value and such holder will not receive any compensation.

In the event of the occurrence of any event of default, no remedy against Westpac (including, without limitation, any right to sue for a sum of damages which has the same economic effect as an acceleration of Westpac’s payment obligations) shall be available to the trustee or any holder of any Subordinated Debt Securities for the recovery of amounts owing in respect of the Subordinated Debt Securities or in respect of any breach by Westpac of any obligation, condition or provision binding on it under the terms of the Subordinated Debt Securities other than as described in this prospectus or the applicable prospectus supplement or term sheet.

A holder of Subordinated Debt Securities will have no right to accelerate payment or exercise any other remedies (including any right to sue for damages) as a consequence of any default other than as specifically described in this prospectus or in any applicable prospectus supplement or term sheet. In the event of a Winding-Up in Australia (but not in any other jurisdiction), the Subordinated Debt Securities of the relevant series will become immediately due and payable unless they have been Converted or Written-off. This will be the only circumstance in which the payment of principal on Subordinated Debt Securities of the relevant series may be accelerated.

If any Subordinated Debt Security becomes due and payable as a result of an event of default, Westpac shall pay such amount as is equal to the Outstanding Principal Amount (or such other amount specified in or determined in accordance with any applicable prospectus supplement or term sheet) together with all accrued but unpaid interest, if any.

(Section 8.1 of the subordinated indenture.)

Under the Australian Banking Act, for the purpose of protecting depositors and maintaining the stability of the Australian financial system, APRA has administrative power, among other things, to issue a direction to us and certain of our related entities regarding the conduct of our business, including prohibiting making payments with respect to our debt obligations (including the Subordinated Debt Securities), and, if we become unable to meet our obligations or suspend payment (and in certain other limited circumstances), to appoint a “Banking Act statutory manager” to take control of our business (including certain of our related entities).

#### **Other Provisions**

The Trust Indenture Act of 1939, as amended, which we refer to as the Trust Indenture Act, and Section 9.5 of the subordinated indenture provides that the trustee will, within 90 days after the occurrence of a default in respect of any series of Subordinated Debt Securities, give to the holders of that series notice of all uncured defaults known to it; *provided that*, except in the case of default in the payment on any of the Subordinated Debt Securities of that series, the trustee will be protected in withholding such notice if in good faith determines that the withholding of such notice is in the interest of the holders of that series. The term “default” for the purpose of this provision means any event which is, or after notice or lapse of time or both would become an event of default as defined in the subordinated indenture, with respect to Subordinated Debt Securities of such series.



The subordinated indenture provides that the holders of a majority in aggregate principal amount of the outstanding Subordinated Debt Securities of any series may, subject to limitations, direct the time, method and place of conducting proceedings for any remedy available to the trustee, or exercising any trust or power conferred on the trustee in respect of the Subordinated Debt Securities of that series. (Section 8.5 of the subordinated indenture.)

The subordinated indenture provides that the trustee, subject to the provisions of the Trust Indenture Act will not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the indentures, or in the exercise of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. (Section 9.1(g) of the subordinated indenture.)

The subordinated indenture includes covenants that Westpac will file annually with the trustee a certificate of compliance with all conditions and covenants under the subordinated indenture. (Section 12.7 of the subordinated indenture.)

#### **Modification of the Subordinated Indenture**

The subordinated indenture contains provisions permitting Westpac and the trustee to enter into one or more supplemental indentures without the consent of the holders of any of the Subordinated Debt Securities in order to:

- evidence the succession of another individual, corporation or other entity to Westpac and the assumption of Westpac's covenants and obligations by its successor;
- add to Westpac's covenants for the benefit of the holders of Subordinated Debt Securities of all or any series or surrender any of Westpac's rights or powers or to comply with certain requirements of the SEC relating to the qualification of the indenture under the Trust Indenture Act;
- add to or change any provisions of the subordinated indenture or any Subordinated Debt Securities to such extent as necessary to facilitate the issuance of Subordinated Debt Securities, to facilitate the issuance of Subordinated Debt Securities in global form, or to alter the terms of the Subordinated Debt Securities to align them with any Relevant Tier 2 securities issued after the date of such Subordinated Debt Securities, provided that such alteration is not materially prejudicial to the interests of the holders of the Subordinated Debt Securities as a whole;
- change or eliminate any provision of the subordinated indenture affecting only Subordinated Debt Securities not yet issued or when there is no security outstanding of a series created prior to the execution of any such supplemental indenture;
- establish the form or terms of Subordinated Debt Securities;
- provide for delivery of such supplemental indentures or the Subordinated Debt Securities of any series in or by means of any computerized, electronic or other medium, including without limitation by pdf or email;
- evidence and provide for successor trustees and/or to add or change any provisions of the subordinated indenture to such extent as necessary to provide for or facilitate the administration of the trusts under the indentures by more than one trustee;
- maintain the qualification of the subordinated indenture under the Trust Indenture Act;
- correct or supplement any inconsistent provisions or cure any ambiguity or omission or correct any mistake, provided that any such action does not adversely affect the interests of any holder of Subordinated Debt Securities of any series;
- to make any change that does not materially adversely affect the rights of any holder of Subordinated Debt Securities, provided that any change to the terms of the subordinated indenture or to a series of Subordinated Debt Securities made solely to conform to the description of such series of Subordinated Debt Securities in an offering document, prospectus supplement or other similar

offering document relating to the initial offering of such series of Subordinated Debt Securities shall be deemed to not materially adversely affect the rights of the holder of Subordinated Debt Securities of such series;

- modify the subordination provisions thereof in a manner not adverse to the holders of Subordinated Debt Securities of any series then outstanding; or
- make any other change that does not adversely affect the interests of the holders and is not otherwise prohibited. (Section 11.1 of the subordinated indenture.)

In addition, no amendment to the terms and conditions of the subordinated indenture or a Subordinated Debt Security that at the time of such amendment qualifies as Tier 2 Capital is permitted without the prior written consent of APRA if such amendment may affect the eligibility of the Subordinated Debt Security as Tier 2 Capital as described in the Prudential Standards.

The subordinated indenture also contains provisions permitting Westpac and the trustee, with the consent of the holders of not less than a majority of the aggregate Outstanding Principal Amount of the Subordinated Debt Securities of the affected series, to execute supplemental indentures adding any provisions to or changing or eliminating any of the provisions of the subordinated indenture or modifying the rights of the holders of Subordinated Debt Securities of that series. No supplemental indenture may, without the consent of the holders of all of the affected Subordinated Debt Securities, among other things:

- change the maturity of any Subordinated Debt Securities, provided that the maturity date for the Subordinated Debt Securities may not be earlier than the fifth anniversary of the issue date of such series of Subordinated Debt Securities;
- change the currency in which such Subordinated Debt Securities are payable;
- reduce the Outstanding Principal Amount thereof or the rate of interest thereon payable upon the redemption thereof;
- impair the right to institute suit for the enforcement of any payment on such Subordinated Debt Securities at maturity or upon redemption;
- reduce the percentage of the Outstanding Principal Amount of Subordinated Debt Securities of any series the holders of which must consent to any such supplemental indenture;
- change any obligation of Westpac to maintain an office or agency in accordance with the provisions of the subordinated indenture;
- modify the subordinated indenture provisions concerning modification of the subordinated indenture or the waiver of past defaults or specified covenants other than to increase the required percentage to effect a modification or provide that additional provisions may not be waived without the consent of each holder of that series of Subordinated Debt Securities;
- modify any Conversion or Write-off provision; or
- modify the subordination provisions thereof in a manner adverse to the holders of Subordinated Debt Securities then outstanding. (Section 11.2 of the subordinated indenture.)

Any such consent given by the holder of a Subordinated Debt Security of a series shall be conclusive and binding upon such holder and all future holders of the Subordinated Debt Securities of such series and of any Subordinated Debt Securities of such series issued on registration thereof, the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent is made upon the Subordinated Debt Securities of such series.

#### **Satisfaction and Discharge of the Subordinated Indenture**

The subordinated indenture shall generally cease to be of any further effect with respect to a series of Subordinated Debt Securities when Westpac has delivered to the trustee for cancellation all Subordinated Debt Securities of that series. (Section 7.1 of the subordinated indenture.)

**Record Dates**

Westpac will generally be entitled to set any date as the record date for the purpose of determining the holders of Subordinated Debt Securities entitled to give or take any action under the subordinated indenture in the manner specified in such indenture. If a record date is set, action may only be taken by persons who are holders of Subordinated Debt Securities on the record date. Also, unless otherwise specified in the applicable prospectus supplement or term sheet applicable to a series of Subordinated Debt Securities, to be effective, any action must be taken within 180 days of the record date. (Section 1.4(g) of the subordinated indenture.)

**Notice**

Notices to holders of Subordinated Debt Securities will be given by mail to the addresses of holders appearing in the applicable securities register. Westpac and the trustee may treat the person in whose name a Subordinated Debt Security is registered as the owner thereof for all purposes. (Sections 1.6 and 3.8 of the subordinated indenture.)

**Governing Law**

The subordinated indenture and the Subordinated Debt Securities will be governed by, and construed in accordance with, the laws of the State of New York, without regard to conflict of law principles, except that the Non-Viability Trigger Event, Write-off, Conversion and subordination provisions contained in Articles IV, V and VI of the subordinated indenture and any provisions in the subordinated indenture and the Subordinated Debt Securities which relate to, or define terms used in, such Articles, will be governed by, and construed in accordance with, the laws of the State of New South Wales, Commonwealth of Australia. (Section 1.11 of the subordinated indenture.)

The subordinated indenture also provides that to the extent Westpac or any of its properties, assets or revenues may have or may become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with any Subordinated Debt Security or the subordinated indenture, Westpac, to the extent permitted by applicable law, will irrevocably and unconditionally waive, and agree not to plead or claim, any such immunity and will consent to such relief and enforcement. (Section 8.12 of the subordinated indenture.)

**Consolidation, Merger or Sale of Assets**

The subordinated indenture provides that Westpac may not merge or consolidate with or into any other corporation or other entity or sell, convey or transfer all or substantially all of Westpac's assets, unless:

- Westpac is the surviving entity formed by such merger or consolidation; or
- the entity formed by such consolidation or into which Westpac is merged or which acquires Westpac's assets expressly assumes by supplemental indenture all of Westpac's obligations under the Subordinated Debt Securities and the subordinated indenture; and
- immediately after giving effect to such transactions, no event of default shall have occurred and be continuing; and
- Westpac shall have delivered to the trustee an officer's certificate and an opinion of counsel each stating that such transaction complies with the subordinated indenture and that all conditions precedent therein provided for relating to such transaction have been complied with.

Upon any such consolidation, merger or sale where Westpac is not the surviving entity, the successor corporation formed by such consolidation or into which Westpac is merged or to which such sale is made

shall succeed to and be substituted for Westpac under the subordinated indenture and the Subordinated Debt Securities and all such obligations of Westpac shall terminate.

Notwithstanding the above, the terms and conditions of the subordinated indenture and Subordinated Debt Securities shall not prevent Westpac from consolidating with or merging into any other person or conveying, transferring or leasing its properties and assets substantially as an entirety to any person, or from permitting any person to consolidate with or merge into Westpac or to convey, transfer or lease its properties and assets substantially as an entirety to Westpac where such consolidation, merger, transfer or lease is:

- required by APRA (or any Banking Act statutory manager or similar official appointed by it) under law and prudential regulation applicable in the Commonwealth of Australia (including, without limitation, the Australian Banking Act or the Australian Financial Sector (Transfer and Restructure) Act 1999, which terms, as used herein, include any amendments thereto, rules thereunder and any successor laws, amendments and rules)); or
- determined by the board of directors of Westpac or by APRA (or any Banking Act statutory manager or similar official appointed by it) to be necessary in order for Westpac to be managed in a sound and prudent manner or for Westpac or APRA (or any statutory manager or similar official appointed by it) to resolve any financial difficulties affecting Westpac, in each case in accordance with prudential regulation applicable in the Commonwealth of Australia.

(Section 10.1 of the subordinated indenture.)

#### **Concerning the Trustee**

Westpac may from time to time maintain credit facilities, and have other customary banking relationships with The Bank of New York Mellon, the trustee.

#### **Consent to Service of Process**

In accordance with the provisions of the subordinated indenture, we have designated Westpac Banking Corporation, New York Branch, 575 Fifth Avenue, 39th Floor, New York, New York 10017-2422, Attention: Country Head — Americas, as our authorized agent for service of process in any legal action or proceeding against us with respect to Westpac's obligations under such indenture or the Subordinated Debt Securities instituted in any federal or state court in the Borough of Manhattan, The City of New York, New York and will irrevocably submit to the non-exclusive jurisdiction of such courts in respect of any such legal action or proceeding. (Section 1.14 of the subordinated indenture.)

#### **Additional Provisions**

##### ***1. Status of the Subordinated Debt Securities — General***

###### ***1.1 Acknowledgements***

The subordinated indenture provides that each holder of Subordinated Debt Securities by its purchase or holding of a Subordinated Debt Security is taken to acknowledge that:

- (a) Westpac intends that the Subordinated Debt Securities constitute Tier 2 Capital and be able to absorb losses at the point of non-viability as described in the Prudential Standards;
- (b) Westpac's obligations in respect of the Subordinated Debt Securities are subordinated as described in Section 1.2 below; and
- (c) the Subordinated Debt Securities are subject to Conversion or Write-off as described below in Sections 2 and 3. There are two methods of loss absorption:
  - (i) Conversion, subject to possible Write-off as described below in Section 2.2; or
  - (ii) Write-off without Conversion as described below in Section 2.2.

Unless the applicable prospectus supplement or term sheet specifies otherwise, the primary method of loss absorption will be Conversion, subject to possible Write-off as described below in Section 2.2.

(Section 4.1 of the subordinated indenture.)

**1.2 Status and subordination**

The subordinated indenture provides that:

- (a) holders of Subordinated Debt Securities do not have any right to prove in a Winding-Up in respect of Subordinated Debt Securities, except as described below in Section 1.4;
- (b) Subordinated Debt Securities constitute direct and unsecured subordinated obligations of Westpac and will rank for payment in a Winding-Up as described below in Section 1.4; and
- (c) Subordinated Debt Securities will not constitute protected accounts or deposit liabilities of Westpac in Australia for the purposes of the Australian Banking Act.

(Section 4.2 of the subordinated indenture.)

**1.3 Solvency condition**

The subordinated indenture provides that, prior to a Winding-Up:

- (a) the obligation of Westpac to make any payment of principal or interest in respect of Subordinated Debt Securities shall be conditional upon Westpac being Solvent at the time the payment or other amount owing becomes due; and
- (b) no payment of principal or interest shall be made in respect of Subordinated Debt Securities except to the extent that Westpac may make such payment and still be Solvent immediately thereafter.

A certificate as to whether Westpac is Solvent signed by two authorized signatories of Westpac or, if Westpac is in Winding-Up, the Liquidator, shall, in the absence of fraud or manifest or proven error, be conclusive evidence of the information contained in such certificate. In the absence of such a certificate, a holder of Subordinated Debt Securities shall be entitled to assume (unless the contrary is proved) that Westpac is, and will after any payment as aforesaid be, Solvent.

Until Subordinated Debt Securities have been Converted or Written-off:

- (i) interest will continue to accrue on any principal not paid as a consequence of the provisions described in this Section 1.3 at the Interest Rate; and
- (ii) any interest not paid to a holder of Subordinated Debt Securities as a consequence of the provisions described in this Section 1.3 will remain due and payable and will accumulate with compounding.

Any amount not paid as a consequence of the provisions described in this Section 1.3: (x) will remain a debt owing to the holder of Subordinated Debt Securities by Westpac until it is paid and shall be payable on the first date on which the provisions described in paragraphs (a) and (b) of this Section 1.3 would allow payment of such amount (whether or not such date is otherwise a date on which interest is payable or other date on which such amount becomes due); and (y) shall not constitute an event of default (see “— Description of the Subordinated Debt Securities — Events of Default” above).

(Section 4.3 of the subordinated indenture.)

**1.4 Winding-Up**

The subordinated indenture provides that, in a Winding-Up:

- (a) neither the trustee nor any holder of Subordinated Debt Securities shall have any right or claim against Westpac in respect of the principal of or interest on Subordinated Debt Securities, to the extent any such Subordinated Debt Securities have been Converted or Written-off; and

- (b) the rights and claims of the trustee or any holder of Subordinated Debt Securities against Westpac to recover any principal or interest in respect of Subordinated Debt Securities that have not been Converted or Written-off shall:
- (i) be subordinate to, and rank junior in right of payment to, the obligations of Westpac to Senior Creditors and all such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Subordinated Debt Securities;
  - (ii) rank equally with the obligations of Westpac to the holders of other Subordinated Debt Securities that have not been Converted or Written-off (or that have been partially Converted or Written-off), and the obligations of Westpac to holders of Equal Ranking Instruments; and
  - (iii) rank prior to, and senior in right of payment to, the obligations of Westpac to holders of Ordinary Shares, and other Junior Ranking Capital Instruments.

Unless and until Senior Creditors have been paid in full, neither the trustee nor any holder of Subordinated Debt Securities that have not been Converted or Written-off (or that have been partially Converted or Written-off) will be entitled to claim in the Winding-Up in competition with Senior Creditors so as to diminish any payment which, but for that claim, Senior Creditors would have been entitled to receive.

In a Winding-Up, the trustee and any holder of Subordinated Debt Securities that have not been Converted or Written-off (or that have been partially Converted or Written-off) will only be entitled to prove for any sums payable in respect of the Subordinated Debt Securities as a liability which is subject to prior payment in full of Senior Creditors. Holders of Subordinated Debt Securities waive in respect of any Subordinated Debt Security, to the fullest extent permitted by law, any right to prove in a Winding-Up as a creditor ranking for payment in any other manner. The trustee and any holder of Subordinated Debt Securities will have no further or other claim on Westpac in a Winding-Up, other than the claim for the Outstanding Principal Amount and interest, as described above, and in the case of the trustee, its claims under Section 9.8 of the subordinated indenture.

However, it is unlikely a Winding-Up will occur without a Non-Viability Trigger Event having occurred first and the Subordinated Debt Securities being Converted or Written-off. In that event:

- if the Subordinated Debt Securities have Converted into Ordinary Shares, holders will rank equally with existing holders of Ordinary Shares; and
- if the Subordinated Debt Securities are Written-off, all rights in relation to the Subordinated Debt Securities will be terminated, and holders will not have their Outstanding Principal Amount repaid or receive any outstanding interest or accrued interest, or have the right to have the Subordinated Debt Securities Converted into Ordinary Shares. In such an event, a holder's investment in the Subordinated Debt Securities will lose all of its value and such holder will not receive any compensation.

(Section 4.4 of the subordinated indenture.)

#### **1.5 No set-off**

The subordinated indenture provides that neither Westpac nor the trustee or any holder of Subordinated Debt Securities is entitled to set-off any amounts due in respect of Subordinated Debt Securities held by the holder against any amount of any nature owed by Westpac to such holder or by such holder to Westpac.

(Section 4.5 of the subordinated indenture.)

#### **1.6 Clawback**

The subordinated indenture provides that each holder of Subordinated Debt Securities by its purchase or holding of a Subordinated Debt Security is taken to have irrevocably acknowledged and agreed that it or the trustee will pay or deliver to the Liquidator any payment or asset, whether voluntary or in any other

circumstances, received by such holder or the trustee from or on account of Westpac (including by way of credit, set-off or otherwise) or from any Liquidator (or any provisional or other liquidator, receiver, manager or statutory manager of Westpac) in violation of the provisions described in Section 1.2 or in “— Events of Default” above.

(Section 4.6 of the subordinated indenture.)

### **1.7 Other provisions**

The subordinated indenture provides that each holder of Subordinated Debt Securities by its purchase or holding of a Subordinated Debt Security is taken to have irrevocably acknowledged and agreed:

- (a) that the provisions described in Sections 1.2 and 1.4 above constitute a debt subordination for the purposes of section 563C of the Australian Corporations Act;
- (b) without limiting its rights existing otherwise than as a holder of a Subordinated Debt Security, that it must not exercise its voting or other rights as an unsecured creditor in the Winding-Up in any jurisdiction until after all Senior Creditors have been paid in full or otherwise to defeat, negate or in any way challenge the enforceability of the subordination provisions described in Sections 1.2 and 1.4 above; and
- (c) that the debt subordination effected by the provisions described in Sections 1.2 and 1.4 above are not affected by any act or omission of Westpac or a Senior Creditor which might otherwise affect it at law or in equity.

No consent of any Senior Creditor shall be required for any amendment of the provisions described in Sections 1.2 and 1.4 above in relation to any outstanding Subordinated Debt Securities.

(Section 4.7 of the subordinated indenture.)

## **2. Non-Viability, Conversion and Write-off**

### **2.1 Non-Viability Trigger Event**

The subordinated indenture provides that:

- (a) if a Non-Viability Trigger Event occurs, Westpac must:
  - (i) subject to the limitations described in Section 2.3 below, Convert; or
  - (ii) if the applicable prospectus supplement or term sheet for the Subordinated Debt Securities of any series specifies that the primary method of loss absorption will be Write-off without Conversion as described in Section 2.3 below, Write-off,

all Subordinated Debt Securities or, if paragraph (a) of the definition of “Non-Viability Trigger Event” applies, subject to the provisions described in Section 2.1(b) below, all or some Subordinated Debt Securities (or a percentage of the Outstanding Principal Amount of each Subordinated Debt Security), such that the aggregate Outstanding Principal Amount of all Subordinated Debt Securities Converted or Written-off is, together with the outstanding principal amount of all other Relevant Securities converted, written-off or written-down as described in Section 2.1(b) below, is equal to the aggregate outstanding principal amount of Relevant Securities as is necessary to satisfy APRA that Westpac will no longer be non-viable).

- (b) In determining the Subordinated Debt Securities or percentage of the Outstanding Principal Amount of each Subordinated Debt Security which must be Converted or Written-off as described in this Section 2.1, Westpac will:

- (i) first, convert, write-off or write-down an amount of the outstanding principal amount of all outstanding Relevant Tier 1 Securities before Conversion or Write-off of the Subordinated Debt Securities; and
  - (ii) second, if conversion, write-off or write-down of those Relevant Tier 1 Securities is not sufficient to satisfy APRA that Westpac would not become non-viable, Convert or Write-off (in the case of the Subordinated Debt Securities) and convert, write-off or write-down (in the case of any other Relevant Tier 2 Securities), on a pro-rata basis or in a manner that is otherwise, in Westpac's opinion, fair and reasonable, the Outstanding Principal Amount of each Subordinated Debt Security and outstanding principal amount of all other Relevant Tier 2 Securities (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, the authorized denominations of any Relevant Tier 2 Securities remaining on issue, and the need to effect the conversion, write-off or write-down immediately) and for the purposes of this Section 2.1(b)(ii) where the Specified Currency of the outstanding principal amount of Relevant Tier 2 Securities is not Australian Dollars, Westpac may for purposes of determining the outstanding principal amount to be converted, written-off or written-down, convert the outstanding principal amount to Australian Dollars at such rate of exchange determined in accordance with the terms of such Relevant Tier 2 Securities or, if the conversion provisions in such terms do not specify a rate of exchange, at such rate of exchange as Westpac in good faith considers reasonable,
- but such determination will not impede the immediate Conversion or Write-off of the relevant Subordinated Debt Securities or percentage of the Outstanding Principal Amount of each Subordinated Debt Security (as the case may be).
- (c) If a Non-Viability Trigger Event occurs:
    - (i) the Subordinated Debt Securities or the percentage of the Outstanding Principal Amount of each Subordinated Debt Security determined as described in Sections 2.1(a) and (b) above shall be Converted or Written-off immediately upon the occurrence of the Non-Viability Trigger Event as described in Sections 2.2 and 3 below. The Conversion or Write-off will be irrevocable;
    - (ii) Westpac is required to give notice to the trustee and holders of affected Subordinated Debt Securities as described above under the caption "— Notice" and the ASX as soon as practicable that a Non-Viability Trigger Event has occurred and that Conversion or Write-off has occurred on the Non-Viability Trigger Event Date;
    - (iii) the notice must specify (A) the date on which Conversion or Write-off occurred, which we refer to as the Non-Viability Trigger Event Date, and the Subordinated Debt Securities which were, or percentage of the Outstanding Principal Amount of each Subordinated Debt Security which was, Converted or, if the provisions described in Section 2.3 below are applicable, Written-off, and (B) details of the Relevant Securities converted, written-off or written-down as described in Section 2.1(b); and
    - (iv) in the case of Conversion, the notice must specify 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 Subordinated Debt Securities outstanding.

Westpac's failure to undertake any steps described in Sections 2.1(c)(ii) to (iv) above will not prevent, invalidate, delay or otherwise impede Conversion or Write-off.

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

(Section 5.1 of the subordinated indenture.)

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

The subordinated indenture provides that if a Non-Viability Trigger Event has occurred and all or some Subordinated Debt Securities are (or a percentage of the Outstanding Principal Amount of each



Subordinated Debt Security is) required to be Converted or Written-off in accordance with the provisions described in Section 2.1 above, then:

- (a) Conversion or Write-off of such Subordinated Debt Securities or percentage of the Outstanding Principal Amount of each Subordinated Debt Security will occur in accordance with the provisions described in Section 2.1 above and, if applicable, Section 2.3 below immediately upon the Non-Viability Trigger Event Date;
- (b) in the case of Conversion and subject to the provisions described in Section 3.10 below, each holder of a Subordinated Debt Security that has been Converted in whole or in part in accordance with the provisions described in Section 2.1 will be entitled to (i) the Conversion Number (as defined below) of Ordinary Shares in respect of such Subordinated Debt Securities or the percentage of the Outstanding Principal Amount of each Subordinated Debt Security held by such holder so Converted determined in accordance with the provisions described in Section 3.1 below, and (ii) unless the Subordinated Debt Securities shall have been Converted or Written-off in full, to Subordinated Debt Securities with an Outstanding Principal Amount equal to the aggregate of the remaining percentage of the Outstanding Principal Amount of each Subordinated Debt Security held by such holder, and Westpac will recognize the holder as having been issued the Conversion Number of Ordinary Shares in respect of such portion of Converted Subordinated Debt Securities 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 its part, take any appropriate procedural steps to effect such Conversion, including updating the Ordinary Share register); and
- (c) a holder of Subordinated Debt Securities has no further right or claim in respect of such Subordinated Debt Securities or percentage of the Outstanding Principal Amount of each Subordinated Debt Security so Converted or Written-off (including to payments of interest or accrued but unpaid interest, and the repayment of Outstanding Principal Amount), except such holder's entitlement, if any, to Subordinated Debt Securities which have not been required to be Converted or Written-off or Subordinated Debt Securities representing the Outstanding Principal Amount of such Subordinated Debt Securities which have not been required to be Converted or Written-off and, in the case of Conversion, subject to the provisions described in Section 3.10, to the Conversion Number of Ordinary Shares issuable in accordance with the provisions described in Section 3.

(Section 5.2 of the subordinated indenture.)

### **2.3 No further rights**

The subordinated indenture provides that if:

- (a) for any reason, Conversion of a Subordinated Debt Security (or a percentage of the Outstanding Principal Amount of each Subordinated Debt Security) required to be Converted under the provisions described in Section 2.1 above does not occur within five ASX Business Days after the Non-Viability Trigger Event Date; or
- (b) the applicable prospectus supplement or term sheet for the Subordinated Debt Securities of any series specifies that the primary method of loss absorption will be Write-off without Conversion in accordance with the provisions described in this Section 2.3,

then:

- (c) the relevant rights and claims of holders of Subordinated Debt Securities in relation to such Subordinated Debt Securities or the percentage of the Outstanding Principal Amount of such Subordinated Debt Securities to be Converted or Written-off (including to payments of interest or accrued but unpaid interest, and the repayment of Outstanding Principal Amount and, in the case of Conversion, to be issued with the Conversion Number of Ordinary Shares in respect of such Subordinated Debt Securities or percentage of the Outstanding Principal Amount of each

Subordinated Debt Security), are immediately and irrevocably written-off and terminated with effect on and from the Non-Viability Trigger Event Date ("Write-off"); and

- (d) the Outstanding Principal Amount of such Subordinated Debt Securities shall be reduced on the Non-Viability Trigger Event Date by the Outstanding Principal Amount of the Subordinated Debt Securities to be Converted or Written-off, as determined in accordance with the provisions described in Sections 2.1(a) and (b) and any accrued but unpaid interest shall be correspondingly reduced.

(Section 5.3 of the subordinated indenture.)

**2.4 Consent to receive Ordinary Shares and other acknowledgements**

The subordinated indenture provides that subject to any Write-off required in accordance with the provisions described in Section 2.3 above, each holder of Subordinated Debt Securities by its purchase or holding thereof will be deemed to have irrevocably agreed that:

- (a) upon Conversion in accordance with the provisions described in this Section 2 and Section 3 below, it consents to becoming a holder of Ordinary Shares and agrees to be bound by the constitution of Westpac;
- (b) unless the provisions described in Section 3.10(b) below apply, it (or the Holder's Nominee on its behalf) is obliged to accept Ordinary Shares upon Conversion notwithstanding anything that might otherwise affect a Conversion of the Subordinated Debt Securities, including:
  - (i) any change in the financial position of Westpac since the issue of the Subordinated Debt Securities;
  - (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 Subordinated Debt Securities;
- (c)
  - (i) Conversion is not subject to any conditions other than those expressly described in this Section 2 and Section 3 below;
  - (ii) Conversion must occur immediately on the Non-Viability Trigger Event Date and Conversion may result in disruption or failures in trading or dealings in the Subordinated Debt Securities;
  - (iii) it will not have any rights to vote in respect of any Conversion (whether as a holder of a Subordinated Debt Security or as a prospective holder of an Ordinary Share); and
  - (iv) notwithstanding the provisions described in Section 3.9 below, Ordinary Shares issued on Conversion may not be quoted at the time of Conversion or at all;
- (d) where the provisions described in Section 2.3 above apply, no other conditions or events will affect the operation of such provisions and it will not have any rights to vote in respect of any Write-off under such provisions; and
- (e) it has no remedies on account of the failure of Westpac to issue Ordinary Shares in accordance with the provisions described in Section 3 below other than, subject to the provisions described in Section 2.3 above, to seek specific performance of Westpac's obligation to issue Ordinary Shares.

(Section 5.4 of the subordinated indenture.)

**2.5 Issue of ordinary shares of successor company**

The subordinated indenture provides that if Westpac shall cease to be the ultimate parent company of the Group and the successor company is an Approved Successor, the provisions described herein under

“— Additional Provisions Applicable to Subordinated Debt Securities” may be amended in accordance with the provisions described in Section 3.14 below.

(Section 5.5 of the subordinated indenture.)

**2.6 No conversion at the option of the holders**

Holders of Subordinated Debt Securities do not have a right to request Conversion of their Subordinated Debt Securities at any time.

(Section 5.6 of the subordinated indenture.)

**2.7 Priority of early Conversion obligations**

A Conversion or Write-off required because of a Non-Viability Trigger Event shall take place on the date, and in the manner, described herein or in the applicable prospectus supplement or term sheet, notwithstanding any redemption described herein or in the applicable prospectus supplement or term sheet.

(Section 5.7 of the subordinated indenture.)

**2.8 No rights before Conversion**

Before Conversion, a Subordinated Debt Security confers no rights on a holder of Subordinated Debt Securities:

- (a) to vote at, or receive notices of, any meeting of shareholders (referred to as “members” under Westpac’s constitution) 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 otherwise disclosed herein or in an applicable prospectus supplement or term sheet.

(Section 5.8 of the subordinated indenture.)

**2.9 Trustee’s rights upon Conversion or Write-off**

- (a) By its acquisition of the Subordinated Debt Securities, each holder of the Subordinated Debt Securities, to the extent permitted by law, waives any and all claims against the trustee for, agrees not to initiate a suit against the trustee in respect of, and agrees that the trustee shall not be liable for, any action that the trustee takes, abstains from taking, or fails to take, in any case in accordance with the Conversion or Write-off of the Subordinated Debt Securities other than for the trustee’s gross negligence or willful misconduct.
- (b) Holders of the Subordinated Debt Securities that acquire such Subordinated Debt Securities in the secondary market shall be deemed to acknowledge, agree to be bound by and consent to the same provisions specified herein to the same extent as the holders of the Subordinated Debt Securities that acquire the Subordinated Debt Securities upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to the terms of the Subordinated Debt Securities, including in relation to the Conversion and Write-off of the Subordinated Debt Securities.
- (c) Westpac’s obligation to indemnify and reimburse the trustee under the subordinated indenture shall survive Conversion and Write-off of the Subordinated Debt Securities.
- (d) Unless otherwise required by APRA, the rights, immunities, indemnities and protections of the trustee relating to the Conversion and Write-off of the Subordinated Debt Securities will not be

amended, changed or modified without the trustee’s written consent and that any such amendment, change or modification will be made in an amendment or supplement to the subordinated indenture.

- (e) By its acquisition of the Subordinated Debt Securities, each holder of the Subordinated Debt Securities acknowledges and agrees that, upon Conversion or Write-off of the Subordinated Debt Securities, (i) the trustee shall not be required to take any further directions from such holder of the Subordinated Debt Securities either under the terms of the Subordinated Debt Securities or the subordinated indenture unless secured or indemnified to its satisfaction by such holder of the Subordinated Debt Securities, (ii) it may not direct the trustee to take any action whatsoever, including without limitation, any challenge to the Conversion or Write-off of the Subordinated Debt Securities or request to call a meeting or take any other action under the subordinated indenture in connection with the Conversion or Write-off of the Subordinated Debt Securities unless secured or indemnified to its satisfaction by such holder of the Subordinated Debt Securities and (iii) neither the subordinated indenture nor the Subordinated Debt Securities shall impose any duties upon the trustee whatsoever with respect to the Conversion or Write-off of the Subordinated Debt Securities. Notwithstanding the foregoing, if, following the Conversion or Write-off of the Subordinated Debt Securities, any Subordinated Debt Securities remain outstanding, then the trustee’s duties under the subordinated indenture shall remain applicable with respect to the remaining outstanding Subordinated Debt Securities which have not been so Converted or Written-off.

(Section 5.9 of the subordinated indenture.)

**3. Procedures for Conversion**

**3.1 Conversion**

On the Non-Viability Trigger Event Date, subject to the provisions described in Section 2.3 above and Section 3.10 below, the following provisions will apply.

- (a) Westpac will allot and issue to each holder of a Subordinated Debt Security the Conversion Number of Ordinary Shares for each Subordinated Debt Security. The Conversion Number is, subject always to the Conversion Number being no greater than the Maximum Conversion Number, calculated according to the following formula:

$$\text{Conversion Number for each Subordinated Debt Security} = \frac{\text{Outstanding Principal Amount of the Subordinated Debt Security (translated into Australian Dollars in accordance with paragraph (b) of the definition of Outstanding Principal Amount where the calculation date shall be the Non-Viability Trigger Event Date)}}{P \times \text{VWAP}}$$

where:

**Outstanding Principal Amount** has the meaning given to it in Section 4 below, as adjusted in accordance with Section 3.13 below.

**P** means the number specified in the applicable prospectus supplement or term sheet.

**VWAP** means the VWAP during the VWAP Period.

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

$$\text{Maximum Conversion Number for each Subordinated Debt Security} = \frac{\text{Outstanding Principal Amount of the Subordinated Debt Security (translated into Australian Dollars in accordance with paragraph (b) of the definition of Outstanding Principal Amount where the calculation date shall be the ASX Business Day prior to the issue date of the Subordinated Debt Securities of a series)}}{0.20 \times \text{Issue Date VWAP}}$$

where:

**Outstanding Principal Amount** has the meaning given to it in Section 4 below, as adjusted in accordance with Section 3.13 below.

*If any Subordinated Debt Securities are Converted following a Non-Viability Trigger Event, it is likely that the Maximum Conversion Number will apply and limit the number of Ordinary Shares to be issued. In this case, the value of the Ordinary Shares received is likely to be significantly less than the Outstanding Principal Amount of those Subordinated Debt Securities. The Australian Dollar may depreciate in value against the U.S. dollar by the time of Conversion. In that case, the Maximum Conversion Number is more likely to apply.*

- (b) Subject to the provisions described in Section 3.10 below, the rights of each holder of Subordinated Debt Securities in relation to each Subordinated Debt Security (including to payment of interest, if any, with respect to such Outstanding Principal Amount) that is being Converted as determined in accordance with Sections 2.1(a) and (b) will be immediately and irrevocably written-off and terminated for an amount equal to the Outstanding Principal Amount of such Subordinated Debt Security to be Converted as determined in accordance with Section 2.1 above and Westpac will apply such Outstanding Principal Amount of each such Subordinated Debt Security to be so Converted to subscribe for the Ordinary Shares to be allotted and issued under Section 3.1(a). Each holder of a Subordinated Debt Security will be deemed to have irrevocably directed that any amount payable under the provisions described in this Section 3.1 is to be applied as described in this Section 3.1 without delay (notwithstanding any other terms and conditions described in this prospectus providing for payments to be delayed) and holders do not have any right to payment in any other way.
- (c) Any calculation under Section 3.1(a) shall, unless the context requires otherwise, be rounded to four decimal places provided that if the total number of Ordinary Shares to be allotted and issued to a holder of Subordinated Debt Securities in respect of such holder's aggregate holding of Subordinated Debt Securities includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will not be issued or delivered on Conversion.

(Section 6.1 of the subordinated indenture.)

### 3.2 Adjustments to VWAP generally

For the purposes of calculating VWAP under the provisions described in Section 3.1 above:

- (a) where, on some or all of the ASX Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and Subordinated Debt Securities will be Converted into Ordinary Shares after that date and those Ordinary Shares will no longer carry that dividend or that other distribution or entitlement, then the VWAP on the ASX Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement will be reduced by an amount, which we refer to as 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 Legislation;
  - (ii) in the case of any entitlement that is not a dividend or other distribution for which adjustment is made under the provisions described in Section 3.2(a)(i) which is traded on the ASX on any of those ASX Business Days, the volume weighted average price of all such entitlements sold on ASX during the VWAP Period on the ASX Business Days on which those entitlements were traded (excluding trades of the kind that would be excluded in determining VWAP under the definition of that term); or
  - (iii) in the case of other entitlements for which adjustment is not made under the provisions described in Sections 3.2(a)(i) or (ii), the value of the entitlement as reasonably determined by Westpac; and

- (b) where, on some or all of the ASX Business Days in the VWAP Period, Ordinary Shares have been quoted as ex dividend or ex any other distribution or entitlement, and Subordinated Debt Securities will be Converted into Ordinary Shares which would be entitled to receive the relevant dividend, distribution or entitlement, the VWAP on the ASX Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement will be increased by the Cum Value.

(Section 6.2 of the subordinated indenture.)

**3.3 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 another form of consideration to or by holders of Ordinary Shares), which we refer to as a 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 the provisions described in Section 3.3(a) will be effective and binding on holders of Subordinated Debt Securities.

(Section 6.3 of the subordinated indenture.)

**3.4 Adjustments to Issue Date VWAP generally**

For the purposes of determining the Issue Date VWAP as described in Section 3.1 above, adjustments will be made as described in Sections 3.2 and 3.3 above during the period in which the Issue Date VWAP is determined. On and from the issue date of the Subordinated Debt Securities of a series, adjustments to the Issue Date VWAP:

- (a) may be made by Westpac in accordance with the provisions described in Sections 3.5, 3.6, and 3.7 below; and
- (b) if so made, will be effective and binding on holders.

(Section 6.4 of the subordinated indenture.)

**3.5 Adjustments to Issue Date VWAP for bonus issues**

The subordinated indenture provides that:

- (a) Subject to the provisions described in Sections 3.5(b) and 3.5(c), if at any time after the issue date of the Subordinated Debt Securities of a series 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 another form of consideration to or by holders of Ordinary Shares), the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_0 \times RD / (RD + RN)$$

where:

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

***V<sub>0</sub>*** means the Issue Date VWAP applying immediately prior to the application of this formula;

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

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

- (b) The adjustment described in Section 3.5(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 purpose of this Section 3.5, an issue will be regarded as a bonus issue notwithstanding that Westpac does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing Westpac is not in contravention of the ASX Listing Rules.
- (d) No adjustments to the Issue Date VWAP will be made under this Section 3.5 for any offer of Ordinary Shares not covered by Section 3.5(a) above, including a rights issue or other essentially pro rata issues.
- (e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by Section 3.5(a) above 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 of the Subordinated Debt Securities.
- (f) Any adjustment made by Westpac in accordance with Section 3.5(a) above will be effective and binding on holders of the Subordinated Debt Securities.

(Section 6.5 of the subordinated indenture.)

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

- (a) The subordinated indenture provides that if at any time after the issue date of the Subordinated Debt Securities of a series 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 another form of consideration to or by holders of Ordinary Shares) into a lesser or greater number, the Issue Date VWAP will be adjusted by multiplying the Issue Date VWAP applicable on the ASX Business Day immediately before the date of any such Reclassification by the following formula:

$$\frac{A}{B}$$

where:

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

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

- (b) Any adjustment made by Westpac in accordance with Section 3.6(a) above will be effective and binding on holders of the Subordinated Debt Securities.
- (c) Each holder of the Subordinated Debt Securities 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 of the Subordinated Debt Securities.

(Section 6.6 of the subordinated indenture.)

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

Notwithstanding the provisions described in Section 3.5 above, no adjustment will be made to the Issue Date VWAP where any such adjustment (expressed in Australian Dollars and cents and rounded to the nearest whole cent with A\$0.005 being rounded upwards) would be less than one per cent of the Issue Date VWAP then in effect.

(Section 6.7 of the subordinated indenture.)

**3.8 Announcement of adjustments to Issue Date VWAP**

Westpac will notify any adjustment to the Issue Date VWAP made as described above to ASX and to the trustee and holders of Subordinated Debt Securities as described above under the caption “— Notice” within 10 ASX Business Days of Westpac determining the adjustment and the adjustment will be final and binding.

(Section 6.8 of the subordinated indenture.)

**3.9 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 5.00 pm (Sydney time) on the Non-Viability Trigger Event Date (or such other time required by APRA). The holders of the Subordinated Debt Securities agree not to trade Ordinary Shares issued upon Conversion (except as permitted by the Australian Corporations Act, other applicable laws, the ASX Listing Rules or any listing rules of any applicable Recognized Exchange) until Westpac has taken such steps as are required by the Australian Corporations Act, other applicable laws, the ASX Listing Rules or any listing rules of any applicable Recognized Exchange, as applicable, for the Ordinary Shares to be freely tradable without further disclosure or other action and agree to allow Westpac to impose a holding lock or to refuse to register a transfer in respect of Ordinary Shares until such time.
- (b) Westpac will use all reasonable endeavors to list the Ordinary Shares issued on Conversion of the Subordinated Debt Securities on ASX and to take all such actions necessary for the Ordinary Shares so issued to become freely tradable without further disclosure or other action as referred to in Section 3.9(a) above.

(Section 6.9 of the subordinated indenture.)

**3.10 Conversion; receipt of Ordinary Shares; where the holder of Subordinated Debt Securities does not wish to receive Ordinary Shares; Holders’ Nominee**

- (a) Where some or all of the Subordinated Debt Securities of a series (or a percentage of the Outstanding Principal Amount of a Subordinated Debt Security) are required to be Converted pursuant to the terms described in Section 2.1, a holder of Subordinated Debt Securities or portion thereof that are subject to Conversion wishing to receive Ordinary Shares must, no later than the Non-Viability Trigger Event Date (or, in the case where Section 3.10(b)(vii) below applies, within 30 days of the date on which Ordinary Shares are issued upon such Conversion), have provided to Westpac or (if then appointed) the Holders’ Nominee (as defined below) a notice setting out:
  - (i) its name and address (or the name and address of any person in whose name it directs the Ordinary Shares to be issued) for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares to be issued on Conversion;
  - (ii) the security account details of such holder of Subordinated Debt Securities in the Clearing House Electronic Subregister System of Australia, operated by the ASX or its affiliates or successors (“CHESS”), or such other account to which the Ordinary Shares may be credited; and
  - (iii) such other information as is reasonably requested by Westpac for the purposes of enabling it to issue any Ordinary Shares to be issued on Conversion to the holder of Subordinated Debt Securities.

Westpac shall have no duty to seek or obtain from any such holder of Subordinated Debt Securities any of the information required to be submitted as described in this Section 3.10(a).



- (b) If a Subordinated Debt Security or a portion thereof is required to be Converted and:
- (i) the holder of the Subordinated Debt Security has notified Westpac that it does not wish to receive Ordinary Shares as a result of the Conversion (whether entirely or to the extent specified in the notice), which notice may be given at any time on or after the issue date and no less than 15 Business Days prior to the Non-Viability Trigger Event Date;
  - (ii) the Subordinated Debt Security is held by a Foreign Holder or an Ineligible Holder;
  - (iii) the holder of that Subordinated Debt Security is a Clearing System Holder;
  - (iv) for any reason (whether or not due to the fault of the holder of the Subordinated Debt Security) Westpac has not received the information required by Section 3.10(a) above prior to the Non-Viability Trigger Event Date and the lack of such information would prevent Westpac from issuing the Ordinary Shares to the holder of the Subordinated Debt Security on the Non-Viability Trigger Event Date; or
  - (v) a FATCA Withholding is required to be made in respect of the Ordinary Shares issued upon Conversion,
- then, on the Non-Viability Trigger Event Date:
- (vi) where Sections 3.10(b)(i) or 3.10(b)(ii) above apply, Westpac shall issue the Ordinary Shares to the holder of the Subordinated Debt Security only to the extent (if at all) that:
    - (A) where Section 3.10(b)(i) above applies, the holder of the Subordinated Debt Security has subsequently notified Westpac that it wishes to receive them (provided that Westpac shall have no obligation to comply with any notification received after the Non-Viability Trigger Event Date); and
    - (B) where Section 3.10(b)(ii) above applies, Westpac is satisfied that the laws of both the Commonwealth of Australia and the Foreign Holder's country of residence permit the unconditional issue of Ordinary Shares to the Foreign Holder or the laws of the country in respect of which the holder would otherwise be an Ineligible Holder will be complied with in respect of the issue of Ordinary Shares to the Ineligible Holder (but as to which, in either case, Westpac is not bound to enquire and any decision is in its sole discretion),

and to the extent Westpac is not required to issue Ordinary Shares directly to the holder of the Subordinated Debt Security, Westpac will issue the balance of the Ordinary Shares to the Holders' Nominee in accordance with Section 3.10(b)(vii) below;
  - (vii) otherwise, subject to applicable law, Westpac will issue the balance of Ordinary Shares in respect of the holder of the Subordinated Debt Security to a competent nominee (which may not be Westpac or any of its Related Entities) (the "Holders' Nominee") and will promptly notify such holder of the Subordinated Debt Security of the name of and contact information for the Holders' Nominee and the number of Ordinary Shares issued to the Holders' Nominee on its behalf and, subject to applicable law and:
    - (A) subject to Section 3.10(b)(vii)(B) below, the Holders' Nominee will as soon as reasonably possible and no later than 35 days after issue of the Ordinary Shares sell those Ordinary Shares and pay a cash amount equal to the net proceeds received, after deducting any applicable brokerage fees, stamp duty and other taxes (including, without limitation, FATCA Withholding) and charges, to the holder of the Subordinated Debt Security, in each case arising in connection with the issuance or sale of such Ordinary Shares, and each Holders' Nominee shall use the proceeds from such sale to pay any such fees, duties, taxes, charges and any FATCA Withholding arising in connection with such issuance or sale; and
    - (B) where Sections 3.10(b)(iii) or 3.10(b)(iv) above apply, the Holders' Nominee will hold such Ordinary Shares and will transfer Ordinary Shares to such holder of the Subordinated

Debt Securities (or, where Section 3.10(b)(iii) above applies, the person for whom the Clearing System Holder holds the Subordinated Debt Securities) promptly after such person provides the Holders' Nominee with the information required to be provided by such holder of the Subordinated Debt Securities (as if a reference to Westpac is a reference to the Holders' Nominee and a reference to the issue of Ordinary Shares is a reference to the transfer of Ordinary Shares) but only where such information is provided to the Holders' Nominee within 30 days of the date on which Ordinary Shares are issued to the Holders' Nominee upon Conversion of such Subordinated Debt Securities and, where such holder of the Subordinated Debt Securities fails to provide the Holders' Nominee with the information required to be provided by such holder of the Subordinated Debt Securities, the Holders' Nominee will sell the Ordinary Shares and pay the proceeds to such person in accordance with Section 3.10(b)(vii)(A) above;

- (viii) nothing in this Section 3.10(b) shall affect the Conversion of the Subordinated Debt Securities of a holder of the Subordinated Debt Securities who is not a person to which any of Sections 3.10(b)(i) to 3.10(b)(v) above (inclusive) described in this Section 3.10 applies; and
  - (ix) for the purpose of this Section 3.10(b), neither Westpac nor the Holders' Nominee will owe any obligations or duties to the holders of Subordinated Debt Securities in relation to the price at which Ordinary Shares are sold or will have any liability for any loss suffered by a holder of the Subordinated Debt Securities as a result of the sale of Ordinary Shares.
- (c) Subject to Section 2.3, if, in respect of a Conversion of Subordinated Debt Securities where Section 3.10(b)(vii) applies, Westpac fails to issue the Conversion Number of Ordinary Shares in respect of the Subordinated Debt Securities or percentage of the relevant Outstanding Principal Amount of such Subordinated Debt Securities on the Non-Viability Trigger Event Date to any Holders' Nominee, a holder of Subordinated Debt Securities has no further right or claim in respect of such Subordinated Debt Securities or the relevant portion thereof that is subject to Conversion except such holder's entitlement to the Ordinary Shares issued upon Conversion to the Holders' Nominee and to receive the Ordinary Shares or the proceeds from their sale pursuant to Section 3.10(b) above, and such holder has no remedies on account of Westpac's failure to issue Ordinary Shares other than as is provided in Section 2.4(e) above. For the avoidance of doubt, if in respect of a Conversion of Subordinated Debt Securities where Section 3.10(b)(vii) applies, a Write-off occurs under Section 2.3, a holder of Subordinated Debt Securities has no further right or claim in respect of such Subordinated Debt Securities or the relevant portion thereof that is subject to Conversion (including that such holder has no entitlement to Ordinary Shares nor any right to seek specific performance of Westpac's obligation to issue Ordinary Shares as is provided in Section 2.4(e)).

(Section 6.10 of the subordinated indenture.)

**3.11 Conversion or Write-off if amounts not paid**

Conversion or Write-off may occur even if an amount shall not have been paid to a holder of Subordinated Debt Securities due to Westpac's inability to satisfy the solvency condition described in Section 1.3 above.

(Section 6.11 of the subordinated indenture.)

**3.12 Conversion or Write-off after Winding-Up commences**

If an order is made by a court, or an effective resolution is passed, for a Winding-Up, and a Non-Viability Trigger Event occurs, then Conversion or Write-off shall occur (subject to the provisions described in Section 2.3 above) in accordance with the provisions described in Sections 2.1 and 2.2 above.

(Section 6.12 of the subordinated indenture.)

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

If in accordance with the provisions described in Section 2.1 above, a percentage of the Outstanding Principal Amount of each Subordinated Debt Security is required to be Converted or Written-off upon the occurrence of a Non-Viability Trigger Event, then the provisions described in Section 3 will apply to the Conversion or Write-off as if references to the Outstanding Principal Amount of each Subordinated Debt Security were references to the relevant percentage of the Outstanding Principal Amount of each Subordinated Debt Security to be Converted or Written-off.

(Section 6.13 of the subordinated indenture.)

### **3.14 Amendment of terms and conditions relating to Conversion for Approved Successor**

The subordinated indenture provides that:

- (a) If:
- (i) it is proposed that Westpac be replaced as the ultimate parent company of the Group by an Approved Successor, which we refer to as the Replacement; and
  - (ii) the Approved Successor agrees to expressly assume, by supplemental indenture to the subordinated indenture, Westpac's obligations in respect of the Subordinated Debt Securities for the benefit of holders of Subordinated Debt Securities under which it agrees (among other things):
    - (A) to deliver fully paid ordinary shares in the capital of the Approved Successor, which we refer to as 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 described in this prospectus, as amended in accordance with the provisions described in this Section 3.14; and
    - (B) to use all reasonable endeavors 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 the terms and conditions described in this prospectus on the stock exchanges on which the other Approved Successor Shares are quoted at the time of a Conversion,

Westpac may, with APRA's prior written approval, but without the authority, assent or approval of holders of Subordinated Debt Securities, give a notice, which we refer to as an Approved Replacement Notice, to holders of Subordinated Debt Securities as described above under the caption "— Notice" (which, if given, must be given as soon as practicable before the Replacement and in any event no later than 10 ASX Business Days before the Replacement occurs).

- (b) An Approved Replacement Notice must specify the amendments to the terms and conditions of the Subordinated Debt Securities which will be made in accordance with the provisions described in this Section 3.14, being those amendments which in Westpac's reasonable opinion are necessary, expedient or appropriate to effect the substitution of the Approved Successor as the debtor in respect of Subordinated Debt Securities and the issuer of ordinary shares on Conversion (including such amendments as are necessary, expedient or appropriate for the purposes of complying with the provisions of Chapter 2L of the Australian Corporations Act where the Approved Successor is not an authorized deposit-taking institution under the Australian Banking Act) or which are necessary, expedient or convenient in relation to taxes where the Approved Successor is incorporated outside Australia.
- (c) An Approved Replacement Notice, once given, will be irrevocable.
- (d) If Westpac gives an Approved Replacement Notice to holders of Subordinated Debt Securities in accordance with the provisions described in Section 3.14(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 in respect of the Subordinated Debt Securities with the same effect as if the Approved Successor had been the original issuer of the Subordinated Debt Securities;
  - (ii) Westpac (or any corporation which has previously assumed the obligations of Westpac) will be released from its liability in respect of the Subordinated Debt Securities; and
  - (iii) references to Westpac herein will be deemed to be references to the Approved Successor and references to Ordinary Shares herein will be taken to be references to Approved Successor Shares.
- (e) If Westpac gives an Approved Replacement Notice in accordance with the provisions described in Section 3.14(a), then each holder of Subordinated Debt Securities by its purchase and holding of a Subordinated Debt Security will be deemed to have irrevocably consented to becoming a member of the Approved Successor in respect of Approved Successor Shares issued on Conversion and to have agreed to be bound by the constitution or other organizational documents of the Approved Successor.
- (f) Westpac will not be permitted to issue an Approved Replacement Notice unless:
- (i) APRA is satisfied that the capital position of Westpac on a “Level 1 basis” and “Level 2 basis” in accordance with the Prudential Standards will not be adversely affected by the Replacement; or
  - (ii) the Approved Successor or another entity which is not a Related Entity of Westpac (other than an entity which is a direct or indirect parent entity of Westpac) and is 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 basis” and “Level 2 basis” in accordance with the Prudential Standards will not be adversely affected by the Replacement, including, if required by APRA or the Prudential Standards, undertaking any capital injection in relation to Westpac to replace the Subordinated Debt Securities.

Any capital injection carried out pursuant to the provisions described in Section 3.14(f)(ii) must:

- (A) be unconditional;
- (B) occur simultaneously with the substitution of the Approved Successor; and
- (C) be of equal or better quality capital and at least the same amount as the Subordinated Debt Securities, unless otherwise approved by APRA in writing.

The foregoing provisions described in this Section 3.14 will not prevent Westpac from proposing, or limit, any scheme of arrangement or other similar proposal that may be put to holders of Subordinated Debt Securities or Westpac’s members.

(Section 6.14 of the subordinated indenture.)

### **3.15 Power of attorney**

The subordinated indenture provides that by holding a Subordinated Debt Security, each such holder is deemed to irrevocably appoint each of Westpac, its directors or authorized signatories and any of Westpac’s Liquidators or administrators (each an Attorney) severally to be the attorney of such holder with power in the name and on behalf of such 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 to give effect to, or for such holder to observe or perform such holder’s obligations under the provisions described in Sections 2 and 3. Such power of attorney is given for valuable consideration and to secure the performance by such holder of such holder’s obligations under the provisions described in Sections 2 and 3 and is irrevocable.

(Section 6.15 of the subordinated indenture.)

### 3.16 Cancellation

The subordinated indenture provides that all Subordinated Debt Securities so Converted will forthwith be canceled and may not be re-issued or resold.

(Section 6.16 of the subordinated indenture.)

### 3.17 Calculations

For the avoidance of doubt, any and all calculations relating to the Conversion or Write-off of the Subordinated Debt Securities and any adjustments thereto shall be performed by, or on behalf of, Westpac and the holders shall direct any questions or concerns regarding such calculations to Westpac or such other persons performing such calculations or adjustments. In no event shall the trustee be required to perform such calculations unless otherwise agreed.

(Section 6.17 of the subordinated indenture.)

## 4. Definitions

In this section “— Additional Provisions Applicable to Subordinated Debt Securities”, the following expressions have the following meanings:

“*Additional Tier 1 Capital*” has the meaning set out in the Prudential Standards;

“*Administrative Action*” means any judicial decision, official 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);

“*Adverse Tax Event*” has the meaning set out in “— Redemption of Subordinated Securities — Redemption for Taxation Reasons”;

“*Approved Replacement Notice*” has the meaning set out in Section 3.14(a);

“*Approved Successor*” means a company that replaces, or is proposed to replace, Westpac as the ultimate parent company of the Group and that satisfies the following requirements:

- (a) the proposed successor company complies with all applicable legal requirements and obtains any necessary regulatory approvals (including, to the extent required, APRA’s prior written approval);
- (b) the proposed successor company agrees to take any necessary action to give effect to an amendment to the terms of the subordinated indenture as described in Section 3.14;
- (c) the ordinary shares of the proposed successor company are to be listed on the ASX or any internationally recognized stock exchange;
- (d) the proposed successor company has a place of business in New South Wales, Australia or has appointed a process agent in New South Wales, Australia to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Subordinated Debt Securities;
- (e) the proposed successor company has, in the reasonable opinion of an independent expert, the financial capacity to perform Westpac’s obligations under the subordinated indenture in respect of the Subordinated Debt Securities; and
- (f) the proposed replacement of Westpac and the requirements described in paragraphs (a) to (c) of this definition would not, in the reasonable opinion of an independent expert, otherwise adversely affect the interests of holders of the Subordinated Debt Securities;

For the purposes of this definition, “independent expert” means a reputable investment bank, accounting firm or other suitably qualified body operating in Australia or an investment bank, accounting firm or other suitably qualified body of international repute acting independently of Westpac and appointed by Westpac to provide the opinions referred to in paragraphs (e) or (f) of this definition;

- “**Approved Successor Share**” has the meaning set out in Section 3.14(a)(ii)(A);
- “**APRA**” means the Australian Prudential Regulation Authority or any authority succeeding to its powers or responsibilities;
- “**Assets**” means, in respect of Westpac, its total non-consolidated gross assets as shown by the latest published full-year audited or half-year reviewed accounts, as the case may be, of Westpac, but adjusted for events subsequent to the date of such accounts in such manner and to such extent as two authorized signatories of Westpac or, if Westpac is in Winding-Up, the Liquidator may determine to be appropriate;
- “**ASX**” means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691);
- “**ASX Business Day**” means a business day as defined in the ASX Listing Rules;
- “**ASX Listing Rules**” means the listing rules of ASX from time to time with any modifications or waivers in their application to Westpac which ASX may grant;
- “**Australian Banking Act**” means the Banking Act 1959 of Australia;
- “**Australian Corporations Act**” means the Corporations Act 2001 of Australia;
- “**Australian Dollars**” and “**A\$**” mean the lawful currency of Australia;
- “**Australian Tax Act**” means the Income Tax Assessment Act 1936 of Australia and the Income Tax Assessment Act 1997 of Australia, or any successor acts;
- “**Business Day**” shall have the meaning set out in the applicable prospectus supplement or term sheet;
- “**CHESS**” has the meaning set out in Section 3.10(a)(ii);
- “**Chi-X**” means Chi-X Australia Pty Ltd (ABN 47 129 584 667);
- “**Clearing System Holder**” means that the Holder is the operator of a clearing system or a depository, or a nominee for a depository, for a clearing system;
- “**Code**” has the meaning set out in “— Description of the Subordinated Debt Securities — Payment of Additional Amounts”;
- “**Common Equity Tier 1 Capital**” has the meaning set out in the Prudential Standards;
- “**Conversion**” means, upon the occurrence of a Non-Viability Trigger Event, the conversion of all or some Subordinated Debt Securities (or a percentage of the Outstanding Principal Amount of each Subordinated Debt Security) into Ordinary Shares of Westpac in accordance with the terms of the subordinated indenture. “Convert” and “Converted” shall have corresponding meanings;
- “**Conversion Number**” has the meaning set out in Section 3.1(a);
- “**Cum Value**” has the meaning set out in Section 3.2;
- “**Denomination**” has the meaning set out in the prospectus supplement;
- “**Equal Ranking Instruments**” means instruments which satisfy the requirements set out in one of the following paragraphs (a), (b) or (c):
- (a) any instruments, present and future, issued by Westpac which:
    - (i) by their terms are, or are expressed to be, subordinated in a Winding-Up to the claims of Senior Creditors;
    - (ii) qualify as Tier 2 Capital of Westpac; and
    - (iii) in a Winding-Up rank, or are expressed to rank, prior to, and senior in right of payment to, instruments which constitute Additional Tier 1 Capital or Common Equity Tier 1 Capital of Westpac;

- (b) the Perpetual Capital Notes (irrespective of whether or not such instruments are treated as constituting Tier 2 Capital in accordance with any transitional arrangements approved by APRA); or
- (c) any other instruments, present and future, issued by Westpac where, the right to repayment ranks, or is expressed to rank, in a Winding-Up, equally with the claims of holders of Subordinated Debt Securities (irrespective of whether or not such instruments qualify as Tier 2 Capital of Westpac);

“**FATCA**” has the meaning set out in “— Description of the Subordinated Debt Securities — Payment of Additional Amounts”;

“**FATCA Withholding**” means any deduction or withholding arising under or in connection with FATCA;

“**FCS**” has the meaning set out on the cover of this prospectus;

“**Foreign Holder**” means a holder of Subordinated Debt Securities (a) whose place of residence is outside Australia or (b) who Westpac otherwise believes may not be a resident of Australia;

“**Holders’ Nominee**” has the meaning set out in Section 3.10(b)(vii);

“**Ineligible Holder**” means a holder of Subordinated Debt Securities that is prohibited or restricted by any applicable law or regulation in force in:

- (a) Australia (including but not limited to Chapter 6 of the Australian Corporations Act, the Foreign Acquisitions and Takeovers Act 1975 of Australia, the Financial Sector (Shareholdings) Act 1998 of Australia and Part IV of the Competition and Consumer Act 2010 of Australia); or
- (b) any other jurisdiction in which Westpac carries on business,

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 Subordinated Debt Securities, it shall only be treated as an Ineligible Holder in respect of those Subordinated Debt Securities and not in respect of the balance of its Subordinated Debt Securities);

“**Interest Rate**” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Outstanding Principal Amount of the Subordinated Debt Securities specified in a prospectus supplement or a term sheet or calculated or determined in accordance with the provisions specified in a prospectus supplement or a term sheet;

“**Issue Date VWAP**” means, in respect of Subordinated Debt Securities of a series, the VWAP during the period of 20 ASX Business Days on which trading in Ordinary Shares took place immediately preceding but not including the first date on which any Subordinated Debt Securities of that series were issued, as adjusted in accordance with Section 3;

“**Junior Ranking Capital Instruments**” means instruments, present and future, issued by Westpac which:

- (a) by their terms are, or are expressed to be, subordinated in a Winding-Up to the claims of holders of Subordinated Debt Securities and other Equal Ranking Instruments; and
- (b) qualify as Additional Tier 1 Capital or Common Equity Tier 1 Capital of Westpac;

“**Liabilities**” means, in respect of Westpac, its total non-consolidated gross liabilities as shown by its latest published full-year audited or half-year reviewed accounts, as the case may be, but adjusted for events subsequent to the date of such accounts in such manner and to such extent as two authorized signatories of Westpac or, if Westpac is in Winding-Up, the Liquidator may determine to be appropriate;

“**Liquidator**” means a liquidator or other official responsible for the conduct and administration of a Winding-Up;

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

- (a) Conversion or Write-off of Subordinated Debt Securities, or conversion, write-off or write-down of Relevant Securities 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;

“**Non-Viability Trigger Event Date**” has the meaning set out in Section 2.1(c)(iii);

“**Ordinary Share**” means a fully paid ordinary share in the capital of Westpac;

“**Outstanding Principal Amount**” means in respect of any Subordinated Debt Security which is outstanding at any time, the outstanding principal amount of the Subordinated Debt Security, and for such purposes:

- (a) the principal amount of a Subordinated Debt Security issued at a discount or at par, but which has not been Converted or Written-off, is at any time to be taken to be equal to its Denomination;
- (b) if an amount is required to be determined in Australian Dollars, the Australian Dollar equivalent of the Specified Currency is to be determined on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of such relevant Specified Currency in the Sydney foreign exchange market quoted by any leading bank selected by Westpac on the relevant calculation date. The calculation date is, at the discretion of Westpac, either the date specified in the relevant formula or the preceding day on which commercial banks and foreign exchange markets are open for business in Sydney or such other date as may be specified by Westpac in the prospectus supplement; and
- (c) if the principal amount of a Subordinated Debt Security has from time to time been Converted or Written-off as described in Sections 2 and 3, the principal amount of the Subordinated Debt Security will be reduced by the principal amount so Converted or Written-off;

“**Perpetual Capital Notes**” means the Perpetual Capital Floating Rate Notes issued by Westpac on September 30, 1986 (as the same may be varied or amended from time to time);

“**Prudential Standards**” means the prudential standards and guidelines published by APRA and as applicable to Westpac from time to time;

“**RBA**” has the meaning set out in “— Description of the Subordinated Debt Securities — Ranking”;

“**Reclassification**” has the meaning set out in Section 3.3(a);

“**Recognized Exchange**” means a recognized stock exchange or securities market in an Organization for Economic Cooperation and Development member state;

“**Regulatory Event**” has the meaning set out in “— Redemption of Subordinated Securities — Redemption for Regulatory Reasons”;

“**Related Entity**” means an entity over which Westpac or any parent of Westpac exercises control or significant influence, as determined by APRA from time to time;

“**Relevant Securities**” means Relevant Tier 1 Securities and Relevant Tier 2 Securities;

“**Relevant Tier 1 Security**” means a security forming part of the Tier 1 Capital of Westpac on a “Level 1 basis” or “Level 2 basis” in accordance with the Prudential Standards which, upon the occurrence of a Non-Viability Trigger Event, may be either:

- (a) converted into Ordinary Shares; or
- (b) written-off or written-down (and all rights and claims of the holders in respect of the security shall be written-off or written-down);

“**Relevant Tier 2 Security**” means a security, including the Subordinated Debt Securities, forming part of the Tier 2 Capital of Westpac on a “Level 1 basis” or “Level 2 basis” in accordance with the Prudential Standards which, upon the occurrence of a Non-Viability Trigger Event, may be either:



- (a) converted into Ordinary Shares; or
- (b) written-off or written-down (and all rights and claims of the holders in respect of the security shall be written-off or written-down);

“**Relevant Transaction**” has the meaning set out in “— Redemption of Subordinated Securities — Redemption for Taxation Reasons”;

“**Replacement**” has the meaning set out in Section 3.14(a)(i);

“**Reserve Bank Act**” has the meaning set out in “— Description of the Subordinated Debt Securities — Ranking”;

“**SEC**” has the meaning set out in “About this Prospectus”;

“**Senior Creditors**” means all depositors and other creditors (present and future) of Westpac, including all holders of Westpac’s 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 Instrument; or
  - (ii) a Junior Ranking Capital Instrument;

“**Solvent**” with respect to Westpac, shall mean (i) it is able to pay its debts as they fall due; and (ii) its Assets exceed its Liabilities;

“**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 Subordinated Debt Securities 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;

“**Specified Currency**” has the meaning given in a prospectus supplement or a term sheet;

“**subordinated indenture**” has the meaning set out in “— Description of the Subordinated Debt Securities”;

“**Tax Legislation**” means (a) the Income Tax Assessment Act 1936 of Australia or the Income Tax Assessment Act 1997 of Australia (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 includes a reference to that section as rewritten in the Income Tax Assessment Act 1997), (b) any other law setting the rate of income tax payable by Westpac, and (c) any regulation made under such laws;

“**Tier 1 Capital**” has the meaning set out in the Prudential Standards;

“**Tier 2 Capital**” has the meaning set out in the Prudential Standards;

“**Trust Indenture Act**” has the meaning set out in “— Description of the Subordinated Debt Securities — Other Provisions”;

“**VWAP**” means, subject to any adjustments under the provisions described in Sections 3 above, the average of the daily volume weighted average sale prices (such average and each such daily average sale price being expressed in Australian Dollars and cents and rounded to the nearest full cent, with A\$0.005 being rounded upwards) of Ordinary Shares sold on ASX and Chi-X during the relevant period or on the relevant days but does not include any “crossing” transacted outside the “Open Session State” or any “special crossing” transacted at any time, each as defined in the ASX Market 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 the occurrence of a Non-Viability Trigger Event, the period of 5 ASX Business Days on which trading in Ordinary Shares took place

immediately preceding (but not including) the Non-Viability Trigger Event Date; or (b) otherwise, the period for which the VWAP is to be calculated as described herein or in the applicable prospectus supplement or term sheet;

“**Winding-Up**” means the legal procedure for the liquidation of Westpac commenced when:

- (a) a court order is made 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 or deemed to have been passed by members for the winding-up of Westpac,

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 any 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 the Subordinated Debt Securities.*

“**Write-off**” has the meaning set out in Section 2.3(c). “**Written-off**” shall have a corresponding meaning.

(Section 1.1 of the subordinated indenture.)

**ANNEX B**

**“Description of the Notes” on pages S-24 to S-31 of the Prospectus Supplement  
dated 8 November 2021 in respect of the issue of US\$1,250,000,000 3.020%  
Subordinated Notes due 2036**

## DESCRIPTION OF THE NOTES

*The following description is a summary of certain terms of the notes. This summary supplements the description of the notes in the accompanying prospectus and, to the extent it is inconsistent, replaces the description in the accompanying prospectus. The descriptions of certain terms of the notes and the subordinated indenture do not purport to be complete, and reference is hereby made to the Fourth Amended and Restated Subordinated Indenture, referred to below, as supplemented by a supplemental indenture relating to the notes, which we refer to as the Supplemental Indenture, which will be filed as an exhibit to a Report on Form 6-K, and the Trust Indenture Act of 1939, as amended. You may also request copies of the Fourth Amended and Restated Subordinated Indenture and the Supplemental Indenture from us at our address set forth under “Where You Can Find More Information.” References to “we”, “us” and “our” in this description of the notes refer only to Westpac Banking Corporation and not to any of its subsidiaries.*

### General

We will issue the notes under the Fourth Amended and Restated Subordinated Indenture, dated as of November 3, 2021, between Westpac Banking Corporation and The Bank of New York Mellon, as trustee, which we refer to as the base indenture, as supplemented by the Supplemental Indenture, to be dated the date of issuance of the notes, between us and the trustee. We refer to the base indenture, as supplemented by the Supplemental Indenture, together as the subordinated indenture.

We will initially issue US\$1,250,000,000 aggregate principal amount of the notes. The notes will be issued in minimum denominations of US\$ 2,000 and integral multiples of US\$1,000 in excess thereof, which shall be a “Denomination” for purposes of the definition in Section 4 under “Description of the Subordinated Debt Securities—Additional Provisions” in the accompanying prospectus. We may from time to time, without the consent of the existing holders, create and issue additional notes having the same terms and conditions as the notes being offered hereby in all respects, except for Issue Date, issue price and, if applicable, the first date from which interest accrues and the first payment of interest thereon. Additional notes issued in this manner will be consolidated with, and will form a single series with, the previously outstanding notes unless such additional notes will not be treated as fungible with the notes being offered hereby for U.S. federal income tax purposes. The notes offered hereby and any additional notes of the same series would rank equally and ratably.

The notes will be our direct, unsecured and subordinated obligations, subject to certain solvency conditions described herein. In the event of a Winding-Up, to the extent the notes have not previously been Converted or Written-off (or that have been partially Converted or Written-off), the notes would (i) be subordinate to, and rank junior in right of payment to, the obligations of Westpac to Senior Creditors, and certain debts required to be preferred by law, and all such obligations to Senior Creditors and debts required to be preferred by law shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of the notes, (ii) rank equally with obligations of Westpac to the holders of other Subordinated Debt Securities that have not been Converted or Written-off (or that have been partially Converted or Written-off), and the obligations of Westpac to holders of Equal Ranking Instruments and (iii) rank prior to, and senior in right of payment to, the obligations of Westpac to holders of Ordinary Shares and other Junior Ranking Capital Instruments. Section 13A(3) of the Australian Banking Act provides that if Westpac becomes unable to meet its obligations or suspends payment, the assets of Westpac in Australia are to be made available to meet certain of Westpac’s liabilities in priority to all other liabilities of Westpac (including the obligations of Westpac under the notes). However, it is unlikely a Winding-Up will occur without a Non-Viability Trigger Event having occurred first and the notes being Converted or Written-off. In that event:

- if the notes have Converted into Ordinary Shares, holders will rank equally with existing holders of Ordinary Shares; and
- if the notes are Written-off, all rights in relation to the notes will be terminated, and holders will not have their Outstanding Principal Amount repaid or receive any outstanding interest or accrued interest, or have the right to have the notes Converted into Ordinary Shares. In such an event, a holder’s investment in the notes will lose all of its value and such holder will not receive any compensation.

The notes will not be protected accounts or deposit liabilities of Westpac for the purposes of the Australian Banking Act.

Each of the notes will constitute a separate series of Subordinated Debt Securities as described in the accompanying prospectus. Except as described in this prospectus supplement, the terms generally applicable to notes, as described under “Description of the Subordinated Debt Securities” in the accompanying prospectus, will be applicable to each of the notes.

The notes are not entitled to the benefit of any sinking fund.

The notes will mature on November 18, 2036.

From and including November 18, 2021, which we refer to as the Issue Date, to but excluding the interest payment date on November 18, 2031, which we refer to as the Reset Date, the notes will bear interest on the Outstanding Principal Amount at a rate of 3.020% per year, and on and after the Reset Date to but excluding November 18, 2036, which we refer to as the Maturity Date, the notes will bear interest on the Outstanding Principal Amount at a fixed rate per year equal to the 5-Year U.S. Treasury Rate plus the Spread (rounded to three decimal places with 0.0005 rounded upwards) (each as defined below). Interest will accrue on the notes from and including the Issue Date. We will pay interest on the notes semi-annually in arrears on May 18 and November 18 of each year, subject in each case to the business day convention set forth below, and certain solvency conditions described herein, beginning on May 18, 2022, until the notes shall have been paid in full. Interest on a note will be paid to the person in whose name that note was registered at the close of business on the May 3 and November 3, as the case may be, whether or not a business day, prior to the applicable interest payment date, except in the case of the interest payment date that is also the Maturity Date of the notes. The amount of interest on the notes payable for any period less than a full interest period shall be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual days elapsed in a partial month in such period. Subject to the limitations set forth in Section 3.1(b) under “Description of the Subordinated Debt Securities—Additional Provisions” in the accompanying prospectus, any payment of principal or interest required to be made on an interest payment date that is not a business day will be made on the next succeeding business day, and no interest will accrue on that payment for the period from and after the interest payment date to the date of payment on the next succeeding business day.

For purposes of the notes, “business day” means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in Sydney, Australia, New York, New York, or London, United Kingdom are authorized or obligated by law or executive order to close.

Payments described in Section 3.1(b) under “Description of the Subordinated Debt Securities—Additional Provisions” in the accompanying prospectus shall not be subject to delays on account of any business day convention.

“**5-Year U.S. Treasury Rate**” is calculated by the calculation agent as an interest rate expressed as a percentage determined to be the per annum rate equal to the yield to maturity for U.S. Treasury securities with a maturity of five years as published in the most recent H.15.

“**H.15**” means the daily statistical release designated as such, or any successor publication, published by the Board of Governors of the United States Federal Reserve System that establishes yield on actively traded U.S. Treasury securities under the caption “Treasury constant maturities”, or any successor site or publication that establishes yield on actively traded U.S. Treasury securities, and “**most recent H.15**” means the H.15 which includes a yield to maturity for U.S. Treasury securities with a maturity of five years published closest in time but prior to the Reset Determination Date.

“**Reset Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Sydney, Australia, New York, New York and London, United Kingdom.

“**Reset Determination Date**” means the second Reset Business Day immediately preceding the Reset Date.

“**Spread**” means 1.530 per cent per year, being the difference between the re-offer yield on the date hereof and the Benchmark 10-Year Treasury Yield at the time of pricing on the date hereof.

## **Redemption**

Subject to certain limitations, we will have the right to redeem the notes in whole, but not in part, at our option on the Reset Date, as described in the accompanying prospectus under the heading “Description of the Subordinated Debt Securities—Redemption of Subordinated Debt Securities—General”.

In addition, subject to certain limitations, if an Adverse Tax Event, as described in the accompanying prospectus under “Description of the Subordinated Debt Securities—Redemption of Subordinated Debt Securities—Redemption for Taxation Reasons”, or a Regulatory Event, as described in the accompanying prospectus under “Description of the Subordinated Debt Securities—Redemption of Subordinated Debt Securities—Redemption for Regulatory Reasons”, occurs, we will have the right to redeem each of the notes in whole, but not in part.

Redemption is subject to APRA’s prior written approval (which may or may not be given and Holders should not expect that APRA’s prior written approval will be given for any redemption of Subordinated Debt Securities).

If we redeem the notes in these circumstances, the redemption price of each note redeemed will be equal to 100% of the Outstanding Principal Amount of such note. In addition, we will pay to the holders of the notes redeemed in these circumstances accrued but unpaid interest to, but excluding, the date of redemption.

## **Non-viability, Conversion and Write-off**

The notes are subject, upon the occurrence of a Non-Viability Trigger Event, to Conversion or possible Write-off, as more fully described in the accompanying prospectus. If any notes are Converted following a Non-Viability Trigger Event, it is likely that the Maximum Conversion Number will apply and limit the number of Ordinary Shares to be issued. In this case, the value of the Ordinary Shares received is likely to be significantly less than the Outstanding Principal Amount of those notes. The Australian dollar may depreciate in value against the U.S. dollar by the time of Conversion. In that case, the Maximum Conversion Number is more likely to apply.

If Conversion of the notes (or a percentage of the Outstanding Principal Amount of the notes) does not occur for any reason (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 or 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) within five ASX Business Days after the Non-Viability Trigger Event Date (each as defined in Section 4 under “Description of the Subordinated Debt Securities—Additional Provisions” in the accompanying prospectus), the notes (or a percentage of the Outstanding Principal Amount of the notes to be Converted) will be Written-off and the holders’ rights in relation to the notes (including with respect to payments of interest or accrued but unpaid interest, and the repayment of Outstanding Principal Amount and, upon Conversion, the receipt of Ordinary Shares issued in respect of such notes) will be immediately and irrevocably written-off and terminated with effect on and from the Non-Viability Trigger Event Date, as described under “Description of the Subordinated Debt Securities—Additional Provisions” in the accompanying prospectus.

## **Events of Default**

The subordinated indenture provides that, if an event of default in respect of the notes shall have occurred and be continuing, the sole remedies for either the trustee or the holder of any outstanding notes shall be the remedies described below.

The subordinated indenture defines an event of default in respect of the notes as any of the following events or circumstances:

- Westpac fails to pay (i) any Outstanding Principal Amount in respect of the notes on the Maturity Date or within seven days thereafter, or (ii) any amount of interest in respect of the notes on the due date for payment thereof or within fourteen days thereafter, unless, in each case, prior to the commencement of a Winding-Up (as defined in Section 4 under “Description of the Subordinated Debt Securities—Additional Provisions” in the accompanying prospectus), the failure to make such payment is the result of Westpac not being Solvent (as defined in Section 4 under “Description of the Subordinated Debt Securities—Additional Provisions” in the accompanying prospectus) on the date such payment is due or Westpac would not be Solvent immediately thereafter as a result of making such payment; or
- a Winding-Up in Australia.

Upon the occurrence of an event of default for a failure to pay principal or interest as described above, the sole remedies for the trustee or the holder of any notes shall be to bring proceedings:

- to recover any amount then due and payable but unpaid on such notes (subject to Westpac being able to make the payment and remain Solvent);
- to obtain an order for specific performance of any other obligation in respect of such notes; or
- for a winding-up of Westpac in Australia.

In the event of a Winding-Up in Australia (but not in any other jurisdiction), the notes will, without any further action on the part of the trustee or any holder thereof, become immediately due and payable by Westpac, unless they have been Converted or Written-off, and the trustee or any such holder may, subject to the limitations described under “Description of the Subordinated Securities—Additional Provisions—Status and Subordination” in the accompanying prospectus, prove or claim for the Outstanding Principal Amount of each note it holds (together with all interest accrued but unpaid to the date of payment). However, it is unlikely a Winding-Up will occur without a Non-Viability Trigger Event having occurred first and the notes being Converted or Written-off. In that event:

- if the notes have Converted into Ordinary Shares, holders will rank equally with existing holders of Ordinary Shares; and
- if the notes are Written-off, all rights in relation to the notes will be terminated, and holders will not have their Outstanding Principal Amount repaid or receive any outstanding interest or accrued interest, or have the right to have the notes Converted into Ordinary Shares. In such an event, a holder’s investment in the notes will lose all of its value and such holder will not receive any compensation.

In the event of the occurrence of any event of default, no remedy against Westpac (including, without limitation, any right to sue for a sum of damages which has the same economic effect as an acceleration of Westpac’s payment obligations) shall be available to the trustee or any holder of any notes for the recovery of amounts owing in respect of the notes or in respect of any breach by Westpac of any obligation, condition or provision binding on it under the terms of the notes other than as described in this prospectus supplement, the applicable term sheet or the accompanying prospectus.

A holder of notes will have no right to accelerate payment or exercise any other remedies (including any right to sue for damages) as a consequence of any default other than as specifically described in this prospectus supplement and the accompanying prospectus. In the event of a Winding-Up in Australia (but not in any other jurisdiction), the notes will become immediately due and payable, unless they have been Converted or Written-off. This will be the only circumstance in which the payment of principal on notes may be accelerated.

If any note becomes due and payable as a result of an event of default, Westpac shall repay such amount as is equal to the Outstanding Principal Amount (or such other amount specified in or determined in accordance with this prospectus supplement or the applicable term sheet) together with all accrued but unpaid interest, if any.

Under the Australian Banking Act, for the purpose of protecting depositors and maintaining the stability of the Australian financial system, APRA has administrative power, among other things, to issue a

direction to us regarding the conduct of our business, including prohibiting making payments with respect to our debt obligations (including the notes), and, if we become unable to meet our obligations or suspend payment (and in certain other limited circumstances), to appoint an “ADI statutory manager” to take control of our business.

### **Governing Law**

The subordinated indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York, without regard to conflict of law principles, except that the Non-Viability Trigger Event, Write-off, Conversion and subordination provisions will be governed by, and construed in accordance with, the laws of the State of New South Wales, Commonwealth of Australia.

### **Notes Issued as Global Notes**

The notes are expected to be issued in the form of global notes. See “Description of the Subordinated Debt Securities—Global Securities” in the accompanying prospectus.

### **Book-Entry System**

All interests in the notes will be subject to the operations and procedures of DTC, Euroclear Bank SA/NV, which we refer to as Euroclear, and Clearstream Banking, S.A., which we refer to as Clearstream. The descriptions of the operations and procedures of DTC, Euroclear and Clearstream set forth below are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. We obtained the information in this section and elsewhere in this prospectus supplement concerning DTC, Euroclear and Clearstream and their respective book-entry systems from sources that we believe are reliable, but we take no responsibility for the accuracy of any of this information.

The Depository Trust Company, New York, NY, will act as securities depository for the notes. The notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each issue of the notes, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants, which we refer to as Direct Participants, deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation, which we refer to as DTCC. DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly, which we refer to as Indirect Participants. The DTC Rules applicable to its Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).



Purchases of notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the notes on DTC's records. The ownership interest of each actual purchaser of each note, which we refer to as a Beneficial Owner, is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in notes, except in the event that use of the book-entry system for the notes is discontinued.

To facilitate subsequent transfers, all notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the notes; DTC's records reflect only the identity of the Direct Participants to whose accounts the notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the notes unless authorized by a Direct Participant in accordance with DTC's money market instrument (MMI) procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the notes are credited on the record date (identified in a listing attached to the omnibus proxy).

Redemption proceeds, distributions, and interest payments on the notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or our agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, our agent or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Westpac or our agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the notes at any time by giving reasonable notice to us or our agent. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

We may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

*Euroclear.* Euroclear was created in 1968 to hold securities for participants of Euroclear, which we refer to as Euroclear Participants, and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical

movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several markets in several countries. Euroclear is operated by Euroclear Bank SA/NV, which we refer to as the Euroclear Operator, under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation, which we refer to as the Cooperative. All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Euroclear Operator is regulated and examined by the Belgian Banking Commission. Distributions of principal and interest with respect to notes held through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the relevant system's rules and procedures, to the extent received by such system's depository.

*Clearstream.* Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its participating organizations, which we refer to as Clearstream Participants, and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream provides Clearstream Participants with, among other things, services for safekeeping, administration, clearance and establishment of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Monetary Institute. Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant either directly or indirectly.

Distributions with respect to notes held beneficially through Clearstream will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures to the extent received by the U.S. depository for Clearstream.

Links have been established among DTC, Clearstream and Euroclear to facilitate the initial issuance of the notes and cross-market transfers of the notes associated with secondary market trading. DTC will be linked indirectly to Clearstream and Euroclear through the DTC accounts of their respective U.S. depositories.

*Global Clearance and Settlement Procedures.* Initial settlement for the notes will be made in immediately available funds. Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository. However, those cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Brussels time) of that system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear Participants and Clearstream Participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a note from a participant in DTC will be credited, and any such crediting will be

reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of interests in a note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Although we understand that DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform those procedures, and those procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

## **ANNEX C**

**“Description of the Notes” on pages S-23 to S-29 of the Prospectus Supplement dated 8 November 2021 in respect of the issue of US\$1,000,000,000 3.133% Subordinated Notes due 2041**

## DESCRIPTION OF THE NOTES

*The following description is a summary of certain terms of the notes. This summary supplements the description of the notes in the accompanying prospectus and, to the extent it is inconsistent, replaces the description in the accompanying prospectus. The descriptions of certain terms of the notes and the subordinated indenture do not purport to be complete, and reference is hereby made to the Fourth Amended and Restated Subordinated Indenture, referred to below, as supplemented by a supplemental indenture relating to the notes, which we refer to as the Supplemental Indenture, which will be filed as an exhibit to a Report on Form 6-K, and the Trust Indenture Act of 1939, as amended. You may also request copies of the Fourth Amended and Restated Subordinated Indenture and the Supplemental Indenture from us at our address set forth under “Where You Can Find More Information.” References to “we”, “us” and “our” in this description of the notes refer only to Westpac Banking Corporation and not to any of its subsidiaries.*

### General

We will issue the notes under the Fourth Amended and Restated Subordinated Indenture, dated as of November 3, 2021, between Westpac Banking Corporation and The Bank of New York Mellon, as trustee, which we refer to as the base indenture, as supplemented by the Supplemental Indenture, to be dated the date of issuance of the notes, between us and the trustee. We refer to the base indenture, as supplemented by the Supplemental Indenture, together as the subordinated indenture.

We will initially issue US\$1,000,000,000 aggregate principal amount of the notes. The notes will be issued in minimum denominations of US\$2,000 and integral multiples of US\$1,000 in excess thereof, which shall be a “Denomination” for purposes of the definition in Section 4 under “Description of the Subordinated Debt Securities—Additional Provisions” in the accompanying prospectus. We may from time to time, without the consent of the existing holders, create and issue additional notes having the same terms and conditions as the notes being offered hereby in all respects, except for Issue Date, issue price and, if applicable, the first date from which interest accrues and the first payment of interest thereon. Additional notes issued in this manner will be consolidated with, and will form a single series with, the previously outstanding notes unless such additional notes will not be treated as fungible with the notes being offered hereby for U.S. federal income tax purposes. The notes offered hereby and any additional notes of the same series would rank equally and ratably.

The notes will be our direct, unsecured and subordinated obligations, subject to certain solvency conditions described herein. In the event of a Winding-Up, to the extent the notes have not previously been Converted or Written-off (or that have been partially Converted or Written-off), the notes would (i) be subordinate to, and rank junior in right of payment to, the obligations of Westpac to Senior Creditors, and certain debts required to be preferred by law, and all such obligations to Senior Creditors and debts required to be preferred by law shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of the notes, (ii) rank equally with obligations of Westpac to the holders of other Subordinated Debt Securities that have not been Converted or Written-off (or that have been partially Converted or Written-off), and the obligations of Westpac to holders of Equal Ranking Instruments and (iii) rank prior to, and senior in right of payment to, the obligations of Westpac to holders of Ordinary Shares and other Junior Ranking Capital Instruments. Section 13A(3) of the Australian Banking Act provides that if Westpac becomes unable to meet its obligations or suspends payment, the assets of Westpac in Australia are to be made available to meet certain of Westpac’s liabilities in priority to all other liabilities of Westpac (including the obligations of Westpac under the notes). However, it is unlikely a Winding-Up will occur without a Non-Viability Trigger Event having occurred first and the notes being Converted or Written-off. In that event:

- if the notes have Converted into Ordinary Shares, holders will rank equally with existing holders of Ordinary Shares; and
- if the notes are Written-off, all rights in relation to the notes will be terminated, and holders will not have their Outstanding Principal Amount repaid or receive any outstanding interest or accrued interest, or have the right to have the notes Converted into Ordinary Shares. In such an event, a holder’s investment in the notes will lose all of its value and such holder will not receive any compensation.

The notes will not be protected accounts or deposit liabilities of Westpac for the purposes of the Australian Banking Act.

Each of the notes will constitute a separate series of Subordinated Debt Securities as described in the accompanying prospectus. Except as described in this prospectus supplement, the terms generally applicable to notes, as described under “Description of the Subordinated Debt Securities” in the accompanying prospectus, will be applicable to each of the notes.

The notes are not entitled to the benefit of any sinking fund.

The notes will mature on November 18, 2041.

From and including November 18, 2021, which we refer to as the Issue Date, to but excluding November 18, 2041, which we refer to as the Maturity Date, the notes will bear interest on the Outstanding Principal Amount at a rate of 3.133% per year. Interest will accrue on the notes from and including the Issue Date. We will pay interest on the notes semi-annually in arrears on May 18 and November 18 of each year, subject in each case to the business day convention set forth below, and certain solvency conditions described herein, beginning on May 18, 2022, until the notes shall have been paid in full. Interest on a note will be paid to the person in whose name that note was registered at the close of business on the May 3 and November 3, as the case may be, whether or not a business day, prior to the applicable interest payment date, except in the case of the interest payment date that is also the Maturity Date of the notes. The amount of interest on the notes payable for any period less than a full interest period shall be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual days elapsed in a partial month in such period. Subject to the limitations set forth in Section 3.1(b) under “Description of the Subordinated Debt Securities—Additional Provisions” in the accompanying prospectus, any payment of principal or interest required to be made on an interest payment date that is not a business day will be made on the next succeeding business day, and no interest will accrue on that payment for the period from and after the interest payment date to the date of payment on the next succeeding business day.

For purposes of the notes, “business day” means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in Sydney, Australia, New York, New York, or London, United Kingdom are authorized or obligated by law or executive order to close.

Payments described in Section 3.1(b) under “Description of the Subordinated Debt Securities—Additional Provisions” in the accompanying prospectus shall not be subject to delays on account of any business day convention.

### **Redemption**

Subject to certain limitations, if an Adverse Tax Event, as described in the accompanying prospectus under “Description of the Subordinated Debt Securities—Redemption of Subordinated Debt Securities—Redemption for Taxation Reasons”, or a Regulatory Event, as described in the accompanying prospectus under “Description of the Subordinated Debt Securities—Redemption of Subordinated Debt Securities—Redemption for Regulatory Reasons”, occurs, we will have the right to redeem each of the notes in whole, but not in part.

Redemption is subject to APRA’s prior written approval (which may or may not be given and Holders should not expect that APRA’s prior written approval will be given for any redemption of Subordinated Debt Securities).

If we redeem the notes in these circumstances, the redemption price of each note redeemed will be equal to 100% of the Outstanding Principal Amount of such note. In addition, we will pay to the holders of the notes redeemed in these circumstances accrued but unpaid interest to, but excluding, the date of redemption.

### **Non-viability, Conversion and Write-off**

The notes are subject, upon the occurrence of a Non-Viability Trigger Event, to Conversion or possible Write-off, as more fully described in the accompanying prospectus. If any notes are Converted following a

Non-Viability Trigger Event, it is likely that the Maximum Conversion Number will apply and limit the number of Ordinary Shares to be issued. In this case, the value of the Ordinary Shares received is likely to be significantly less than the Outstanding Principal Amount of those notes. The Australian dollar may depreciate in value against the U.S. dollar by the time of Conversion. In that case, the Maximum Conversion Number is more likely to apply.

If Conversion of the notes (or a percentage of the Outstanding Principal Amount of the notes) does not occur for any reason (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 or 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) within five ASX Business Days after the Non-Viability Trigger Event Date (each as defined in Section 4 under "Description of the Subordinated Debt Securities—Additional Provisions" in the accompanying prospectus), the notes (or a percentage of the Outstanding Principal Amount of the notes to be Converted) will be Written-off and the holders' rights in relation to the notes (including with respect to payments of interest or accrued but unpaid interest, and the repayment of Outstanding Principal Amount and, upon Conversion, the receipt of Ordinary Shares issued in respect of such notes) will be immediately and irrevocably written-off and terminated with effect on and from the Non-Viability Trigger Event Date, as described under "Description of the Subordinated Debt Securities—Additional Provisions" in the accompanying prospectus.

### **Events of Default**

The subordinated indenture provides that, if an event of default in respect of the notes shall have occurred and be continuing, the sole remedies for either the trustee or the holder of any outstanding notes shall be the remedies described below.

The subordinated indenture defines an event of default in respect of the notes as any of the following events or circumstances:

- Westpac fails to pay (i) any Outstanding Principal Amount in respect of the notes on the Maturity Date or within seven days thereafter, or (ii) any amount of interest in respect of the notes on the due date for payment thereof or within fourteen days thereafter, unless, in each case, prior to the commencement of a Winding-Up in Australia (as defined in Section 4 under "Description of the Subordinated Debt Securities—Additional Provisions" in the accompanying prospectus), the failure to make such payment is the result of Westpac not being Solvent (as defined in Section 4 under "Description of the Subordinated Debt Securities—Additional Provisions" in the accompanying prospectus) on the date such payment is due or Westpac would not be Solvent immediately thereafter as a result of making such payment; or
- a Winding-Up in Australia.

Upon the occurrence of an event of default for a failure to pay principal or interest as described above, the sole remedies for the trustee or the holder of any notes shall be to bring proceedings:

- to recover any amount then due and payable but unpaid on such notes (subject to Westpac being able to make the payment and remain Solvent);
- to obtain an order for specific performance of any other obligation in respect of such notes; or
- for a winding-up of Westpac in Australia.

In the event of a Winding-Up in Australia (but not in any other jurisdiction), the notes will, without any further action on the part of the trustee or any holder thereof, become immediately due and payable by Westpac, unless they have been Converted or Written-off, and the trustee or any such holder may, subject to the limitations described under "Description of the Subordinated Securities—Additional Provisions—Status and Subordination" in the accompanying prospectus, prove or claim for the Outstanding Principal Amount of each note it holds (together with all interest accrued but unpaid to the date of payment). However, it is unlikely a Winding-Up will occur without a Non-Viability Trigger Event having occurred first and the notes being Converted or Written-off. In that event:

- if the notes have Converted into Ordinary Shares, holders will rank equally with existing holders of Ordinary Shares; and
- if the notes are Written-off, all rights in relation to the notes will be terminated, and holders will not have their Outstanding Principal Amount repaid or receive any outstanding interest or accrued interest, or have the right to have the notes Converted into Ordinary Shares. In such an event, a holder's investment in the notes will lose all of its value and such holder will not receive any compensation.

In the event of the occurrence of any event of default, no remedy against Westpac (including, without limitation, any right to sue for a sum of damages which has the same economic effect as an acceleration of Westpac's payment obligations) shall be available to the trustee or any holder of any notes for the recovery of amounts owing in respect of the notes or in respect of any breach by Westpac of any obligation, condition or provision binding on it under the terms of the notes other than as described in this prospectus supplement, the applicable term sheet or the accompanying prospectus.

A holder of notes will have no right to accelerate payment or exercise any other remedies (including any right to sue for damages) as a consequence of any default other than as specifically described in this prospectus supplement and the accompanying prospectus. In the event of a Winding-Up in Australia (but not in any other jurisdiction), the notes will become immediately due and payable, unless they have been Converted or Written-off. This will be the only circumstance in which the payment of principal on notes may be accelerated.

If any note becomes due and payable as a result of an event of default, Westpac shall repay such amount as is equal to the Outstanding Principal Amount (or such other amount specified in or determined in accordance with this prospectus supplement or the applicable term sheet) together with all accrued but unpaid interest, if any.

Under the Australian Banking Act, for the purpose of protecting depositors and maintaining the stability of the Australian financial system, APRA has administrative power, among other things, to issue a direction to us regarding the conduct of our business, including prohibiting making payments with respect to our debt obligations (including the notes), and, if we become unable to meet our obligations or suspend payment (and in certain other limited circumstances), to appoint an "ADI statutory manager" to take control of our business.

### **Governing Law**

The subordinated indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York, without regard to conflict of law principles, except that the Non-Viability Trigger Event, Write-off, Conversion and subordination provisions will be governed by, and construed in accordance with, the laws of the State of New South Wales, Commonwealth of Australia.

### **Notes Issued as Global Notes**

The notes are expected to be issued in the form of global notes. See "Description of the Subordinated Debt Securities—Global Securities" in the accompanying prospectus.

### **Book-Entry System**

All interests in the notes will be subject to the operations and procedures of DTC, Euroclear Bank SA/NV, which we refer to as Euroclear, and Clearstream Banking, S.A., which we refer to as Clearstream. The descriptions of the operations and procedures of DTC, Euroclear and Clearstream set forth below are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. We obtained the information in this section and elsewhere in this prospectus supplement concerning DTC, Euroclear and Clearstream and their respective book-entry systems from sources that we believe are reliable, but we take no responsibility for the accuracy of any of this information.

The Depository Trust Company, New York, NY, will act as securities depository for the notes. The notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership



nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each issue of the notes, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants, which we refer to as Direct Participants, deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation, which we refer to as DTCC. DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly, which we refer to as Indirect Participants. The DTC Rules applicable to its Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the notes on DTC's records. The ownership interest of each actual purchaser of each note, which we refer to as a Beneficial Owner, is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in notes, except in the event that use of the book-entry system for the notes is discontinued.

To facilitate subsequent transfers, all notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the notes; DTC's records reflect only the identity of the Direct Participants to whose accounts the notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the notes unless authorized by a Direct Participant in accordance with DTC's money market instrument (MMI)

procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the notes are credited on the record date (identified in a listing attached to the omnibus proxy).

Redemption proceeds, distributions, and interest payments on the notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or our agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, our agent or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Westpac or our agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the notes at any time by giving reasonable notice to us or our agent. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

We may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

*Euroclear.* Euroclear was created in 1968 to hold securities for participants of Euroclear, which we refer to as Euroclear Participants, and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several markets in several countries. Euroclear is operated by Euroclear Bank SA/NV, which we refer to as the Euroclear Operator, under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation, which we refer to as the Cooperative. All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Euroclear Operator is regulated and examined by the Belgian Banking Commission. Distributions of principal and interest with respect to notes held through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the relevant system's rules and procedures, to the extent received by such system's depository.

*Clearstream.* Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its participating organizations, which we refer to as Clearstream Participants, and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream provides Clearstream Participants with, among other things, services for safekeeping, administration, clearance and establishment of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Monetary Institute. Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, and may include the underwriters. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant either directly or indirectly.

Distributions with respect to notes held beneficially through Clearstream will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures to the extent received by the U.S. depository for Clearstream.

Links have been established among DTC, Clearstream and Euroclear to facilitate the initial issuance of the notes and cross-market transfers of the notes associated with secondary market trading. DTC will be linked indirectly to Clearstream and Euroclear through the DTC accounts of their respective U.S. depositories.

*Global Clearance and Settlement Procedures.* Initial settlement for the notes will be made in immediately available funds. Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository. However, those cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Brussels time) of that system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear Participants and Clearstream Participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of interests in a note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

Although we understand that DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform those procedures, and those procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

**ANNEX D**

**“Description of the Ordinary Shares” on pages 43 to 44 of the Form F-3**

## DESCRIPTION OF ORDINARY SHARES

### Share Capital

As at November 1, 2021, Westpac, had 3,668,591,808 Ordinary Shares on issue.

### Description of the type and class of securities admitted

The Ordinary Shares were created under Australian legislation. The Ordinary Shares are currently listed on ASX and the NZX, and American Depositary Shares representing Ordinary Shares are currently listed on the New York Stock Exchange. Westpac will use all reasonable endeavors to list the Ordinary Shares issued on Conversion of Subordinated Debt Securities on ASX.

### Form and currency of the Ordinary Shares

The Ordinary Shares are denominated in A\$. The Ordinary Shares are in uncertificated, registered form.

### Rights attaching to the Ordinary Shares

Westpac was registered on August 23, 2002 as a public company limited by shares under the Australian Corporations Act. Westpac's constitution was most recently amended at the general meeting held on December 13, 2012. The rights attaching to Westpac's Ordinary Shares are set out in the Australian Corporations Act and its constitution, and include:

#### *Profits and dividends*

Holders of Ordinary Shares are entitled to receive such dividends on those shares as may be determined by Westpac's Directors from time to time. Dividends that are paid but not claimed may be invested by our Directors for the benefit of Westpac until claimed or required to be dealt with in accordance with any law relating to unclaimed monies.

Our constitution requires that dividends be paid out of our profits. In addition, under the Australian Corporations Act, Westpac must not pay a dividend unless our assets exceed our liabilities immediately before the dividend is declared and the excess is sufficient for payment of the dividend. In addition, the payment must be fair and reasonable to the Westpac's shareholders and must not materially prejudice Westpac's ability to pay its creditors.

Subject to the Australian Corporations Act, the constitution, the rights of persons (if any) entitled to shares with special rights to dividend and any contrary terms of issue of or applying to any shares, our Directors may determine that a dividend is payable, fix the amount and the time for payment and authorize the payment or crediting by Westpac to, or at the direction of, each shareholder entitled to that dividend.

If any dividends are returned unclaimed, we are generally obliged, under the Australian Banking Act, to hold those amounts as unclaimed monies for a period of seven years. If at the end of that period the monies remain unclaimed by the shareholder concerned, we must submit an annual unclaimed money return to the Australian Securities and Investment Commission by March 31 each year containing the unclaimed money as at December 31 of the previous year. Upon such payment being made, we are discharged from further liability in respect of that amount.

Westpac's Directors may, before paying any dividend, set aside out of our profits such sums as they think proper as reserves, to be applied, at the discretion of our Directors, for any purpose for which the profits may be properly applied. Westpac's Directors may carry forward so much of the profits remaining as they consider ought not to be distributed as dividends without transferring those profits to a reserve.

The following restrictions apply to our ability to declare and/or pay dividends:

- (i) if the payment of the dividend would breach or cause a breach by Westpac of applicable capital adequacy or other supervisory requirements of APRA, including where Westpac's Common Equity Tier 1 Capital ratio falls within APRA's capital conservation buffer range (3.5% of risk-weighted

assets). Currently, one such requirement is that a dividend should not be paid without APRA's prior consent if payment of that dividend, after taking into account all other dividends (if any) paid on our shares and payments on more senior capital instruments, in the preceding 12 consecutive months to which they relate, would cause the aggregate of such dividend payments to exceed our after tax earnings for the preceding 12 consecutive months, as reflected in our relevant audited consolidated financial statements; and

- (ii) if, under the Australian Banking Act, Westpac is directed by APRA not to pay a dividend;
- (iii) if the declaration or payment of the dividend would result in Westpac becoming insolvent; or
- (iv) if any interest payment, dividend or distribution on certain Additional Tier 1 securities issued by the Group is not paid in accordance with the terms of those securities, we may be restricted from declaring and/or paying dividends on Ordinary Shares. This restriction is subject to a number of exceptions.

***Voting rights***

Holders of our fully paid Ordinary Shares have, at general meetings, one vote on a show of hands and, upon a poll, one vote for each fully paid share held by them.

***Voting and re-election of Directors***

Under our constitution, at each annual general meeting one-third of eligible Directors (or if their number is not a multiple of three, the number nearest to one-third) and any other Director who has held office for three years or more since the Director's last election, must retire from office. In determining the number of Directors to retire, no account is to be taken of a Director who holds office in order to fill a casual vacancy or the Managing Director. A retiring Director holds office until the conclusion of the meeting at which that Director retires but is eligible for re-election at the meeting.

Under the ASX Listing Rules, no Director of a listed entity, apart from the Managing Director, may continue to hold office, without offering himself or herself for re-election, past the third AGM following their appointment or three years, whichever is the longer.

Under the Australian Corporations Act, the election or re-election of each Director by shareholders at a general meeting of a public company must proceed as a separate item, unless the shareholders first resolve that the elections or re-elections may be voted on collectively. A resolution to allow collective voting in relation to elections or re-elections is effective only if no votes are cast against that resolution. Any resolution electing or re-electing two or more Directors in contravention of this requirement is void.

***Winding-Up***

Subject to any preferential entitlement of holders of preference shares on issue at the relevant time, holders of our Ordinary Shares are entitled to share equally in any surplus assets if we are wound up.