

# ASX Release

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Sydney, NSW, 2000

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## **REVISED SECURITIES TRADING POLICY**

Westpac Banking Corporation (“Westpac”) has revised its Securities Trading Policy (“Policy”) which is attached in accordance with Listing Rule 12.10. The Policy is also available on our website [www.westpac.com.au](http://www.westpac.com.au).

The Policy was revised for some administrative changes and for an adjustment to the securities trading blackout periods following a review of local and international practice.

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

# Westpac Group Securities Trading Policy

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## 1. Introduction

The Westpac Group Securities Trading Policy (the “**Policy**”) sets out the obligations for those Westpac employees listed in Section 2.1 when trading securities, including Westpac securities.

Westpac interprets this Policy in a manner that is consistent with the Westpac Code of Conduct. As such, this Policy may place higher obligations on people when compared to statutory obligations.

Business units may have additional policies and procedures relating to securities trading activities which must be adhered to in addition to this Policy.

## 2. Scope

### 2.1 Who this Policy applies to

This Policy applies as follows:

**Section 3** of the Policy contains general guidance relating to securities trading and includes specific prohibitions on insider trading. This section applies to all:

- Directors of Westpac Banking Corporation (“**Westpac Directors**”);
- Directors of Westpac’s controlled entities; and
- Employees, secondees, contractors (collectively called “**Employees**”)

located in Australia and all overseas offices.

**Section 4** contains specific obligations for Westpac Directors and Prescribed Employees (including Group Executives and Key Prescribed Employees) (“**Prescribed Employees**”) and applies only to them.

This Policy also applies to your “associates” or “employee related accounts”. For the purpose of this Policy, your “associates” include:

- your spouse or partner;
- your dependent children;
- any trustee of a trust or other fiduciary arrangement under which you, your spouse or partner or your dependent children, is or may be a beneficiary;
- any company in which you hold (directly or indirectly) a majority of the shares or otherwise control (directly or indirectly); and
- any other entity in which you are a director, secretary or executive officer

unless appropriate arrangements are in place to ensure you:

- take no part in the decision to purchase or sell securities (including Westpac securities); and
- have not procured or encouraged that other person, trust, company or any other entity to purchase or sell securities (including Westpac securities).

When considering which broking accounts may apply to this Policy, you should consider whether or not you could be perceived as having control over or investment influence on the trading of the particular broking account.

## 2.2 Trading across borders

This Policy is based on Australian legislation and regulations which may differ from similar legislation and/or regulations in other jurisdictions. If you are working outside Australia or you are dealing in securities in another jurisdiction, you should ensure that you also comply with the laws of that jurisdiction.

## 3. Insider trading and general obligations

### 3.1 What is inside information and insider trading?

**Inside information** is information which is not generally available and if it were available, a reasonable person would expect it to have a material effect on the price or value of particular financial products (“**securities**”). If it is considered that the non-public information could influence a person’s decision to buy or sell a security, the information should be considered inside information.

Inside information may relate to Westpac, one of our subsidiaries, a corporate customer or any other listed company. You may become aware of inside information relating to Westpac, one of our subsidiaries, a corporate customer or any other listed company whilst working for, or contracting to the Westpac Group, however it does not matter how or where you received the information.

Information is no longer considered inside information once it becomes generally available.

**Insider Trading** generally refers to dealing in securities while you are in possession of inside information. If you are in receipt of inside information you must not:

- deal in the relevant securities; or
- tip or procure another person to deal in the relevant securities.

### 3.2 What do we mean by “securities” in this Policy?

Frequently, people assume that inside information only applies to shares, however Australian law has a much broader application. In this Policy, “securities” include but are not limited to:

- shares or bonds issued or proposed to be issued by a company; or
- derivatives; or
- options; or
- interests in a managed investment scheme; or
- debentures, stocks or bonds issued or proposed to be issued by a government; or
- superannuation products, other than those prescribed by regulations; or
- **any other financial products that are able to be traded on a financial market.**

### 3.3 Insider trading is prohibited at all times

If you are in receipt of inside information about Westpac or any other entity, you must not:

- trade (ie buy, sell or subscribe for) or agree to trade in the relevant securities;
- get somebody else to trade, or agree to trade in the relevant securities on your behalf; or
- directly or indirectly communicate or cause someone else to communicate, inside information to another person who is likely to trade or procure somebody else to trade, in the relevant securities.

You must not communicate inside information about Westpac or any other entity to:

- another Westpac employee unless it is necessary for business purposes and you have authority to communicate the information;

- any person outside Westpac, in particular, external advisers unless appropriate confidentiality arrangements are in place; or
- industry analysts or business journalists, or confirm any suspicions or hunches which they may have, even if these suspicions or hunches are based on their own research and analysis.

### **3.4 Use of derivatives and hedging over unvested Westpac securities is prohibited**

You must not enter into any options, derivatives or other arrangements which operate to limit the economic risk of an unvested holding in Westpac securities or other unvested entitlements under employee share plans.

This prohibition does not apply to vested holdings in Westpac securities, although approval or notification and other arrangements apply to Directors and Prescribed Employees dealing in vested securities (refer to Section 4 below).

### **3.5 Short-term trading is prohibited**

Short term trading generally refers to trading strategies in which the time duration between entry and exit (i.e. buying and selling) is within a range of a few days to a few weeks.

Short-term trading has a speculative element to it that raises a number of issues. Short-term trading may be seen as an indication that a Westpac employee's interests are not aligned with the interests of long-term investors.

Short-term or speculative trading is prohibited and all employees must conduct their personal trading activities with a medium to long term perspective.

It is acknowledged that the markets can be volatile and in certain circumstances it may be necessary to sell out of a particular security within a short period following the initial purchase to avoid significant financial losses. You should contact the Group Control Room for guidance if it could be perceived as speculative for any sale of a security in these circumstances.

## **4. Trading rules for Westpac Directors and Prescribed Employees**

### **4.1 Who are Prescribed Employees?**

Prescribed Employees (including Directors, Group Executives and Key Prescribed Employees) are employees who, due to the nature of their position, are likely to come in contact with, or have access to, key financial, operational or strategic information about Westpac that will, or is likely to have, a material effect on the price or value of Westpac securities.

The Group Control Room, Enterprise Compliance, maintains the Register of Prescribed Employees. The Group Control Room will notify Prescribed Employees when they are added to the register. On notification, Prescribed Employees must provide the Group Control Room details of their HIN/SRN and other information as may be required relating to their Westpac holdings for their personal accounts and any other accounts that they control.

### **4.2 Who are Key Prescribed Employees?**

Key Prescribed Employees are certain Prescribed Employees, such as those who hold senior positions, whose trading activities may give rise to heightened regulatory or reputational scrutiny. Key Prescribed Employees are subject to more onerous obligations in relation to securities trading.

The Group Control Room maintains the Register of Key Prescribed Employees. The Group Control Room will notify Key Prescribed Employees when they are added to the register. On notification,

Key Prescribed Employees must provide the Group Control Room details of their HIN/SRN and other information as may be required relating to their Westpac holdings for their personal accounts and any other accounts that they control.

In addition, Key Prescribed Employees are subject to the requirements as set out in the Key Prescribed Employee Trading Process, which is an Addendum to this Policy.

### **4.3 No trading during Blackout Periods**

In addition to the general prohibition on trading at any time while you are in receipt of inside information, Westpac Directors and Prescribed Employees (including Key Prescribed Employees) or their associates must not buy or sell Westpac securities during the following Blackout Periods:

1. the period commencing on 15 March and ending at the beginning of trading in Sydney one day following the announcement of Westpac's half year results in early May; and
2. the period commencing on 15 September and ending at the beginning of trading in Sydney one day following the announcement of Westpac's full year results in early November.

The Chief Compliance Officer has discretion to extend or reduce (conditionally or unconditionally) the Blackout Periods. The Group Control Room provides notification to Prescribed Employees before the start and end of a Blackout Period.

In addition, the Chief Compliance Officer has discretion to impose ad hoc restrictions at times when matters subject to ASX Listing Rule 3.1A are being considered (that is, potentially market sensitive matters that are not required to be disclosed immediately to the market under ASX Listing Rule 3.1 due to the application of the exceptions in ASX Listing Rule 3.1A).

Any such ad hoc restrictions could be imposed on all Prescribed Employees or limited to Key Prescribed Employees or individually identified employees, depending on the nature of the matter.

**If you have inside information about Westpac, you must not trade in Westpac securities at any time, including outside a Blackout Period.**

### **4.4 Prescribed Employees trading outside a Blackout Period**

If you are a Prescribed Employee (other than a Key Prescribed Employee), you must provide notification to the Group Control Room by completing the online Prescribed Employee Trade Notification Form before you or your associates do any of the following outside a Blackout Period:

- buy or sell Westpac securities, or entering into a hedging arrangement over vested Westpac securities; or
- arrange for another person to enter into arrangements of those kinds.

If you do not have access to the online notification form, you must provide notification of your intention to trade to the Group Control Room (email: DL Group Control Room).

Any transaction which causes a change in ownership of Westpac securities will be considered a trade of securities under this Policy. This includes a transfer to a family member, family trust or personal superannuation scheme.

### **4.5 Key Prescribed Employees trading outside a Blackout Period**

Key Prescribed Employees must follow the pre-clearance requirements as set out in the Key Prescribed Employees Trading Process.

Since Key Prescribed Employees must seek pre-clearance for trading in Westpac securities, they are not required to complete the online notification form as required for Prescribed Employees in section 4.4 of this Policy.

## 4.6 Westpac Directors trading outside a Blackout Period

Westpac Directors must obtain the approval of the Chairman before they or their associates do any of the following outside a Blackout Period:

- buy or sell Westpac securities, or entering into a hedging arrangement over vested Westpac securities; or
- arrange for another person to enter into arrangements of those kinds.

In the case of the Chairman, approval must be obtained from the Chairman of the Board Audit Committee.

Westpac Directors must also notify the General Manager, Company Secretary immediately of any trading by either themselves or their associates in Westpac securities including entering into a hedging arrangement over vested Westpac securities.

## 4.7 Participation in corporate actions and employee share plans

Westpac Directors and Prescribed Employees who are eligible, may participate in dividend reinvestment plans, rights issues or bonus issues (“corporate actions”) which are offered to all Westpac shareholders, even where the corporate action is made, or acceptance falls, within a Blackout Period.

However, you must not elect to participate in a corporate action or change your election if you are in possession of inside information relating to Westpac.

Prescribed Employees may accept an invitation to participate in an employee share plan, regardless of when the offer is made, even if the acceptance falls within a Blackout Period. Prescribed Employees must then comply with all rules in this Policy for trading in Westpac securities acquired under an employee share plan.

## 4.8 Margin loans

Westpac Directors and Prescribed Employees are permitted to take out margin loans over their holdings in Westpac securities, however margin calls are not to be met by the sale of Westpac securities at a time when they would not be permitted to trade Westpac securities under this Policy.

Westpac securities cannot be sold to meet a margin call during a Blackout Period or if you are in receipt of inside information relating to Westpac.

If your margin lender sells any of your Westpac securities during a Blackout Period, whether on your instructions to do so or not, it will be considered a breach of this Policy.

Westpac Directors and Prescribed Employees are expected to have sufficient resources to meet a margin call by means other than a sale of Westpac securities. If a Westpac Director or Prescribed Employee has any doubt about their ability to meet a margin call by means other than a sale of their Westpac securities, they should take steps to rearrange their affairs to have a facility that does not contain price triggers (for example, an investment loan secured against other assets).

In addition, Key Prescribed Employees are required to provide disclosure to the Group Control Room of any margin lending arrangements they may have in respect to Westpac securities.

## 4.9 Short selling is prohibited

Short selling involves selling financial products that you have borrowed (rather than those that you own) with a view to repurchasing them later at a lower price and returning them to the lender.

Short selling can send a negative message about the level of confidence in the prospects of the company. It could also be speculated that short selling of Westpac securities by a Westpac Director or Prescribed Employee is due to their knowledge or awareness of negative information about Westpac that the market is not aware of or had not fully absorbed.

Short selling by Westpac Directors and Prescribed Employees is prohibited and will be considered a breach of this Policy.

#### 4.10 Exceptions to Blackout Periods

Generally, no exceptions will be made to the prohibition on Westpac Directors and Prescribed Employees, or their associates, trading in Westpac securities during a Blackout Period. However, Westpac Directors and Prescribed Employees who have an unreasonable financial impost or who are in other exceptional circumstances may apply in writing to be exempted from the prohibition on selling Westpac securities during a Blackout Period.

Applicant	Provide application to
Group Executives Key Prescribed Employees Prescribed Employees	Group General Counsel & Enterprise Executive
Westpac Directors	Chairman
Chairman	Chairman of the Board Audit Committee

In the application, the applicant must confirm that they are not in receipt of inside information relating to Westpac and provide details of all relevant circumstances, including why the proposed sale or disposal of Westpac securities is the only reasonable course of action available to overcome the circumstances.

The applicant will be informed in writing of the outcome of their application and any conditions imposed for an exception to trading during a Blackout Period. In certain circumstances, it may not be appropriate to advise the applicant of the reasons for the decision made.

If the person to whom the application is made, as set out in the table above, possesses inside information about Westpac themselves, they must decline the application.

Where approval to trade during a Blackout Period has been provided to a Westpac Director or a Group Executive, the applicant is required to advise the Group General Counsel & Enterprise Executive and the General Manager, Company Secretary to assist in the preparation of any 3Y Notice which may need to be lodged with the ASX.

### 5. Consequences of a breach of this Policy

Potentially serious civil and criminal liability arises for breaches of insider trading laws. These laws also apply to individuals outside Westpac, such as your associates.

Breaches of this Policy are also a breach of conditions of employment and may lead to disciplinary action, including dismissal.

## **6. Questions or further information**

If you have any questions about this Policy, you should speak with your relevant business unit Specialised Compliance representative or the Group Control Room. Directors should seek guidance from the Group General Counsel & Enterprise Executive or the General Manager, Company Secretary.