

Westpac Standard Instalments – IWE Series  
Westpac High Yield Instalments – IWF Series



Want the benefits of investing in shares and units,  
without paying the full cost upfront?

# Second Supplementary Offering Circular

Dated 4 September 2003

This is the Second Supplementary Offering Circular pursuant to ASX Business Rule 8.8, and supplements the Offering Circular dated 26 May 2003 as amended by Supplementary Offering Circular dated 27 June 2003 (the **Offering Circular**) issued by Westpac Banking Corporation (ABN 33 007 457 141) (the **Issuer**).

Words and expressions defined in the Offering Circular have the same meaning in this Second Supplementary Offering Circular, unless the context requires otherwise.

This Second Supplementary Offering Circular is available online at [www.westpac.com.au/structuredinvestments](http://www.westpac.com.au/structuredinvestments). If this Second Supplementary Offering Circular is accessed electronically, it must be downloaded with the Offering Circular, each in their entirety, from the Westpac website. This Second Supplementary Offering Circular must not be given to any person, by any means (including in electronic form) unless:

- it is accompanied by a copy of the Offering Circular; or
- it is made available to a Holder of a Westpac Instalment on request by that Holder.

Copies of the Offering Circular must not be given to any person (including in electronic form) unless it is accompanied by a copy of this Second Supplementary Offering Circular.

## Changes concerning Borrowing Fees

Westpac amends the Offering Circular as set out below. The amendments made in this Second Supplementary Offering Circular only apply in respect of Applications received after the date of this Second Supplementary Offering Circular.

# Amendments to the Offering Circular

**1. In the Summary Table appearing in Section 1 on pages 6 and 7 of the Offering Circular insert a footnote marker “1” at the end of the words “Total First Payment (Westpac Instalment Price)” in the column of that name.**

**2. In Section 1, immediately above the italicised text at the bottom of the right column appearing on page 7 insert:**

1. You may be charged Borrowing Fees which will also be included in the First Payment. Westpac will identify any Borrowing Fees applying in respect of your Application.

**3. In Section 3.5 (Borrowing Fees) on page 16 delete the second sentence in that paragraph and replace it with the following:**

The Borrowing Fees relate to Westpac’s cost of providing the Loan and include, for instance, placement fees paid by Westpac (see Section 3.19 (Placement fees)). Borrowing Fees form part of the First Payment paid by Cash Applicants while Securityholder Applicants direct that they be paid to Westpac from the Loan Proceeds.

**4. Delete Section 3.19 (Placement fees) on page 19 of the Offering Circular) and replace it with the following:**

## 3.19 Placement Fees

Westpac may at its discretion pay a placement fee to participating organisations of the ASX (including Westpac Broking) and other brokers and approved financial advisors whose stamp appears on the relevant Application Form or transfer form (in respect of Westpac Instalments purchased on ASX).

Where Westpac pays a placement fee in respect of an Application, this will be included in the Borrowing Fees (see Section 3.5).

**5. In the definition of “Borrowing Fees” appearing in Section 10 on page 56, insert the word “certain” before the word “Applications” appearing in the second line.**

All other information in the Offering Circular, including without limitation the Terms, remains unchanged and where relevant, applies to this Supplementary Offering Circular.



This Supplementary Offering Circular is issued for the purposes of the ASX Business Rules. It has not and will not be lodged with the Australian Securities and Investments Commission. ASX has not authorised or caused the issue of this Supplementary Offering Circular, and takes no responsibility for the contents of this Supplementary Offering Circular. Copies of the Offering Circular, accompanied by this Supplementary Offering Circular, may be obtained by contacting Westpac Banking Corporation on 1800 024 420.

## Amendments to the Offering (continued)

The Supplementary Offering Circular is signed by Westpac Banking Corporation.

SIGNED on behalf of )

WESTPAC BANKING CORPORATION )

by  and  )

Michelle Smith )  
Peter Hill )

Tier One Attorney )  
Tier One Attorney )

as its attorneys under a Power of Attorney )

dated 17 January 2001 )

(who by signing this document warrant that )

at the time of signing they have no notice )

of the revocation of such Power of Attorney) )

in the presence of: )



Michael Igla  
Witness

# Supplementary Offering Circular

Dated 27 June 2003

This is a Supplementary Offering Circular pursuant to ASX Business Rule 8.8, and supplements the Offering Circular dated 26 May 2003 (the **Offering Circular**) issued by Westpac Banking Corporation (ABN 33 007 457 141) (the **Issuer**).

Words and expressions defined in the Offering Circular have the same meaning in this Supplementary Offering Circular, unless the context requires otherwise.

This Supplementary Offering Circular is available online at [www.westpac.com.au/structuredinvestments](http://www.westpac.com.au/structuredinvestments). If this Supplementary Offering Circular is accessed electronically, it must be downloaded with the Offering Circular, each in their entirety, from the Westpac website. This Supplementary Offering Circular must not be given to any person, by any means (including in electronic form) unless:

- it is accompanied by a copy of the Offering Circular; or
- it is made available to a Holder of a Westpac Instalment on request by that Holder.

Copies of the Offering Circular must not be given to any person (including in electronic form) unless it is accompanied by a copy of this Supplementary Offering Circular.

## Announcements relating to taxation treatment

Following the announcement by the Federal Treasurer on 16 April 2003, in relation to the taxation treatment of “capital protected products”, further announcements were made on 30 May 2003 by the Minister for Revenue and Assistant Treasurer and the Australian Taxation Office concerning this matter.

In order to ensure that an up to date summary of the current taxation treatment of Westpac Instalments is set out in the Offering Circular, Westpac proposes to amend the Offering Circular as set out below.

# Amendments to the Offering Circular

*1. The section entitled “Taxation of Capital Protected Products” in Section 1 on page 9 of the Offering Circular is deleted and replaced with the following:*

## Taxation of Capital Protected Products

In relation to the tax consequences of investing in Westpac Instalments, you should be aware that the Federal Treasurer has announced that part of the interest paid by borrowers on “capital protected products” issued on or after 16 April 2003 will be treated as a capital protection fee and will not be allowed as an immediate tax deduction. Further details of this new approach were released by the Government and the ATO on 30 May 2003.

Under the “interim approach” announced by the Government, a methodology has been established to apportion the expense on capital protected products, including instalment warrants, between interest on the loan component and the cost of the capital protection component.

Westpac has separated the costs relating to the capital protection inherent in Westpac Instalments (see Section 3.6 (Cash Election Fee) for details). The costs are set out in the column headed ‘Cash Election Fee’ in the Summary Tables on pages 6 and 7. For Cash Applicants, the Cash Election Fee is part of the First Payment, while for Securityholder and Rollover Applicants you direct that the Cash Election Fee be deducted from the Loan Amount that is or may be payable to you. On this basis, Westpac believes that it has complied with the interim approach announced by the Government. Accordingly, Westpac expects that any deduction for the interest paid by Holders should not be affected by the proposed new rules. However, complete certainty on this matter will not be possible until the relevant amending legislation is enacted in due course. This issue is considered further in Section 4 (Taxation considerations).

*2. In paragraph 2 of the boxed text appearing at the commencement of Section 4 (Taxation Considerations) on page 21 delete “(26 May 2003)” and replace it with the following:*

as amended and supplemented by the Supplementary Offering Circular (27 June 2003)

*3. Section 4.1 (Proposed legislation) on pages 21 to 22 of the Offering Circular is deleted and replaced with the following:*

On 16 April 2003, the Commonwealth Treasurer announced in Press Release No. 19/2003 entitled “Taxation of Capital Protected Products” (the “**First Press Release**”), that tax law would be amended such that a portion of the overall funding costs paid by investors in respect of “capital protected products” would be treated as a cost of acquiring capital protection, and therefore would not be tax deductible (the “**deemed capital protection fee**”). These amendments will apply only to capital protected products entered into, including extensions of existing arrangements, after 9.30am Canberra time on 16 April 2003.

Further details of the new measures were announced on 30 May 2003 by the Minister for Revenue and Assistant Treasurer in her Press Release No. C046/03, also entitled “Taxation of Capital Protected Products” (the “**Second Press Release**”).

Under the “interim approach” set out in the Second Press Release, a methodology has been established to apportion the expense on a capital protected product between interest on the loan component and the cost of the capital protection component. Specific rules have been laid down for instalment warrants traded on the ASX.

In the case of a purchase of an instalment warrant in the primary market, the cost of the capital protection component is the amount that is paid for the put option. In the case of a purchase in the secondary market, if the market value of the underlying security at the time of purchase is greater than the loan amount, the amount attributed to the cost of the capital protection component is the price of the instalment warrant plus the loan amount less the sum of the market value of the underlying security and the interest prepaid on the newly acquired loan.

## Amendments to the Offering (continued)

Alternatively, if the market value of the underlying security at the time of purchase is less than the loan amount, the amount attributed to the cost of the capital protection component is the price of the instalment warrant plus the loan amount less the sum of the loan amount and the interest prepaid on the newly acquired loan.

Westpac has separated the costs relating to the capital protection inherent in Westpac Instalments (see Section 3.6 (Cash Election Fee) for details). The indicative costs are set out in the column headed 'Cash Election Fee' in the Summary Tables on pages 6 and 7. For Cash Applicants, the Cash Election Fee is part of the First Payment, while for Securityholder and Rollover Applicants, the Applicant directs that the Cash Election Fee be deducted from the Loan Amount that is or may be payable to the Applicant. The Cash Election will be regarded as a put option for tax purposes. On this basis, Westpac believes that in relation to the initial issue of Westpac Instalments it has complied with the interim approach announced by the Government as set out in the Second Press Release. Accordingly, it is reasonable to expect that any deduction for the interest paid by Holders should not be affected by the proposed new rules. However, complete certainty on this matter will not be possible until the relevant amending legislation is enacted in due course. The Government has not indicated when it expects such enactment to occur and no draft legislation has yet been released. Further, the Second Press Release states that the longer term methodology to be applied to capital protected products may be based on the interim approach or on a further (as yet unspecified) methodology.

It will be necessary for Holders to monitor developments in tax law and practice in order for Holders to be able to complete relevant tax returns in due course.

### ***4. Section 4.13 (Cash Election Exercise Notice) on page 27 of the Offering Circular, add the following at the end of the first paragraph:***

An on market purchaser should calculate such an amount by applying the interim guidance applicable to secondary market participants set out in the Second Press Release – refer to Section 3 above of this Supplementary Offering Circular.

---



All other information in the Offering Circular, including without limitation the Terms, remains unchanged and where relevant, applies to this Supplementary Offering Circular.

This Supplementary Offering Circular is issued for the purposes of the ASX Business Rules. It has not and will not be lodged with the Australian Securities and Investments Commission. ASX has not authorised or caused the issue of this Supplementary Offering Circular, and takes no responsibility for the contents of this Supplementary Offering Circular. Copies of the Offering Circular, accompanied by this Supplementary Offering Circular, may be obtained by contacting Westpac Banking Corporation on 1800 024 420.

The Supplementary Offering Circular is signed by Westpac Banking Corporation.

SIGNED on behalf of )

WESTPAC BANKING CORPORATION )

by  and  )

Stephen Eakin )  
Peter Hill )

Head of Structured Products )  
Senior Manager – Legal )

as its attorneys under a Power of Attorney )

dated 19 July 1991 )

(who by signing this document warrant that )

at the time of signing they have no notice )

of the revocation of such Power of Attorney) )

in the presence of: )



Michael Igla

Witness



# Contents

1. Introduction	1
2. How to apply	10
3. Description of Westpac Instalments	13
4. Taxation considerations	21
5. General information relating to Westpac Instalment	29
6. Risk factors	34
7. Summary of Terms of Issue	38
8. Form of Loan Agreement	45
9. Information about Westpac	48
10. Interpretation	56
11. Completion Payment Notice	61
12. Cash Election Exercise Notice	63
Application Forms	65
Directory	

## IMPORTANT

Rollover Applications must be received by Westpac no later than 5:00 pm Sydney time on 12 June 2003, this date being the Completion Payment Date for the Prior Series Westpac Instalments.

Cash Applications and Securityholder Applications must be received no later than 5.00pm Sydney time on 10 March 2004.

Holders issued Westpac Instalments prior to the anticipated Admission to Trading Status on 28 May 2003 will not be able to trade their Westpac Instalments on the ASX prior to that time. Holders wishing to trade prior to Admission to Trading Status should contact Westpac by calling 1800 024 420.

This is an Offering Circular for the purposes of Australian Stock Exchange Limited Business Rules and is dated 26 May 2003.

## TIMETABLE

Offer Period Commences	26 May 2003
Admission to Trading Status (Anticipated)	28 May 2003
Offer Period Ends	10 March 2004
Completion Payment Date	25 May 2005

Note: The Offer Period will continue past the ASX listing date.

**Issuer** Westpac Banking Corporation ABN 33 007 457 141

**Broker to the issue** Westpac Securities Limited (trading as Westpac Broking) ABN 39 087 924 221

**Registrar** Computershare Investor Services Pty Limited ABN 48 078 279 277

**Security Trustee** Perpetual Trustee Company Limited ABN 42 000 001 007

## INVITATION TO APPLY FOR WESTPAC INSTALMENTS

Westpac Banking Corporation invites investors to apply for Westpac Instalments offered under this Offering Circular.

Copies of this Offering Circular, and the Terms of Issue are available on-line at the Structured Investments page at the Westpac website, [www.westpac.com.au/structuredinvestments](http://www.westpac.com.au/structuredinvestments).

Copies of this Offering Circular are also available on the ASX website. A paper copy will be provided free of charge on request. Paper copies can be obtained by calling Westpac on 1800 024 420.

# Section 1: Introduction

## Why should I invest in the sharemarket?

### *Capital growth*

If you are interested in growing your savings then you should consider investing in shares or units. Australian shares and units generally have a proven track record over the long term of strong capital growth through rising share and unit prices. Westpac Instalments enable you to diversify your securities portfolio by gaining exposure to a range of Australian shares and units. This can be achieved by purchasing Westpac Instalments over a number of underlying shares or units.

### *Growing franked income*

Australian shares and units also offer you income through the payment of dividends and distributions respectively. Often these dividends and distributions carry franking credits which entitle the holder, subject to their circumstances, to receive a tax credit.

### *Leveraging to invest in the sharemarket*

Leveraging to invest in the sharemarket enables you to gain a greater exposure to the sharemarket for a smaller initial outlay. Westpac Instalments are a leveraged investment. This leveraged exposure means you will have the potential to enjoy greater capital gains and/or income relative to the initial amount invested.

It also allows you greater access to income and franking credits for the cash sum outlaid. And depending on your personal circumstances, you may be able to get a tax deduction for the interest.

Westpac Instalments enable you to easily access these benefits.

Westpac is offering two types of Westpac Instalments under this Offering Circular:

- Westpac Standard Instalments where the amount of the loan is approximately 50 to 70 percent of the value of the underlying share at the start of the Offer Period; and
- Westpac High Yield Instalments where the amount of the loan is approximately 70 percent or more of the value of the underlying share or unit at the start of the Offer Period.

## What Securities are available through Westpac Instalments?

To create a diversified investment portfolio, select one or more of the well known Australian companies or unit trusts that you wish to invest in.

You can invest in either Standard or High Yield Westpac Instalments as set out on the next page.

The Listed Entities that have issued the Securities underlying each Series of Westpac Instalments are subject to the continuous and periodic disclosure obligations for listed entities set out under the ASX Listing Rules and the Corporations Act (see Section 5.10 (Information about the Listed Entities and their Securities) below). Public information about the Listed Entities is provided by ASX which is accessible through its website ([www.asx.com.au](http://www.asx.com.au)) or through the websites of the Listed Entities.

To obtain more information about these entities consult with your financial adviser.

## What are Westpac Instalments?

Westpac Instalments are investment packages with built-in loans that enable you to buy shares in listed companies or units in listed trusts by making two payments over time.

Westpac Instalments enable you to effectively put money down on a Series of shares or units while Westpac provides the rest under a Loan. Westpac will then buy the shares or units on your behalf and transfer the legal title to the Security Trustee to be held on a Separate Trust for you. Alternatively, if you are already an owner of shares or units of a particular Series you may be able to apply them towards a Westpac Instalment. You can also rollover Prior Series Westpac Instalments that you currently hold in relation to such shares or units.

You have no obligations to repay the Loan, but if you do not you will surrender your shares or units to Westpac (but see Section 3.4 (The Loan) for further details). You have the right to pay off the Loan by making the Completion Payment to gain full ownership of the shares or units.

# Section 1: Introduction (continued)

Listed Entity	Instalment Series		Website
	Standard	High Yield	
AMP Limited (AMP)	AMPIWE	AMPIWF	www.amp.com.au
Australia and New Zealand Banking Group Limited (ANZ)	ANZIWE	ANZIWF	www.anz.com.au
BHP Billiton Limited (BHP)	BHPIWE	BHPIWF	www.bhpbilliton.com
Brambles Industries Limited		BILIWF	www.brambles.com.au
Commonwealth Bank of Australia (CBA)	CBAIWE	CBAIWF	www.commbank.com.au
Coles Myer Ltd (CML)	CMLIWE	CMLIWF	www.corporate.colesmyer.com
Foster's Group Limited (FGL)	FGLIWE	FGLIWF	www.fosters.com.au
Fairfax (John) Holdings Limited (FXJ)	FXJIWE	FXJIWF	www.fxj.com.au
Harvey Norman Holdings Limited (HVN)		HVNIWF	www.harveynorman.com.au
Lend Lease Corporation Limited (LLC)	LLCIWE	LLCIWF	www.maynegroup.com
Macquarie Bank Limited (MBL)	MBLIWE	MBLIWF	www.macquarie.com.au
Macquarie Infrastructure Group (MIG)		MIGIWF	www.macquarie.com.au/au/mig
National Australia Bank Limited (NAB)	NABIWE	NABIWF	www.national.com.au
News Corporation Limited (The) (NCP)	NCPIWE	NCPIWF	www.newscorp.com.au
Publishing & Broadcasting Limited (PBL)		PBLIWF	www.pbl.com.au
QANTAS Airways Limited (QAN)	QANIWE	QANIWF	www.qantas.com.au
Rio Tinto Limited (RIO)	RIOIWE	RIOIWF	www.riotinto.com
St George Bank Limited (SGB)		SGBIWF	www.stgeorge.com.au
StreetTRACKS S&P/ASX 200 Listed Property Fund (SLF)	SLFIWE		www.streettracks.com.au
Southcorp Limited (SRP)	SRPIWE	SRPIWF	www.southcorp.com.au
Suncorp-Metway Limited (SUN)		SUNIWF	www.suncorp.com.au
StreetTRACKS S&P/ASX 200 Fund (STW)	STWIWE		www.streettracks.com.au
Tabcorp Holdings Limited (TAH)	TAHIWE	TAHIWF	www.tabcorp.com.au
Telstra Corporation Limited (TLS)	TLSIWE	TLSIWF	www.telstra.com.au
Wesfarmers Limited (WES)	WESIWE		www.wesfarmers.com.au
Woolworths Limited (WOW)	WOWIWE	WOWIWF	www.woolworthslimited.com.au
Woodside Petroleum Limited (WPL)		WPLIWF	www.woodside.com.au
Westfield Holdings Limited (WSF)	WSFIWE	WSFIWF	www.westfield.com.au

In the meantime, you get the benefit of dividends and distributions, and, depending on your circumstances, franking credits from the entire portfolio. Certain special or abnormal dividends or distributions may, however, be applied to reduce the Completion Payment instead of being distributed to you.

There are two types of Westpac Instalments – Standard and High Yield. With Westpac Standard Instalments the amount of the Loan is 50 to 70 percent of the value of the underlying share at the start of the Offer Period. Westpac High Yield Instalments have a larger proportion of the acquisition of the underlying share or unit being funded by the Loan. For Westpac High Yield Instalments,

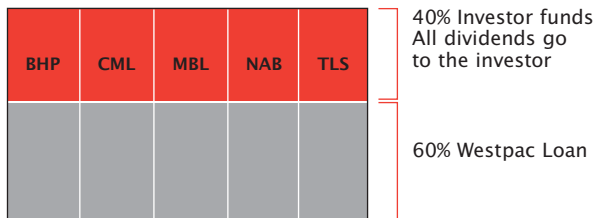
the amount of the Loan is approximately 70 percent or more of the value of the underlying share or unit at the start of the Offer Period. This means that Westpac High Yield Instalments:

- have a higher borrowing cost than other Westpac Standard Instalments;
- increase your ability to receive gains and income relative to your initial outlay if the underlying shares or units increase in value; and
- increase the risk that you may lose some or all of your investment if the underlying shares or units decrease in value or do not change in value during the period of your investment.

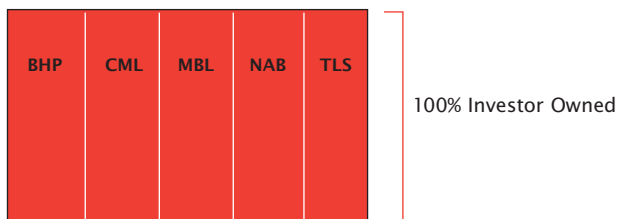
## Gain greater exposure to the sharemarket by using Westpac Instalments

For example, Westpac Standard Instalments.

### After the First Payment



### After the Second Payment



## Who should invest in Westpac Instalments?

The following people should consider investing in Westpac Instalments.

- People looking for growth and yield investments to fast track their savings.
- People who want a greater exposure to shares or units but don't wish to pay all the money upfront.
- People who are comfortable with some level of risk and understand that share and unit prices can fluctuate.
- People who want to access some of the value of their existing portfolio of shares or units in order to purchase additional investments. These people, Securityholder Applicants, can use their existing shares or units to acquire Westpac Instalments and receive a Loan. The amount of the Loan will be approximately 50 to 70 percent (with Westpac Standard Instalments) or 70 percent or more (with Westpac High Yield Instalments) of the value of their shares or units at the start of the Offer Period. The Loan Proceeds must be used for investments or business purposes, which may include the acquisition of additional Westpac Instalments.

The Security Trustee will hold the shares or units in a trust and Westpac will provide the Securityholder Applicant with:

- (i) one Westpac Instalment for each security held; and
- (ii) the Loan Proceeds (less the Interest Amount, Cash Election Fee and, where applicable, the Borrowing Fees) paid to you in cash.

If the Completion Payment is made, a Securityholder Applicant regains full legal ownership of their shares or units.

- People who want to rollover their Prior Series Westpac Instalments when they expire on 12 June 2003. However, the Prior Series Westpac Instalments must be rolled over into the same type of Westpac Instalment, that is Standard or High Yield, over the same underlying Security.

There are risks associated with both Westpac Standard Instalments and Westpac High Yield Instalments. Because of the increased leverage of Westpac High Yield Instalments they are for people who are comfortable with the risk of increased borrowing and understand that the greater borrowing costs and higher leverage increase the risk of the value of their Westpac High Yield Instalments fluctuating.

## Superannuation funds

Westpac Instalments are considered to be suitable investments for superannuation entities, such as self managed superannuation funds, other regulated superannuation funds, trustees of approved deposit funds and pooled superannuation trusts, **but only where acquired by way of Cash Application**. Superannuation entities are referred to Section 3.22 (Superannuation investments) regarding an investment by them in Westpac Instalments.

## How do Westpac Instalments work?

Westpac Instalments enable you to gain a greater exposure to the sharemarket by allowing you to purchase shares and units in two payments, one when you first invest in the Westpac Instalment and the final payment on or before the maturity date.

### *The term of a Westpac Instalment*

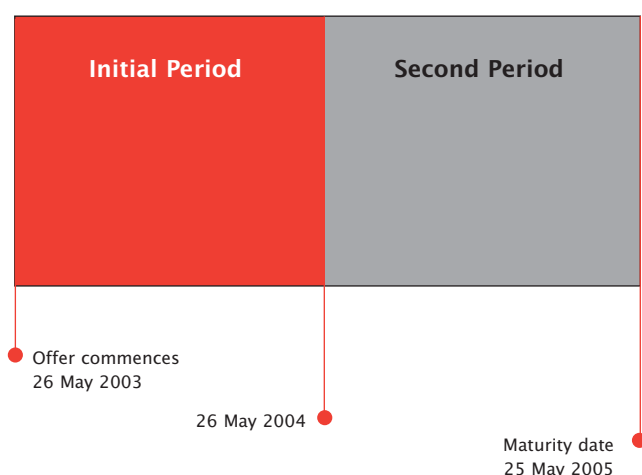
The term of a Westpac Instalment is divided into two periods – the Initial Period and Second Period.

# Section 1: Introduction (continued)

The Initial Period for each Holder commences when their Application is accepted and expires on 25 May 2004. Applications can be made from 26 May 2003 but it is anticipated that the first Westpac Instalment will be issued and admitted to trading status on the ASX on 28 May 2003. Applications will be able to be made until 10 March 2004.

While the Initial Period may vary in length from Holder to Holder depending on when an Application is accepted, the Second Period is fixed in duration and lasts for 12 months running from 26 May 2004 to 25 May 2005.

## Westpac Instalment Term



### The first payment

Cash Applicants must accompany their application with the First Payment. The First Payment amount will vary from day to day depending on the price of the Securities underlying the Westpac Instalment Series that you have selected. The First Payment amount will be fixed at the time of your investment and will include the interest for the Initial Period, the Cash Election Fee and, if applicable, any Borrowing Fees. (This is the price of the Westpac Instalment).

When you make the First Payment, Westpac will provide you with the balance of the cost of the Securities and purchase the Securities on your behalf. The Security Trustee will hold the Securities in trust for you pending Westpac's receipt of your Completion Payment.

If you are a Securityholder Applicant, you transfer your Securities to the Security Trustee so that they can be held as the Underlying Parcel. This satisfies your obligation to make a First Payment and you will receive the Loan Proceeds (less an amount equal to pre-paid interest for the Initial Period of your Loan, the Cash Election Fee and, if applicable, any Borrowing Fees).

If you are a Rollover Applicant, your Securities (in the Underlying Parcel for your Prior Series Westpac Instalments) will continue to be held by the Security Trustee. Rollover Applicants will not need to make the First Payment, but may receive a Rollover Cash-back or may need to make a Rollover Payment as described below under the heading "Rollover Applicants" in this Section.

### The Completion Payment

The amount of the Completion Payment is fixed for each Series of Westpac Instalments. These amounts are set out on the Summary Table on pages 6 and 7.

The Completion Payment is due on 25 May 2005 but may be made earlier. If you make the Completion Payment the Loan will be repaid, the Security Interest discharged and the Underlying Parcel will be transferred to you. If the Completion Payment is made in the Second Period, the Completion Payment will be an amount equal to the Loan Amount, including the Second Interest Amount which will be automatically drawn down under the Loan at the commencement of the Second Period. If the Completion Payment is made in the Initial Period, the Completion Payment will be an amount equal to the Loan Amount plus the Early Completion Payment Fee. The Early Completion Payment Fee will be charged by Westpac as a cost of discharging its Security Interest over the Underlying Parcel early and will be an amount equal to the Second Interest Amount.

You are not obliged to make the Completion Payment and if you decide not to you can:

- make the Cash Election and sell your Securities to Westpac for the greater of their market value or the Completion Payment and receive the proceeds (if any) after payment of the Completion Payment (see Section 3.14 (Exercising the Cash Election) for further details);

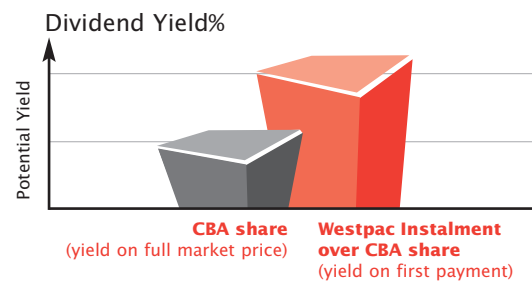
- do nothing on maturity of your Westpac Instalments and Westpac will sell the Securities in the Underlying Parcel and provide you either the proceeds (if any) after payment of the Completion Payment and process costs or, if higher, the Assessed Value Payment (see Section 3.3 (Making the Completion Payment) for further details);
- roll over into a new series of Westpac Instalments (if offered by Westpac at maturity and provided that you are not the trustee of a superannuation fund); or
- sell your Westpac Instalments on the ASX prior to maturity for their market value (your Loan from Westpac is repaid on transfer).

## What are the benefits of Westpac Instalments?

The principal benefits of applying for Westpac Instalments are:

- Gain greater exposure to more shares and units with less money upfront. Spread the cost of your investment for up to twenty four months, depending on when you invest, whilst benefiting from the tax consequences of negative gearing (if applicable).
- Receive greater dividend and distribution income and applicable franking credits than you would have been able to access with just your initial amount of money (subject to the cost of the Loan).
- Benefit from the convenience of a simple investment in shares and units that is easy to purchase with a built in loan.
- Forget the paperwork – no separate loan applications, no credit checks, no monthly loan repayments, no need to purchase shares or units separately. If sold on the ASX there will be brokerage fees payable but there are no brokerage fees payable on your initial application under the Offering Circular. Westpac Instalments are simple and easy to use.
- Secure an interest in the sharemarket by investing as little as \$2,000. Many other lending facilities require you to borrow large amounts of money to get started. Invest only as much as you are comfortable with.
- Limit your risk. Unlike margin lending products, there are no margin calls where you can be asked to make an unplanned payment at short notice. With Westpac Instalments, after the First Payment you are under no obligation to pay out any more money. If you want to receive delivery of your Securities you pay the amount agreed when you purchased the instalment. There are no surprises.
- Relish the freedom – you are not locked into any arrangement. If you don't want to own the Securities, sell your Westpac Instalments on the ASX or simply don't make your Completion Payment and Westpac will sell your Securities (see Section 3.3 (Making the Completion Payment) for further details). Provided that there has been sufficient growth in the price of the underlying security to cover interest amounts during the period you hold the Westpac Instalments (and any broker's fees) you are likely to receive your initial investment plus potential for capital gains assuming you hold to expiry on the Completion Payment Date.

### Gain a greater return on your initial investment using Westpac Instalments



(Note: the cost of the loan should also be considered)

## Summary Table

The following table gives you an idea of the First Payment and Completion Payment associated with the various Series of Westpac Instalments in respect of particular shares or units. The Completion Payment date for each of the Westpac Instalments is 25 May 2005.



# Section 1: Introduction (continued)

Underlying Listed Entity	ASX Code	Issue Size (Million)	Minimum Cash Applicants	Subscription Securityholder Applicants (Shares)	Indicative Share Price	Capital Component	Prepaid Interest (Initial Interest Amount)	Cash Election Fee
<b>Westpac Standard Instalments</b>								
AMP Limited	AMPIWE	10	\$2,000	1050	\$5.11	\$2.30	\$0.19	\$0.57
Australia and New Zealand Banking Group Limited	ANZIWE	10	\$2,000	200	\$18.46	\$7.22	\$0.76	\$0.53
BHP Billiton Limited	BHPIWE	10	\$2,000	400	\$8.61	\$2.99	\$0.38	\$0.46
Commonwealth Bank of Australia	CBAIWE	10	\$2,000	150	\$27.27	\$9.94	\$1.17	\$0.62
Coles Myer Ltd	CMLIWE	10	\$2,000	750	\$6.43	\$2.68	\$0.25	\$0.27
Foster's Group Limited	FGLIWE	10	\$2,000	800	\$4.32	\$1.74	\$0.17	\$0.21
Fairfax (John) Holdings Limited	FXJIWE	10	\$2,000	1100	\$2.90	\$1.03	\$0.13	\$0.21
Lend Lease Corporation Limited	LLCIWE	10	\$2,000	400	\$9.34	\$3.72	\$0.38	\$0.45
Macquarie Bank Limited	MBLIWE	10	\$2,000	150	\$26.68	\$11.69	\$1.01	\$0.87
National Australia Bank Limited	NABIWE	10	\$2,000	100	\$31.60	\$10.99	\$1.39	\$1.05
News Corporation Limited (The)	NCPIWE	10	\$2,000	450	\$11.63	\$5.07	\$0.44	\$0.82
QANTAS Airways Limited	QANIWE	10	\$2,000	1100	\$3.16	\$1.29	\$0.13	\$0.31
Rio Tinto Limited	RIOIWE	10	\$2,000	150	\$30.20	\$11.47	\$1.27	\$1.05
StreetTRACKS S&P/ASX Listed Property Fund	SLFIWE	10	\$2,000	300	\$15.34	\$5.97	\$0.63	\$0.40
Southcorp Limited	SRPIWE	10	\$2,000	1100	\$2.88	\$1.01	\$0.13	\$0.27
StreetTRACKS S&P/ASX 200 Fund	STWIWE	10	\$2,000	150	\$30.08	\$10.41	\$1.33	\$0.80
Tabcorp Holdings Limited	TAHIWE	10	\$2,000	450	\$10.70	\$4.61	\$0.41	\$0.39
Telstra Corporation Limited	TLSIWE	10	\$2,000	900	\$4.28	\$1.94	\$0.16	\$0.18
Wesfarmers Limited	WESIWE	10	\$2,000	150	\$23.90	\$8.44	\$1.04	\$1.43
Woolworths Limited	WOWIWE	10	\$2,000	300	\$12.91	\$5.42	\$0.51	\$0.36
Westfield Holdings Limited	WSFIWE	10	\$2,000	300	\$14.60	\$6.17	\$0.57	\$0.52
<b>Westpac High Yield Instalments</b>								
AMP Limited	AMPIWF	10	\$2,000	500	\$5.07	\$0.85	\$0.28	\$1.02
Australia and New Zealand Banking Group Limited	ANZIWF	10	\$2,000	150	\$18.46	\$4.41	\$0.95	\$1.19
BHP Billiton Limited	BHPIWF	10	\$2,000	450	\$8.61	\$2.05	\$0.44	\$0.73
Brambles Industries Limited	BILIWF	10	\$2,000	750	\$5.08	\$1.10	\$0.27	\$0.68
Commonwealth Bank of Australia	CBAIWF	10	\$2,000	100	\$27.27	\$6.66	\$1.39	\$1.83
Coles Myer Ltd	CMLIWF	10	\$2,000	600	\$6.43	\$1.51	\$0.33	\$0.51
Foster's Group Limited	FGLIWF	10	\$2,000	600	\$4.32	\$0.81	\$0.24	\$0.47
Fairfax (John) Holdings Limited	FXJIWF	10	\$2,000	900	\$2.90	\$0.56	\$0.16	\$0.40
Harvey Norman Holdings Limited	HVNIWF	10	\$2,000	1100	\$2.36	\$0.49	\$0.13	\$0.34
Lend Lease Corporation Limited	LLCIWF	10	\$2,000	300	\$9.34	\$2.31	\$0.47	\$0.78
Macquarie Bank Limited	MBLIWF	10	\$2,000	100	\$26.68	\$6.07	\$1.39	\$2.44
Macquarie Infrastructure Group	MIGIWF	10	\$2,000	900	\$3.33	\$0.99	\$0.16	\$0.22
National Australia Bank Limited	NABIWF	10	\$2,000	100	\$31.60	\$7.71	\$1.61	\$2.11
News Corporation Limited (The)	NCPIWF	10	\$2,000	300	\$11.63	\$2.26	\$0.63	\$1.98
Publishing & Broadcasting Limited	PBLIWF	10	\$2,000	300	\$8.98	\$1.95	\$0.47	\$0.76
QANTAS Airways Limited	QANIWF	10	\$2,000	900	\$3.16	\$0.82	\$0.16	\$0.52
Rio Tinto Limited	RIOIWF	10	\$2,000	100	\$30.20	\$6.78	\$1.58	\$2.54
St George Bank Limited	SGBIWF	10	\$2,000	150	\$20.36	\$5.37	\$1.01	\$1.01
Southcorp Limited	SRPIWF	10	\$2,000	900	\$2.88	\$0.54	\$0.16	\$0.48
Suncorp-Metway Limited	SUNIWF	10	\$2,000	300	\$10.95	\$2.29	\$0.58	\$1.17
Tabcorp Holdings Limited	TAHIWF	10	\$2,000	300	\$10.70	\$2.27	\$0.57	\$0.94
Telstra Corporation Limited	TLSIWF	10	\$2,000	900	\$4.28	\$1.00	\$0.22	\$0.35
Woolworths Limited	WOWIWF	10	\$2,000	300	\$12.91	\$3.07	\$0.66	\$0.85
Woodside Petroleum Limited	WPLIWF	10	\$2,000	300	\$11.45	\$2.08	\$0.63	\$1.18
Westfield Holdings Limited	WSFIWF	10	\$2,000	200	\$14.60	\$3.36	\$0.76	\$1.05

Total First Payment (Westpac Instalment Price)	Second Interest Amount	Principal Loan Amount	Loan Amount (Completion Payment)	Indicative Securityholder Investment Amount
\$3.06	\$0.19	\$2.81	\$3.00	\$2.05
\$8.51	\$0.76	\$11.24	\$12.00	\$9.95
\$3.83	\$0.38	\$5.62	\$6.00	\$4.78
\$11.73	\$1.17	\$17.33	\$18.50	\$15.54
\$3.21	\$0.25	\$3.75	\$4.00	\$3.22
\$2.13	\$0.17	\$2.58	\$2.75	\$2.19
\$1.36	\$0.13	\$1.87	\$2.00	\$1.54
\$4.55	\$0.38	\$5.62	\$6.00	\$4.79
\$13.57	\$1.01	\$14.99	\$16.00	\$13.11
\$13.43	\$1.39	\$20.61	\$22.00	\$18.17
\$6.34	\$0.44	\$6.56	\$7.00	\$5.29
\$1.72	\$0.13	\$1.87	\$2.00	\$1.44
\$13.78	\$1.27	\$18.73	\$20.00	\$16.42
\$7.01	\$0.63	\$9.37	\$10.00	\$8.33
\$1.40	\$0.13	\$1.87	\$2.00	\$1.48
\$12.54	\$1.33	\$19.67	\$21.00	\$17.54
\$5.41	\$0.41	\$6.09	\$6.50	\$5.29
\$2.28	\$0.16	\$2.34	\$2.50	\$2.00
\$10.92	\$1.04	\$15.46	\$16.50	\$12.98
\$6.28	\$0.51	\$7.49	\$8.00	\$6.63
\$7.26	\$0.57	\$8.43	\$9.00	\$7.34
\$2.16	\$0.28	\$4.22	\$4.50	\$2.91
\$6.55	\$0.95	\$14.05	\$15.00	\$11.91
\$3.23	\$0.44	\$6.56	\$7.00	\$5.38
\$2.05	\$0.27	\$3.98	\$4.25	\$3.03
\$9.88	\$1.39	\$20.61	\$22.00	\$17.39
\$2.35	\$0.33	\$4.92	\$5.25	\$4.08
\$1.51	\$0.24	\$3.51	\$3.75	\$2.81
\$1.12	\$0.16	\$2.34	\$2.50	\$1.78
\$0.95	\$0.13	\$1.87	\$2.00	\$1.41
\$3.57	\$0.47	\$7.03	\$7.50	\$5.77
\$9.90	\$1.39	\$20.61	\$22.00	\$16.78
\$1.37	\$0.16	\$2.34	\$2.50	\$1.96
\$11.44	\$1.61	\$23.89	\$25.50	\$20.16
\$4.88	\$0.63	\$9.37	\$10.00	\$6.75
\$3.19	\$0.47	\$7.03	\$7.50	\$5.79
\$1.50	\$0.16	\$2.34	\$2.50	\$1.66
\$10.90	\$1.58	\$23.42	\$25.00	\$19.30
\$7.39	\$1.01	\$14.99	\$16.00	\$12.97
\$1.18	\$0.16	\$2.34	\$2.50	\$1.70
\$4.04	\$0.59	\$8.66	\$9.25	\$6.91
\$3.78	\$0.57	\$8.43	\$9.00	\$6.92
\$1.57	\$0.22	\$3.28	\$3.50	\$2.71
\$4.59	\$0.66	\$9.84	\$10.50	\$8.32
\$3.90	\$0.63	\$9.37	\$10.00	\$7.55
\$5.17	\$0.76	\$11.24	\$12.00	\$9.43

## How do I invest in Westpac Instalments?

You can invest in Westpac Instalments by:

- applying for them through this Offering Circular, as either a Cash Applicant, or Securityholder Applicant, during the Offer Period (that is, the period up to 10 March 2004); or
- if you are an existing holder of the Prior Series Westpac Instalments, applying as a Rollover Applicant at anytime up to 5:00 pm on 12 June 2003; or
- purchasing Westpac Instalments on the ASX through your stockbroker or financial adviser.

**A trustee of a superannuation fund can only invest in Westpac Instalments as a Cash Applicant.**

## Investing through the Offering Circular

If you choose to invest in Westpac Instalments through this Offering Circular we recommend that you read this document carefully in order to gain an understanding of the product and the risks involved. Holding Westpac Instalments involves risks that are different from holding Securities directly. The risk factors are described in Section 6 (Risk Factors) below.

To help you determine whether this product is suitable for you, you may also wish to consult your stockbroker or financial adviser.

There are three Application Forms for both Westpac Standard Instalments and Westpac High Yield Instalments – one for Cash Applicants, one for Securityholder Applicants and one for Rollover Applicants. The Application Forms are found at the back of this Offering Circular. The application process and instructions on how to complete the appropriate form are clearly shown. Westpac will only consider Applications on the Application Forms attached at the back of this Offering Circular.

Section 2 (How to Apply) of this Offering Circular contains further information on how to apply for Westpac Instalments.

*Variables figures are shown in pink shaded columns and are INDICATIVE based on the assumed security prices outlined, an average interest of 6.75% per annum over the whole term and an issue date of 26 May 2003. The initial interest amount may vary depending on the unexpired portion of the Initial Period when you apply and the rate of interest when you apply.*



# Section 1: Introduction (continued)

## **Cash Applicants**

Cash Applicants can purchase Westpac Instalments by investing a minimum of \$2,000 for each Series of Westpac Instalments.

The number of Westpac Instalments you will obtain will equal the application amount divided by the First Payment amount per Westpac Instalment. The First Payment is based on the market value of the underlying Securities on the day you purchase the Westpac Instalment.

The amount of the First Payment (that is, the purchase price of the Westpac Instalment) will be fixed at the time of your application. Your approved financial adviser can fix the amount in advance by calling 1800 024 420. You can also obtain an indication of what your First Payment is likely to be at any time during the Offer Period by calling Westpac on this number. For confirmed Applications through an approved financial adviser, you will be given an application number which must be included on the Application Form. When applying through this Offering Circular the amount of your First Payment will be fixed upon receipt of your Application Form and cleared funds. You may pay by cheque, direct credit, BPAY or (if you are a Westpac account holder) direct debit.

## **Securityholder Applicants**

Securityholder Applicants may access some of the money tied up in their existing portfolio of Securities for investment or business purposes by using Westpac Instalments.

When Westpac Instalments are applied for, Securityholder Applicants transfer their Securities to the Security Trustee (as Westpac's nominee) in satisfaction of their obligation to make a First Payment. In return they receive Westpac Instalments and Loan Proceeds equal to approximately 50-70 percent for Westpac Standard Instalments and above 70 percent for Westpac High Yield Instalments of the indicative price of the Securities as identified in this Offering Circular less the Interest Amount, the Cash Election Fee and, where applicable, the Borrowing Fees (see the Summary Tables on pages 6 and 7 for approximate values).

The Loan Proceeds must be used for investment or business purposes, such as using it as a Reinvestment Amount and applying under your Application for additional Westpac Instalments in respect of any Series. The exact amount of the cash payment received under the Loan is advised at the time of the Application.

Only Securities over which Westpac issues Westpac Instalments may be used. (See the table on page 2 of this Offering Circular for the list of eligible Securities.) One Westpac Instalment will be issued for each Security transferred. Securityholder Applicants do not pay cash for their Westpac Instalments but must subscribe for a minimum number of Westpac Instalments per Series as shown in the Summary Tables on pages 6 and 7 of this Offering Circular. You will need to attach to your Application a copy of your holding statement for the relevant Securities.

If the Securityholder Applicant makes the Completion Payment they will regain full legal ownership of their Securities. If they choose not to make the Completion Payment then when the Westpac Instalments lapse, the Securities will be sold and after payment of the Completion Payment any proceeds will be returned (see Section 3.3 (Making the Completion Payment) for further details).

## **Westpac will not accept a Securityholder Application from a trustee of a superannuation fund.**

## **Rollover Applicants**

Existing holders of Prior Series Westpac Instalments may choose to rollover into a new series of Westpac Instalments in respect of the same underlying Security.

If the Prior Series Completion Payment is less than the Loan Amount (less the Interest Amount, the Cash Election Fee and, where applicable, the Borrowing Fees) of the new Series of Westpac Instalments, a Rollover Applicant will receive an additional cash payment (a **Rollover Cash-Back**) which they can use:

- as a Reinvestment Amount to acquire additional Westpac Instalments under their Application; or
- for other business or investment purposes.

If the Prior Series Completion Payment for the Prior Series Westpac Instalments is greater than the Loan Amount (less the Interest Amount, the Cash Election Fee and, where applicable, the Borrowing Fees) of the new Series of Westpac Instalments, then an Applicant can either:

- make a Rollover Payment (so that there is no shortfall) and roll their entire existing holding into the new Series of Westpac Instalments; or
- direct Westpac to terminate some of their existing holding and apply any proceeds from the sale of the Underlying Parcels (after repayment of the Prior Series Loans attaching to the Prior Series Westpac Instalments that are terminated) to make the Rollover Payment for the remaining Prior Series Westpac Instalments. Applicants who choose this option will end up with smaller number of the new Series Westpac Instalments than the number of Prior Series Westpac Instalments previously held.

Please note that if you choose to make a Rollover Application you will need to contact Westpac and lodge the completed Rollover Application Form (and, if necessary, any Rollover Payment that you wish to make) by 5.00 pm 12 June 2003.

**Westpac will not accept a Rollover Application from a trustee of a superannuation fund.**

#### *Lodging the Application Form*

You can lodge your Application Form with your stockbroker, financial adviser or forward it directly to Westpac at the address given in the Application Form. Westpac must receive Application Forms by 5.00 pm (Sydney time) on 10 March 2004.

Westpac reserves the right, in its absolute discretion, to not accept any Application. Westpac also reserves the right to close the invitation to apply for Westpac Instalments early.

## Purchasing Westpac Instalments on the ASX

Once Westpac Instalments are listed on the ASX (anticipated for 28 May 2003) you can invest in Westpac Instalments through your stockbroker or financial adviser. You are not restricted to a minimum investment amount and you can purchase Westpac Instalments at the quoted price (subject to brokerage costs).

Westpac will support a secondary market by offering to buy and sell Westpac Instalments on the ASX.

**For additional information on Westpac Instalments please call Westpac on 1800 024 420.**

## Taxation of Capital Protected Products

In relation to the tax consequences of investing in Westpac Instalments, you should be aware that the Federal Treasurer recently announced that part of the interest paid by borrowers on “capital protected products” issued on or after 16 April 2003 will be treated as a capital protection fee and will not be allowed as an immediate tax deduction. No details have been released as at the date of printing of this Offering Circular regarding the particular products which will be subject to these rules or the way in which the capital protection fee component of interest payments should be calculated.

Westpac has separated the costs relating to the capital protection inherent in Westpac Instalments (see Section 3.6 (Cash Election Fee) for details). The costs are set out under the column headed ‘Cash Election Fee’ in the Summary Tables on pages 6 and 7. For Cash Applicants, the Cash Election Fee is part of the First Payment, while for Securityholder and Rollover Applicants you direct that the Cash Election Fee be deducted from the Loan Amount that is or may be payable to you. On this basis, Westpac expects that any deduction for the interest paid by Holders should not be affected by these rules. However, it is still possible that the amendments proposed by the Treasurer could require a greater amount to be attributed to the capital protection provided by Westpac Instalments, which would reduce the amount of any tax deductions available in relation to interest paid by Holders. This issue is considered further in the Taxation Section of this Offering Circular.

## Section 2: How to apply

### 2.1 Applications

You can apply for Westpac Instalments as a Cash Applicant, a Securityholder Applicant or a Rollover Applicant by completing and lodging the relevant Application Form included in this Offering Circular. Please note, Westpac will not accept the lodgment of Applications prior to the opening of the Offer Period (ie 26 May 2003).

Applications may be lodged either:

- (a) via your ASX broker or approved financial adviser; or
- (b) with Westpac, at  
Westpac Instalments  
Structured Investments  
Westpac Banking Corporation  
PO Box A990  
SYDNEY SOUTH NSW 1234  
Australia

The requirements for applying as either a Cash Applicant, a Securityholder Applicant or a Rollover Applicant are set out below.

### 2.2 Cash Applications

As a Cash Applicant your First Payment will vary depending on the price of the Securities underlying your Westpac Instalments the amount of the Cash Election Fee and the Initial Interest Amount for the unexpired portion of the Initial Period.

Your approved financial adviser will be able to fix your First Payment by calling Westpac on 1800 024 420.

When applying directly to Westpac you will have a choice of four methods of payment:

- Cheque
- Direct Credit
- BPAY
- Direct Debit (available only if you hold a Westpac account)

Your actual First Payment will be determined by Westpac on receipt of your Application Form and cleared funds. If there is no Application Number on your Application Form, and you are paying by a method other than cheque, you will need to call Westpac on 1800 024 420 to obtain an application number. This enables Westpac to reconcile your payment to your Application Form.

You can also obtain an indicative First Payment amount by calling Westpac on the above number. (Note – unless your approved financial adviser fixes the payment, the amount advised may vary when you submit an Application.)

Further details on how to apply as a Cash Applicant are provided alongside your Application Form.

The number of Westpac Instalments in each Series that you can be allocated will be calculated by the total Application monies subscribed for that Series divided by the First Payment amount rounded down to the nearest whole Westpac Instalment. Any surplus Application monies, which will be less than one First Payment amount, will be donated to charity.

The Minimum Subscription amount for Cash Applications is \$2,000 for each Series.

### 2.3 Securityholder Applications

Securityholder Applicants must hold the relevant Securities (set out in the Summary Tables on pages 6 and 7) in the relevant Listed Entities and must transfer them to the Security Trustee. You will receive one Westpac Instalment for each Security transferred. You do not pay cash for Westpac Instalments but must subscribe for at least the minimum number of Westpac Instalments set out in the Summary Tables on pages 6 and 7.

You should refer to the Securityholder Application Form for further instructions on how to transfer your Securities to the Security Trustee.

The Capital Component of the variable First Payment will be met by transferring the Securities to the Security Trustee. You will receive a cash payment (the Securityholder Investment Amount) equal to the Principal Loan Amount less an amount (applied at your direction) equal to the sum of the Initial Interest Amount, the Cash Election Fee and, where applicable, the Borrowing Fees. You must use the Securityholder Investment Amount received for investment or business purposes and must provide a consumer credit declaration if you want to keep the cash payment. Alternatively, you may direct that it be applied as a Reinvestment Amount for further Westpac Instalments in respect of any Series.

Contact Westpac through your broker or approved financial adviser or by calling 1800 024 420 to obtain an indication of the amount you will receive, before submitting your Application. You should attach a copy of your holding statement for the relevant Securities to your Application Form to avoid delay in processing your Application.

APRA and ATO issued Guidelines on 16 December 2002 noting that they considered it was unlawful for superannuation fund trustees to apply for instalment warrants under a securityholder application. Westpac will not accept Securityholder Applications by superannuation fund trustees.

## 2.4 Rollover Applications

Investors who already hold Prior Series Westpac Instalments can elect to roll their existing holding into the equivalent new Series of Westpac Instalments in respect of the same underlying Security, ie:

- for Prior Series Westpac Standard Instalments, with the last three letters "IWA" in the Series ASX code, to Westpac Standard Instalments with the last three letters "IWE" in the Series ASX code; and
- for Prior Series Westpac High Yield Instalments, with the last three letters "IWB" in the Series ASX code, to Westpac Standard Instalments with the last three letters "IWF" in the Series ASX code.

Westpac will not accept Rollover Applications from superannuation fund trustees.

### *(a) Rollover Cash-Back*

Where the Loan Amount for the new Series (less the Interest Amount, the Cash Election Fee and, where applicable, the Borrowing Fees) is greater than the Prior Series Completion Payment, Westpac will make a cash payment (the Rollover Cash-Back) to you. The amount of the Rollover Cash-Back equals the difference.

You will have the choice of either receiving this payment for business or investment purposes (and must provide a consumer credit declaration) or using these funds as a Reinvestment Amount to acquire additional Westpac Instalments in respect of any Series under your Application.

### *(b) Rollover Payment*

Where the Loan Amount for the new Series (less the Interest Amount, the Cash Election Fee, and where applicable, the Borrowing Fees) is less than the Prior Series Completion Payment, you must either:

- (i) make a Rollover Payment to Westpac for the number of Prior Series Westpac Instalments to be rolled over so that there is no shortfall; or
- (ii) direct Westpac to terminate and sell sufficient Underlying Parcels of Prior Series Westpac Instalments so that the proceeds (after payment of the Prior Completion Payment) are sufficient to be applied as the Rollover Payment for the remainder of your Prior Series Westpac Instalments.

Rollover Applicants who are required to make a payment will have a choice of four methods of payment:

- Cheque
- Direct Credit
- BPAY
- Direct Debit (available only if you hold a Westpac account)

You will need to call Westpac directly, on 1800 024 420 to confirm the exact Rollover Cash-Back payable to you by Westpac or Rollover Payment payable by you to Westpac (if all the Prior Series Westpac Instalments are to be rolled over).

**Important: Please Note that ALL Rollover Applicants must lodge their completed Rollover Application Forms by 5.00 pm Sydney time, on 12 June 2003.**

## 2.5 Effect of signing and lodging an Application Form

By signing and lodging an Application Form:

- (a) you subscribe for Westpac Instalments;
- (b) you apply for a Loan from Westpac;
- (c) you appoint the Security Trustee, or its nominee:
  - (i) where you are a Cash Applicant or Securityholder Applicant, to hold on trust the Securities which are acquired for you or transferred by you (subject to any Security Interest); or
  - (ii) where you are a Rollover Applicant, to continue to hold your Securities on trust (subject to any Security Interest);

## Section 2: How to apply continued

- (d) you acknowledge that the Security Trustee may have granted a Security Interest to Westpac over each Underlying Parcel transferred to it, or which it continues to hold, by reason of the Application, and may deal with the Underlying Parcels as set out in the Terms of Issue; and
- (e) you appoint certain directors and employees of Westpac as your attorneys to sign the Loan Agreement and deal with your Securities on your behalf (and give those persons power to appoint a sub-attorney).

### 2.6 Acceptance of Applications

Acceptance of an Application occurs when you (by your attorney) and Westpac execute the Loan Agreement to enable Westpac to lend you the Loan Amount. The Security Trustee will also confirm to Westpac that it has become (or, for Rollover Applicants, remains) the registered holder of the Securities comprised in the Underlying Parcel and Westpac will then instruct the Registrar to register the issue of Westpac Instalments in your name.

The Loan Amount for each Series applied for will be the Principal Loan Amount and Second Interest Amount (drawn down at the beginning of the Second Period) as shown in the Summary Tables on pages 6 and 7, multiplied by the relevant number of Westpac Instalments.

Westpac will have a Security Interest over an Underlying Parcel acquired in the name of, transferred to, or held by the Security Trustee to secure the Loan Amount and other Secured Monies from time to time.

Each Underlying Parcel, subject to the Security Interest, will be held by the Security Trustee on a Separate Trust for you as the Holder of the relevant Westpac Instalment.

Westpac may reject any Application (and also accept Applications for less than the specified Minimum Subscription), in each case in its absolute discretion. If your Application is rejected, Westpac will return your Application monies to you.

Westpac will not accept Securityholder Applications or Rollover Applications from superannuation fund trustees.

### 2.7 What happens if my Application is accepted?

As soon as you have been registered as the Holder, the Registrar will send you a Holding Statement and confirmation regarding:

- the number of Westpac Instalments issued to you;
- the date upon which the Loan Agreement was entered into;
- the Principal Loan Amount and Second Interest Amount;
- the Completion Payment Date and Completion Payment;
- the amount of any cash payment you will receive if you are a Securityholder Applicant and how this was dealt with in accordance with your instructions; and
- any Rollover amount you may have paid or received if you were a Rollover Applicant and how this was dealt with in accordance with your instructions.

### 2.8 Further issues of Westpac Instalments

Westpac reserves the right to issue further Westpac Instalments without the Holders' consent, subject to making a further application to the ASX. The new Westpac Instalments may:

- form part of the Series of Westpac Instalments issued under this Offering Circular;
- be issued on terms identical to Westpac Instalments; and
- trade on the same basis under the same ASX code.

### 3. Description of Westpac Instalments

This is a brief description only. Your rights and obligations under the Westpac Instalments are governed by the Trust Deed and the Terms (together the **Terms of Issue**) and the general law. In case of any conflict, the Terms of Issue prevail.

#### 3.1 Brief overview of Westpac Instalments

##### (a) What is a Westpac Instalment?

Westpac Instalments provide a leveraged investment for:

- cash investors;
- securityholders in the Listed Entities over which Westpac Instalments are issued; and
- holders of Prior Series Westpac Instalments.

Cash investors purchase Securities in the Listed Entities by making an initial payment (the **First Payment**) and one subsequent payment (the **Completion Payment**). Securityholder Applicants receive in cash the Securityholder Investment Amount for approximately 50 to 70 percent (for Westpac Standard Instalments) or 70 percent or more (for Westpac High Yield Instalments) of the value of their Securities at the start of the Offer Period (less the Interest Amount, Cash Election Fee and, where applicable, the Borrowing Fees) and can reacquire legal title to those Securities by making the Completion Payment. Holders of Prior Series Westpac Instalments may make a Rollover Application to rollover their Prior Series Westpac Instalments into a new Series of Westpac Instalments as described under Section 2.4 (Rollover Applications) above.

As a Successful Applicant you will receive a Loan (see Section 3.4 (The Loan) for further details), and one Westpac Instalment for each Westpac Instalment for which you validly apply.

As a Holder you can choose to do one of the following:

- at any time up to the Completion Payment Date make the Completion Payment and receive full legal title to the Underlying Parcel;
- make the Cash Election and sell your Securities to Westpac at the Completion Payment Date for the greater of their Market Value or the Completion Payment and receive the proceeds (if any) after payment of the Completion Payment (see Section 3.14 (Exercising the Cash Election) below for further details);

- sell your Westpac Instalments on the ASX at any time up to the Completion Payment Date; or
- if offered, apply to rollover your Westpac Instalment into a future series of Westpac Instalments.

If you do nothing prior to 5.00 pm on the Completion Payment Date, Westpac will sell the Underlying Parcel (see Section 3.3 (Making the Completion Payment) for further details).

You are entitled to 100% of any Dividends and any franking credits attached to the Dividends, and where you make the Completion Payment, any profits or losses, on the Underlying Parcel during the term of the Westpac Instalment, but see Section 4 (Taxation considerations) for further details. Special Dividends may, however, be applied at Westpac's direction in accordance with the Order of Payment resulting in a reduction of the amount of the Completion Payment.

##### (b) Appointment of Security Trustee

You appoint the Security Trustee, or its nominee, to hold the legal title to each Underlying Parcel, as trustee subject to any Security Interest.

The Security Trustee, or its nominee, will act in accordance with the provisions of the Terms of Issue.

##### (c) Terms of Issue

The rights and obligations of Westpac, the Security Trustee and each Holder are set out in the following documents (being the Terms of Issue):

- (i) Westpac has executed the "Deed Poll – Warrant Terms" (the **Terms**). The Terms set out the rights, conditions and obligations of Westpac and you in respect of each Westpac Instalment and are enforceable by and against Westpac and you as the Holder of the Westpac Instalment. A summary of the Terms is set out in Section 7 (Summary of the Terms of Issue).
- (ii) The Security Trustee has executed the "Deed Poll – Declaration of Trust" (the **Trust Deed**) in respect of the Separate Trusts constituted over each Underlying Parcel. A summary of the Trust Deed is set out in Section 7 (Summary of the Terms of Issue).



### 3. Description of Westpac Instalments continued

The Terms of Issue also incorporate certain provisions of this Offering Circular and the Loan Agreement entered into by each Holder with Westpac. A sample form of Loan Agreement is set out in Section 8 (Form of Loan Agreement).

You should read the summary of the Terms and Trust Deed and the sample Loan Agreement fully before making any decision to invest in Westpac Instalments.

#### 3.2 Instalment payments

A Westpac Instalment enables the Holder to acquire an Underlying Parcel by making two payments to Westpac:

##### *(a) First Payment*

A First Payment made at Application in cash by Cash Applicants.

The First Payment consists of:

- the non-refundable variable Capital Component;
- the variable Initial Interest Amount, being interest until the Initial Period End at the then current interest rate, paid in advance on the Principal Loan Amount;
- the Cash Election Fee which is the cost of Westpac providing you with the right to require Westpac to purchase your Underlying Parcel at the Completion Date using the Cash Election; and
- the non-refundable Borrowing Fees (if any) which are variable amounts determined at the time of application.

Securityholder Applicants and Rollover Applicants will satisfy the requirement to make the First Payment in kind with the relevant number of Securities to the Security Trustee.

The Capital Component of the First Payment will be advised when a confirmation is sent to the Applicant. The Capital Component will be variable, and represents the balance (after deducting the Principal Loan Amount) of the market price of the Securities on Application.

##### *(b) Completion Payment*

A Completion Payment is payable (if you give a Completion Payment Notice) on or before 5.00 pm on the Completion Payment Date (**Closing Time**).

The Completion Payment is an amount equal to the Principal Loan Amount and Second Interest Amount. The Principal Loan Amount will be fixed at approximately 50 to 70 percent (for Westpac Standard Instalments) or 70 percent or more (for Westpac High Yield Instalments) of the value of the Underlying Parcel at the start of the Offer Period.

The Completion Payment is due on 25 May 2005 but may be made earlier. If made during the Initial Period, the Completion Payment will be an amount equal to, and will be applied towards, the Loan Amount plus an Early Completion Payment Fee. The Early Completion Payment Fee will be charged by Westpac as a cost of discharging its Security Interest over the Underlying Parcel early and will be an amount equal to the Second Interest Amount. If you make the Completion Payment the Loan will be repaid, the Security Interest discharged and the Underlying Parcel will be transferred to you.

#### 3.3 Making the Completion Payment

Westpac will send you a Reminder Notice prior to the Completion Payment Date.

You may give a Completion Payment Notice to Westpac and make the Completion Payment at any time before 5.00 pm on the Completion Payment Date (that is, the Closing Time). If you give a Completion Payment Notice within 10 Business Days of the Completion Payment Date the notice will be deemed to be given at the Closing Time. Once given, a Completion Payment Notice is irrevocable and you are obliged to make the Completion Payment in full.

If you give a Completion Payment Notice and make the Completion Payment in cleared funds (see Section 3.13(b)) (Effectiveness of a Completion Payment Notice) you will receive the Underlying Parcel for each Westpac Instalment from the Security Trustee within 20 Business Days of giving the Completion Payment Notice.

If you give a Completion Payment Notice but funds sufficient to make the Completion Payment do not clear by the 6th Business Days after the notice being given, Westpac may exercise its power of sale over the Underlying Parcel and you must pay Westpac any shortfall between the amount of the Completion Payment and the actual proceeds of sale received by Westpac as mortgagee.

If you do not give a Completion Payment Notice, then Westpac may sell the Underlying Parcel. If Westpac sells the Underlying Parcel in these circumstances, you will be paid an amount (if any) in accordance with the Order of Payment being, for approximate purposes, the net proceeds (if any) of the sale of the Underlying Parcel after the Secured Monies have been repaid. If the proceeds are not sufficient to repay the Secured Monies, Westpac cannot recover the shortfall from you.

Under the ASX Business Rules, the ASX has mandated that a certain minimum amount (called an Assessed Value Payment) should be payable to Holders where their Westpac Instalments expire unexercised in certain circumstances. Generally speaking, the amount that Westpac has agreed to pay Holders under the Terms of Issue will be greater than the Assessed Value Payment. However (so long as you have not given a Completion Payment Notice) if the Assessed Value Payment is greater than the amount that Westpac would otherwise pay you as described above, you will be paid the Assessed Value Payment. Where the Market Value of the Underlying Parcel is greater than the Completion Payment by an amount greater than 5% of the Completion Payment, the Assessed Value Payment is equal to 90% of that difference.

### 3.4 The Loan

The Principal Loan Amount for each Series is set out in the Summary Tables on pages 6 and 7.

The Principal Loan Amount for each Series is fixed for each period regardless of the date of Acceptance or the method of Application. New Loans to Transferees are fixed at the amount determined in the Loan Agreement.

Westpac will make a Loan to Successful Applicants and Transferees, on a limited recourse basis (unless you provide a Completion Payment Notice). Each Loan will be secured by a Security Interest over the relevant Underlying Parcel (which will be held by the Security Trustee).

The Loan has two interest components, the Initial Interest Amount and the Second Interest Amount (though the Second Interest Amount may not constitute interest only for Transferees during the Second Period (see Section 3.7(f)(ii) (Sale of Westpac Instalments) for further details).

The Initial Interest Amount will be pre-paid at the time of Application and relates to the Initial Period. The Second Interest Amount will be pre-paid out of an automatic drawdown under the Loan at the start of the Second Period – you do not have to do anything to effect the additional drawdown. The interest charged on the Loan is calculated on the Principal Loan Amount:

- in relation to the Initial Period, from the date of the Loan to the Initial Period End at a rate of interest fixed on the date of the Loan calculated on a daily basis (the Initial Interest Amount); and
- in relation to the Second Period, the rate of interest fixed on the date of the Offering Circular and the amount of interest is calculated on a daily basis from:
  - the commencement of the Second Period to the Completion Payment Date (in which case the Second Interest Amount will solely represent interest); or
  - in the case of Transferees after the commencement of the Second Period, from the date of the Transfer to the Completion Payment Date (see Section 3.7(f)(ii) for further details).

Loans to Cash Applicants will be applied to acquire the Underlying Parcels.

Securityholder Applicants will receive the entire Loan Proceeds (being the Principal Loan Amount) but Westpac will apply those proceeds first to pay the Initial Interest Amount, the Cash Election Fee and, if applicable, any Borrowing Fees. This is in accordance with your direction to Westpac under the Loan Agreement. The balance will be paid to you in cash as the Securityholder Investment Amount and must be used for business or other income earning purposes (note the comments in Section 4 (Taxation considerations) regarding the deductibility of interest incurred by Securityholder Applicants). You may choose to reinvest those funds as a Reinvestment Amount in additional Westpac Instalments.

Rollover Applicants will receive the entire Loan Proceeds (being the Principal Loan Amount) but Westpac will apply those proceeds in accordance with your directions under the Loan Agreement to first pay the Prior Series Completion Payment and second to pay the Initial Interest Amount, the Cash Election Fee and, if applicable, any Borrowing Fees. The balance, if any,



### 3. Description of Westpac Instalments continued

will be paid to you in cash as the Rollover Cash-Back and must be used for business or other income earning purposes (note the comments in Section 4 (Taxation considerations) regarding the deductibility of interest incurred by Rollover Applicants). You may choose to reinvest those funds as a Reinvestment Amount in additional Westpac Instalments.

As part of the process of trading a Westpac Instalment (see Section 3.5 (Sale of Westpac instalments) for further details), a new Loan will be made to the Transferee (in accordance with the directions of the Transferor and Transferee), and will be applied as follows:

- (a) a portion of the new Loan will be paid as interest in advance on the Principal Loan Amount for the unexpired portion of the then current Interest Period; and
- (b) the remainder of the new Loan will be used to repay the net amount owed to Westpac under the Transferor's Loan.

The Loan is repaid by:

- (a) you making the Completion Payment on the relevant Westpac Instalment; or
- (b) you selling the Underlying Parcel of the relevant Westpac Instalments to Westpac after you make a Cash Election; or
- (c) Westpac enforcing any Security Interest it has over the relevant Underlying Parcel.

Westpac's rights under each Loan are limited in recourse to the relevant Underlying Parcel, except where you have given a Completion Payment Notice.

#### 3.5 Borrowing Fees

You may be required to pay Borrowing Fees relevant to the particular Westpac Instalment. The Borrowing Fees relate to Westpac's cost of providing the Loan.

#### 3.6 Cash Election Fee

You will pay a Cash Election Fee in consideration for Westpac providing you with the right to require Westpac to purchase your Underlying Parcel at the Completion Date at the Cash Election Exercise Price.

#### 3.7 Sale of Westpac Instalments

Westpac Instalments have trading status on the ASX as warrants under the Warrant Rules contained in section 8 of the ASX Business Rules. This means that Westpac Instalments can be transferred on-market in accordance with the ASX Business Rules and the Terms of Issue. These transfers are done through your broker. No certificates are required for Westpac Instalments as they are traded under the CHESS system. Westpac will support a secondary market by offering to buy and sell Westpac Instalments on the ASX.

For each Transfer of a Westpac Instalment, the Beneficial Interest of the Holder in the Underlying Parcels will be transferred to the Transferee subject to any Security Interest. Under the Terms of Issue, Westpac irrevocably offers to each intending Transferee to enter into a new Loan Agreement with such person, commencing on the Transfer Date and with acceptance of such offer to be effected by the conduct of the Transferee taking all steps within its control which are necessary to effect the Transfer.

Under the Terms, each Transfer is made on the following basis:

- (a) A new Loan is provided to the Transferee on the Transfer Date in accordance with the Loan Agreement.
- (b) All payments made under the Loan Agreement as a result of the Transfer are effected without any cash payment and by netting as set out in the Loan Agreement.
- (c) The Transferor and Transferee expressly consent to the repayment of some or all of the Transferor's Loan out of moneys borrowed by the Transferee in accordance with the Loan Agreement.
- (d) The Transferor is entitled to a refund (an Interest Refund) from Westpac of:
  - (i) if the Transfer occurs during the Initial Period, a portion of the Initial Interest Amount being an amount equal to the amount of interest payable by the Transferee on the new Loan from the date of the Transfer to the Initial Period End; or
  - (ii) if the Transfer occurs during the Second Period, that portion of the Second Interest Amount attributable to the period from the date of the Transfer to the Completion Payment Date.

- (e) The Transferor authorises and directs Westpac to apply the Interest Refund towards repayment of the Loan owed by the Transferor to Westpac in connection with the relevant Westpac Instalment.
- (f) The Transferee draws down a Loan from Westpac (on the terms and conditions of the Loan Agreement) of:
  - (i) an amount equal to the Principal Loan Amount; plus
  - (ii) if the Transfer occurs in the Second Period, the Second Interest Amount of which a pro-rata amount is the interest payable for the unexpired period of the term and the remainder of which is an additional loan amount equal to the amount of the Interest Refund which is applied to partially reduce the Transferor's Loan.
- (g) The Transferee authorises and directs Westpac to apply the Loan Proceeds:
  - (i) first, as pre-paid interest on the Transferee's Loan from the Transfer Date to the end of the relevant Interest Period; and
  - (ii) second, in repaying the Transferor's Loan (after deducting the Interest Refund).

Following Transfer of a Westpac Instalment, the Transferee is otherwise subject to the same obligations in connection with the Westpac Instalment as applied to the Transferor immediately prior to the Transfer.

### 3.8 Stamp duty

This Section has been prepared by Allens Arthur Robinson, the Issuer's solicitors, as at 26 May 2003.

#### *No stamp duty*

No stamp duty will apply on the transfer of Securities in a Listed Entity or on the Transfer of a Westpac Instalment.

Westpac will pay or procure the payment of any stamp duty arising on the issue of Westpac Instalments (including any duty payable on an Application that involves a power of attorney or on the Loan Agreement or a Security Interest).

### 3.9 Form of holding

No certificates will be issued for Westpac Instalments. Westpac Instalments will be noted in the Register which will be maintained by the Registrar. You will receive a Holding Statement showing your holding of Westpac Instalments.

### 3.10 Entitlement to Dividends

Subject to relevant tax file number and closely held trust obligations, the Security Trustee is required, and may direct the Registrar, to pass on cash Dividends received on Underlying Parcels to Holders as soon as possible after receipt from the Listed Entities. The Security Trustee must provide information concerning any franking credit, dividend rebate or other tax benefit to the extent permitted by the Tax Act.

Where, however, a Listed Entity pays a Special Dividend, the cash amount of the Special Dividend will either be distributed to Holders or, if Westpac directs, the whole or part of the cash amount of the Special Dividend will be distributed in accordance with the Order of Payment, resulting in a reduction of the amount of the Completion Payment.

You cannot participate in reinvestment plans or other share plans of Listed Entities for Underlying Parcels in which you have a Beneficial Interest.

Other Accretions to Securities comprised in Underlying Parcels will not be distributed but will form part of the Underlying Parcel, subject to the Security Interest.

### 3.11 No voting rights

As a Holder of Westpac Instalments, you are not entitled to receive any annual reports or notices of meetings of the relevant Listed Entities or to attend or speak at any meeting of members (or class of members) of the Listed Entities.

Under the Terms of Issue, the Security Trustee must not cast any vote in respect of the Securities which make up an Underlying Parcel at any meeting of members (or class of members) of the Listed Entities either in its own right or on behalf of Holders, nor can a Holder vote in respect of the Securities.

### 3.12 Accelerated Completion Payment Date

Although Westpac Instalments offered by this Offering Circular expire on the Completion Payment Date specified in the Summary Tables located on pages 6 and 7, the Completion Payment Date may, at Westpac's discretion, be brought forward if there is an Extraordinary Event or in other circumstances permitted by the Terms.

### 3. Description of Westpac Instalments continued

An Extraordinary Event includes the Underlying Parcels being subjected to a buy-back offer, a takeover bid or scheme of arrangement, subject to a Demerger, or de-listed, withdrawn from admission to trading status or suspended. In these circumstances, Westpac may, with the consent of the ASX, fix an earlier Completion Payment Date and must announce it electronically or via ASX at least 10 Business Days before the Accelerated Completion Payment Date.

If the Completion Payment Date is brought forward so that it occurs during the Initial Period, Westpac will give you a refund of the pro-rata portion of the Initial Interest Amount less any costs incurred by reducing the Completion Payment by that amount. If the Completion Payment Date is brought forward and occurs during the Second Period, Westpac will give you a refund of the pro-rata portion of the Second Interest Amount less any costs incurred by reducing the Completion Payment by that amount.

The Early Completion Payment Fee is not part of a Completion Payment made on an Accelerated Completion Payment Date.

There is no refund of an Interest Amount if the Completion Payment is made early for any other reason.

#### 3.13 Completion Payment Notices

##### *(a) Giving a Completion Payment Notice*

You are not obliged to give a Completion Payment Notice. However, once given, a Completion Payment Notice is irrevocable and you must make the Completion Payment. If you wish to give a Completion Payment Notice and make the Completion Payment for Westpac Instalments, you must lodge with Westpac at any time up to 5.00 pm on the Completion Payment Date (that is, the Closing Time):

- (i) a Completion Payment Notice for the particular Westpac Instalments; and
- (ii) payment (by electronic funds transfer or cheque made payable to Westpac Banking Corporation) of the relevant Completion Payment amount.

If the Completion Payment Notice is given within 10 Business Days of the Completion Payment Date it will be deemed to be given at the Closing Time. Subject to the Completion Payment Notice being effective, the Underlying Parcel will be transferred to you within 20 Business Days of the notice being given.

##### *(b) Effectiveness of a Completion Payment Notice*

Where the Completion Payment Notice is duly completed and given by the Holder (see paragraph (d) below), the notice is effective on the 6th Business Day after the notice is given in respect of that number of Westpac Instalments the subject of the notice in respect of which the Completion Payment has been made and received in cleared funds.

The Loan is repaid and the Security Interest is discharged in respect of those Westpac Instalments in relation to which the Completion Payment Notice is effective.

Where the Completion Payment Notice is ineffective in respect of some or all of the Westpac Instalments the subject of the notice, any Security Interest will entitle Westpac to sell the Underlying Parcel (using its power of sale under the Security Interest) (see paragraph (c) below).

##### *(c) Sale of the Underlying Parcel*

If the amount of money supplied with a Completion Payment Notice is not cleared within the required time or is less than the total amount required, the Completion Payment Notice will be applied only to the number of Westpac Instalments for which the money actually received is sufficient. In relation to the balance of Westpac Instalments in respect of which the Completion Payment Notice is ineffective, a Security Interest will entitle Westpac to sell the Underlying Parcel. If the sale proceeds are less than the Completion Payment, you must pay the difference for the Westpac Instalments in respect of which the Completion Payment Notice was ineffective.

Westpac may also sell the Underlying Parcel if you have not given a Completion Payment Notice by the Completion Payment Date but you will not be liable for any shortfall (see Section 3.3 (Making the Completion Payment)).

##### *(d) Later registration as a Holder*

If a person who claims to be entitled to be registered as the Holder of Westpac Instalments gives a Completion Payment Notice before the Closing Time but is not at that time, that person must be registered as the Holder before the 6th Business Day after the Completion Payment Notice is given or the notice will be ineffective. This is to allow for persons who may be entitled to become Holders after the notice is given in accordance with ASX settlement procedures.

### 3.14 Exercising the Cash Election

The Holder may elect to require Westpac to purchase the Underlying Parcel for the Cash Election Exercise Price, by giving Westpac a Cash Election Exercise Notice by the Closing Time. This is the Cash Election. Once given, a Cash Election Exercise Notice is irrevocable.

By giving the Cash Election Exercise Notice, you direct the Security Trustee to transfer the Underlying Parcel to Westpac at the Completion Payment Date so that Westpac acquires the entire legal and beneficial right, title and interest in and to the Underlying Parcel for the Cash Election Exercise Price. The Cash Election Exercise Price will be the greater of the Completion Payment and the Market Value of the Underlying Parcel. The Market Value is determined using the Weighted Average Sale Price. The Cash Election Exercise Price to be paid to you is first applied to payment by you of the Completion Payment. The balance remaining (if any) is paid to you within 20 Business Days after the Completion Payment Date.

### 3.15 Adjustments and reconstructions

The number and/or class of Securities that make up an Underlying Parcel, and the amount of the Completion Payment, may both change in certain circumstances. Examples of such circumstances include where there is a bonus or rights issue, a cash return of capital involving a buy-back, a capital reconstruction or a call being made upon any of the Securities in an Underlying Parcel. Westpac may also reconstruct Westpac Instalments in such circumstances. To understand fully the circumstances in which the Underlying Parcel or the Completion Payment can change you should read the Terms of Issue.

### 3.16 What happens if the Security Trustee fails to deliver the Underlying Parcel?

If a Completion Payment Notice is given, and the Security Trustee fails to procure delivery of the Underlying Parcel to the Holder, Westpac must pay to that Holder an amount (calculated in accordance with the formula in the Terms of Issue) referable to the value of the Underlying Parcels not delivered as required by the Terms of Issue.

The Terms of Issue provide that the amount for each Westpac Instalment to be paid by Westpac in the above circumstances is equal to 1.1 times the Market Value of the Underlying Parcels, being the Weighted Average Sale Price of Securities on the ASX over a period of 5 Trading Days following the Completion Payment Date.

### 3.17 Securities lending

The Security Trustee is permitted to lend Underlying Parcels to Westpac Entities on the condition that the number of Underlying Parcels retained by the Security Trustee is, at all times, equal to or greater than the number of Westpac Instalments registered to Holders who are not Westpac Entities.

### 3.18 Westpac to establish and maintain Register

A register of Holders of each Series of Westpac Instalments will be established and maintained by the Registrar (see directory on the back cover) on behalf of Westpac. Westpac will pay the costs of the Register. The Register will be located at the Registrar's Sydney office and may be inspected by any Holder or any Holder's authorised representative, or any authorised representative of the Listed Entities, during normal business hours.

### 3.19 Placement fees

Westpac may at its discretion pay a placement fee to participating organisations of the ASX (including Westpac Broking) and other brokers and approved financial advisers whose stamp appears on the relevant Application Form.

### 3.20 Separate Trusts for each Underlying Parcel

The Security Trustee is required to hold each Underlying Parcel under a Separate Trust for the Holders of Westpac Instalments in accordance with the terms of the Trust Deed.

The performance by the Security Trustee of its obligations under the Trust Deed is not guaranteed by Westpac. The Trust Deed (which refers to the Terms) sets out the obligations of the Security Trustee and includes a range of provisions which limit its responsibilities and liabilities. The role of the Security Trustee and these limiting provisions are summarised in Section 7.1 (Significant provisions of the Trust Deed) of this Offering Circular.

## 3. Description of Westpac Instalments continued

### 3.21 Amendment of Terms of Issue

Westpac may adjust the Underlying Parcel or the amount of Completion Payment in accordance with the Terms of Issue to provide for the consequences of any Corporate Action taken by a Listed Entity. Westpac will announce any adjustment.

With the consent of the ASX and the Security Trustee, Westpac may, by supplemental deed, amend the Terms where necessary in the reasonable opinion of Westpac and the Security Trustee to comply with the law, rectify any technical effect, manifest error or ambiguity or to provide for the consequences of a Corporate Action (see Section 7.2(o) (Amendment of Terms)). Where the amendment is, in their opinion, materially prejudicial to the interest of Holders it must be approved by a resolution of Holders where 75% of the votes cast are in favour of the resolution (see Section 7.2(p) (Resolution Holders)).

The Trust Deed cannot be amended in a way that affects the material rights and obligations of Holders, their absolute entitlement to the Underlying Parcels or present entitlement to the income of the Separate Trusts without a resolution of Holders where 75% of the votes are in favour of the resolution (see Sections 7.1(j) (Amendment of Separate Trusts) and 7.2(p) (Resolution Holders)).

You may inspect the Trust Deed and the Terms at Westpac's offices at no charge. Copies of the Trust Deed and the Terms are also available at the Structured Investments page at Westpac's website, [www.westpac.com.au/structuredinvestments](http://www.westpac.com.au/structuredinvestments).

### 3.22 Superannuation investments

The Superannuation Industry (Supervision) Act 1993 (the **SIS Act**) sets out restrictions on entering into borrowing arrangements, the giving of charges and on the types of investments that can be made by superannuation entities such as self managed superannuation funds, other regulated superannuation funds, trustees of approved deposit funds and pooled superannuation trusts. The Australian Taxation Office (**ATO**) which is responsible for the supervision of self managed superannuation funds under the SIS Act and the Australian Prudential Regulation Authority (**APRA**) the supervisor of other regulated funds, issued joint guidelines on 16 December 2002 in relation to the investment in instalment warrants by superannuation entities.

The regulators noted that "Superannuation Circular II.D.4 – Borrowing by superannuation entities" outlines their interpretation of the borrowing rules under the SIS Act. It is noted in the Circular that instalment warrants may not constitute a prohibited borrowing under the SIS Act.

However, the regulators noted that they had recently formed the view that securityholder applications by superannuation entities did constitute the giving of a charge. The regulators also said that they will not take action against any such current warrant holders, provided that they dispose of their holding by 16 December 2003.

As a result of the APRA and ATO guidelines, Westpac will not accept Securityholder Applications or Rollover Applications from trustees of superannuation entities. In the case of Securityholder Applications, the regulators consider that such an application involves the giving of a prohibited charge. In the case of Rollover Applications, Westpac is concerned that the regulators will take the view that a Rollover Application is similar to a Securityholder Application and that the granting of the mortgage of the Underlying Parcel the subject of a Rollover Application will constitute the giving of a prohibited charge by the applicant.

Trustees of superannuation entities should have regard to their covenants under the SIS Act and ensure that they are familiar with the risks involved with instalment warrants and have in place adequate risk management procedures to manage the risks associated with instalment warrants prior to making such investments.

Trustees of superannuation entities need to carefully consider investments in Westpac Instalments prior to making an investment decision. Westpac Instalments should be considered as derivative instruments so trustees will need to consider how the investment will fit in with the trustee's investment strategy.

Irrespective of the views expressed by the ATO or APRA in respect of similar products, trustees of superannuation entities should seek their own advice as to whether Westpac Instalments are an appropriate and authorised investment for their fund.



## 4. Taxation considerations

This section, which has been provided by PricewaterhouseCoopers Securities Ltd, summarises the key Australian income tax and capital gains tax (“CGT”) implications for Holders of Westpac Instalments. It applies to individuals, including individuals acting in the capacity of trustee, who are Australian tax residents and who hold Westpac Instalments as investment assets on capital account for tax purposes. This opinion does not consider the situation of investors who are carrying on the business of trading in Westpac Instalments, or those who hold their Westpac Instalments on revenue account.

Whilst the following summary has been prepared as a guide for individual and trust investors generally, the tax implications of investing in Westpac Instalments will depend on each investor’s particular circumstances. This section has been prepared taking into account the taxation laws and Government and Australian Taxation Office (“ATO”) statements which are in force at the date of this Offering Circular (26 May 2003), and it is possible that these laws and ATO interpretations could change during the term of the Westpac Instalments. Furthermore, this opinion does not cover all possible dealings, such as takeover offers or capital reductions, that a Holder may have in relation to their Westpac Instalments or the Underlying Parcel. For these reasons, potential investors should seek independent tax advice in relation to their investment in Westpac Instalments.

Finally, this Section does not discuss the tax implications for Rollover Applicants which relate to their Prior Series Westpac Instalments. These investors should refer to tax information provided by Westpac in respect of their Prior Series Westpac Instalments, and should seek independent tax advice where appropriate.

### 4.1 Proposed legislation

On 16 April 2003, the Commonwealth Treasurer announced in Press Release No 19 / 2003 entitled “Taxation of Capital Protected Products” (the “**Press Release**”) that tax law would be amended such that a portion of the overall funding costs paid by investors in respect of “capital protected products” would be treated as a cost of acquiring capital protection, and therefore would not be tax deductible (the “**deemed capital protection fee**”). These amendments will apply only to capital protected products entered into, including extensions of existing arrangements, after 9.30am Canberra time on 16 April 2003.

The Press Release did not contain any detail with respect to which particular types of investments were capital protected products and subject to these new rules, although it noted that a typical feature of these investments was the use of a limited recourse loan. As such, although it is not yet certain, the measures may possibly apply to Westpac Instalments. No information was provided in the Press Release as to how taxpayers should calculate the deemed capital protection fee. No draft legislation to implement the measures has yet been released.

Discussions held with the ATO and the Commonwealth Treasury indicate that the proposed amendments are primarily aimed at capital protected products which do not in fact have a separate capital protection fee.

In particular, the Press Release was a direct result of the High Court’s refusal of special leave for the Commissioner of Taxation to appeal from the decision of the Full Federal Court in *Commissioner of Taxation v Firth* 2020 ATC 4346 (“**Firth**”). In that case, the Full Federal Court held that the full amount of interest paid by an investor on a limited recourse loan to acquire shares was tax deductible. That is, there was no actual or deemed capital protection fee which was regarded as non deductible.

By contrast, a Holder of a Westpac Instalment will pay a Cash Election Fee to acquire the right to exercise the Cash Election. The Cash Election Fee is clearly a capital protection fee and as discussed further below, will not be immediately deductible, but will be subject to the capital gains tax provisions of existing tax law.

Accordingly, because a Westpac Instalment already contains a capital protection fee, it is possible that the proposed legislation will have no impact.

Alternatively, any impact of the new legislation may be minimal given that Westpac has followed ATO practices (prior to the issue of the Press Release and the decision in *Firth*) as to how the overall funding cost on an instalment warrant should be split between interest and the Cash Election Fee.

In summary, given the Press Release, it is not yet possible to determine whether Westpac Instalments will or will not be within the scope of the proposed amendments. In the event that the new legislation does apply, it is also not possible to be definitive as to whether the level of the Cash Election Fee will be identical to any requirement in the legislation as to the quantum of a capital protection fee.

## 4. Taxation considerations continued

It will be necessary for Holders to monitor developments in tax law and practice in order for Holders to be able to complete relevant tax returns in due course.

### 4.2 Interest deductibility

Under Australian tax law, interest expenses may be an allowable deduction where the borrowed funds are used by an investor for the purpose of earning assessable income. Interest which is incurred on borrowings used for private or domestic purposes, or to generate tax-exempt income or merely capital gains, will not be allowed as a tax deduction.

The discussion below assumes that no part of the interest paid by Holders will be a deemed capital protection fee, given that Holders will in fact pay a Cash Election Fee for the right to exercise the Cash Election. As noted above, Holders will need to monitor developments in tax law to confirm whether the proposed legislation will have any impact on their tax position, including their entitlements to tax deductions for interest paid.

#### *Cash Applicants*

For Cash Applicants, the proceeds of the Loan advanced from Westpac to the Security Trustee are used to purchase the Underlying Parcel comprising securities which could be expected to generate assessable dividend income and trust distributions. On this basis, interest paid by Cash Applicants as part of the First Payment, and the Second Interest Amount credited to their Loan at the commencement of the Second Period, should be allowable deductions.

#### *Securityholder Applicants*

Upon transfer of the Underlying Parcel to the Security Trustee, Securityholder Applicants will receive the Loan Proceeds in cash, less an amount deducted by Westpac equal to the prepaid interest for the Initial Period of the Loan, the Cash Election Fee and any Borrowing Fee. Provided the Loan Proceeds are used in accordance with the terms of the Loan to produce assessable income (but not merely capital gains) or are employed in a business carried on for the purposes of producing assessable income, then a deduction should be allowable for interest paid by the Holder.

#### *Rollover Applicants*

The deductibility of interest paid by Rollover Applicants will depend on how they originally invested in the Prior Series Westpac Instalments, and whether any Rollover Cash-Back payments are made to these investors. Rollover Applicants who were cash applicants or on-market purchasers in respect of their Prior Series Westpac Instalments will be entitled to a deduction for interest paid, as the Loan finances the Prior Series Completion Payment, and is therefore being used to produce assessable income from the Underlying Parcel. However, where Rollover Applicants obtained their Prior Series Westpac Instalments by contributing shares, then the deductibility of interest paid depends on the use to which the loan funds previously advanced by Westpac are applied during the period of their investment in Westpac Instalments. Provided that, throughout the term of the Westpac Instalments, these borrowed funds are used to finance the ownership of income producing assets or are employed in a business which is carried on for the purposes of producing assessable income, then interest paid to Westpac should be an allowable deduction.

In addition, if an Applicant is entitled to receive a Rollover Cash-Back amount then the deductibility of interest relating to that portion of the Loan which is attributable to the amount of cash-back received will depend on those funds being invested in assessable-income producing assets (eg as a Reinvestment Amount) or in a business carried on for that same purpose. It should be noted that Rollover Applicants who make a Rollover Payment are not entitled to a deduction for the amount paid.

#### *On-market purchasers*

In respect of Transferees who purchase their Instalment Warrants on-market, the interest component of the Loan made to the Transferee should be an allowable deduction provided the Westpac Instalment is purchased for the purpose of earning assessable dividend and trust income from the Underlying Parcel. The tax deduction for interest may not however be allowed where a Transferee purchases a Westpac Instalment merely in an attempt to obtain this deduction and not for the purposes of generating assessable income. In particular, Transferees who purchase Westpac Instalments in the situation where there is some uncertainty as to whether the Completion Payment will be made should ensure that they can demonstrate that they did so with the objective of earning assessable dividend and trust income from the Underlying Parcel.

### 4.3 Timing rules for interest deductions

As a general rule, deductible interest which is paid by a Holder, including by way of being credited to their Loan account, may be claimed as a deduction in the year in which the payment or crediting occurs. However, depending on the Holder's particular characteristics, the deduction for interest which refers to the period of borrowing falling in the next income year may need to be deferred and claimed as a deduction in that subsequent year under the rules outlined below.

For individuals who do not incur the expenditure in the course of carrying on a business, and for small business taxpayers who participate in the Simplified Tax System ("STS") regime, prepaid interest may be claimed in full in the year of payment where the relevant period to which the interest relates is not longer than twelve months and ends in the year after the expenditure is incurred. In relation to interest paid for the Initial Period and for the Second Period, these requirements will be satisfied and as such for these Holders interest will be deductible in the year in which the relevant amount is paid or credited.

Notwithstanding the above comments, expenditure which is otherwise allowable as a deduction in the year it is incurred must be spread over the entire period of the investment if the "tax-shelter" rules apply.

The tax-shelter rules operate where the deductions allowable in relation to an arrangement exceed the assessable income derived, unless the arrangement falls within the scope of one of the listed exceptions. One of these exceptions excludes from the tax-shelter rules interest paid on funds used to purchase shares or units in widely-held unit trusts which are listed on an approved stock exchange, such as the ASX. There is some uncertainty as to whether instalment warrants generally, and Westpac Instalments in particular, fall within the scope of these rules. As a practical matter, the ATO is clearly of the view that these rules have prima facie application to instalment warrants.

Where a Holder acquires ASX-listed shares, or units in widely-held unit trusts, then the exception described above will apply and the Westpac Instalments should not be subject to the tax shelter rules. Similarly, although it is not without doubt, the exception should arguably apply where the Holder invests in stapled securities, such as units in the Macquarie Infrastructure Group. It should be noted that Securityholder Applicants

and Rollover Applicants who use a Loan to invest in other income-producing investments could potentially be subject to the tax shelter rules. These Holders should seek independent tax advice to determine whether the tax shelter rules could apply in their particular circumstances.

For Holders who are not STS taxpayers and who either (a) carry on a business or (b) are trusts, only so much of the prepaid interest expense that relates to the current income tax year (calculated on a daily pro-rata basis) may be claimed as a deduction in that year. The balance of the undeducted interest expense may be claimed in the following income tax year.

### 4.4 Reimbursement of prepaid interest

Where a Holder disposes of a Westpac Instalment prior to the Completion Date, the Holder may be entitled to a refund of prepaid interest. The tax treatment of an Interest Refund received by a Holder who sells their Westpac Instalments on the ASX depends on how the interest expense was originally treated under the prepayment rules.

Non-business individuals and STS taxpayers, who were entitled to claim the full amount of interest paid, should include the Interest Refund in their assessable income in the year in which the interest refund is received.

Other Holders (eg non-individuals and non-STS business taxpayers), who are only entitled to deduct interest as the expense accrues, would not by that time have claimed a deduction for any future interest relating to the period after the Westpac Instalment is sold. As the Interest Refund relates to this undeducted interest (the refund should in fact equal the amount of undeducted interest) then the Interest Refund should not be included in assessable income of such Holders.

Should the Completion Date be brought forward upon the occurrence of an Extraordinary Event, the pro-rata refund of interest received by the Holder will be assessable income for non-business individuals and STS taxpayers in the year in which the Completion Payment is made. Non-individual and non-STS business Holders, who are only entitled to deduct interest accruing up until the Extraordinary Event, will not be required to include the pro-rata interest refund in their assessable income.



## 4. Taxation considerations continued

### 4.5 Early Completion Payment

Should the Holder provide a Completion Payment Notice to Westpac prior to the Completion Date, then the Holder will not be entitled to a refund of prepaid interest and as such no amount is required to be included in assessable income. For non-business individual and STS Holders who were entitled to claim the full amount of prepaid interest as a deduction at the time of payment, no adjustment is required to their interest deduction. For other Holders who are required to spread the interest deduction, the balance of any undeducted interest (that will not be refunded) should be claimed as a deduction in the year in which the early Completion Payment is made.

If the Holder makes a Completion Payment prior to the commencement of the Second Period (except where an Extraordinary Event occurs) and becomes liable to pay the Early Completion Payment Fee, this amount may be claimed as a deduction in the year of payment as a cost of discharging the Security Interest over the Underlying Parcel.

### 4.6 Borrowing Fees

Borrowing fees paid in relation to borrowed funds used for the purpose of generating assessable income are deductible over the shorter of five years or the period of the loan. As such, Holders who acquire Westpac Instalments for the purpose of deriving assessable dividend or trust income will be entitled to a deduction for the Borrowing Fee, where applicable, apportioned on a daily basis over the period of the Westpac Instalments.

In the event that the Holder's Westpac Instalments are sold-on market, then the remaining balance of the Borrowing Fee which has yet to be claimed as a deduction may be claimed at that time.

### 4.7 Dividends and franking credits

Although the legal ownership of the Underlying Parcel rests with the Security Trustee for the period of the Loan, due to the nature of the trust arrangement under which these securities are held, dividends and attached franking credits are attributed to the Holder for tax purposes.

Where the Holder is a "qualified person" and receives a franked dividend, the Holder must include in assessable income, in addition to the cash amount of the dividend, a gross-up amount equal to the franking credits attaching to that dividend, and then claim a tax offset for the amount of the franking credit. This tax offset reduces the Holder's tax liability, and may give rise to a tax refund where the Holder's total franking credit tax offset exceeds the tax liability for the relevant year.

In order to be a "qualified person", a Holder must satisfy the 45-day holding period rule in relation to the share upon which the dividend is paid. There are two parts to this rule. The first part requires that the Holder must hold the shares "at risk" for at least 45 days during the period commencing on the day after those shares are acquired and ending on the 45th day after the shares become ex-dividend, excluding the days on which the share is purchased and sold. That is, taking into account any other "positions" (eg options) which the Holder holds, the Holder must not have materially diminished the risk of loss or opportunity for gain resulting from movements in the market price of the Underlying Parcel. The second part of the 45 day rule applies where the Holder is required to make a "related payment" to another person as a result of receiving the dividend. It requires that the Holder holds shares at risk for at least 45 days before and 45 days after the ex-dividend date. Unlike the first part of this test, which needs only be satisfied once in respect of the Underlying Parcel, the related payment aspect of the 45-day rule must be satisfied in respect of each dividend where a related payment is made.

The Cash Election option and the limited recourse nature of the Loan provided to Holders of Westpac Instalments should not of themselves result in a Holder being taken to have materially diminished risks of loss or gain in relation to a security in the Underlying Parcel. As such, Holders of Westpac Instalments should be entitled to the benefit of franking credits paid in relation to the Underlying Parcel (subject to satisfying the related payment rule where it applies). However, given the complexity of these rules, it is recommended that Holders who make any payments in relation to dividends received or who take any other "positions" in respect of the Underlying Parcel (such as, for example, writing/selling call options) should seek independent tax advice in relation to their eligibility to receive franking credits.

In any case, an individual Holder whose total franking credit tax offset entitlement during the year is less than \$5,000 will be treated as a “qualified person” under the small shareholder exemption. This exemption only applies in respect of the first part of the 45-day rule, and does not apply in relation to dividends where the individual Holder is required to make a related payment.

## 4.8 Trust distributions

A number of additional issues may arise for Holders who invest in Westpac Instalments so as to acquire, as the Underlying Parcel, investments in listed trusts including stapled securities. The distributions paid by these entities may include franked dividends and attached franking credits, foreign income, capital gains and tax deferred components.

Holders who receive franked dividends as part of their trust distributions will need to satisfy the 45-day rule outlined above in order to be entitled to the benefit of franking credit tax offsets. For CGT purposes, if the trust distributions also include tax-free or tax-deferred components, then the Holder may be required to reduce the cost base of the investment in the applicable Underlying Parcel and, if the tax-free or tax-deferred component exceeds the Holder’s cost base, a capital gain will be realised to the extent of the excess.

A full discussion of the tax issues for investors who receive these distributions is outside the scope of this summary. For further information regarding the tax implications of particular listed trust investments, investors should refer to materials provided by the trustee (including on the relevant website listed earlier in this Offering Circular) or seek independent tax advice.

## 4.9 Capital Gains Tax

The CGT provisions are triggered when a “CGT event” occurs in relation to an asset owned by a taxpayer which was acquired after 19 September 1985. Broadly, a taxpayer will derive a capital gain where the proceeds received as a result of that event exceed the taxpayer’s CGT cost base for the asset. A loss may be realised where the capital proceeds are less than the taxpayer’s cost base. Such a capital loss can be offset against capital gains in that year or can be carried forward for offsetting against capital gains in a later year. Capital losses are not available for deduction against ordinary income.

The general treatment of Westpac Instalments under the CGT provisions is to view the Holder as the owner of the Underlying Parcel, notwithstanding that legal title is in fact held by the Security Trustee (pending the receipt of the Completion Payment by Westpac). As a result of this treatment, the transfer of shares, listed trust units or stapled securities to the Security Trustee to form the Underlying Parcel (in the case of Securityholder Applicants), and the eventual transfer back to the Holder when the Completion Payment is made, are not CGT events, and do not give rise to capital gains or capital losses in respect of the Underlying Parcel.

Other dealings in the Westpac Instalments may however trigger CGT events which could give rise to capital gains or capital losses in respect of the Underlying Parcel. In this regard, where an individual Holder realises a capital gain, the Holder may be entitled to discount that gain by 50% provided the asset was held for at least 12 months prior to being sold. The ATO’s view is that the days on which the asset was purchased and sold are disregarded for the purposes of determining a Holder’s eligibility for the 50% CGT discount. In this regard, Holders who acquire their Westpac Instalments by way of application are taken to acquire the relevant Underlying Parcel on the date on which their application is accepted, ie the date upon which the Loan Agreement was entered into. On-market purchasers acquire their Underlying Parcel on the date on which the trade occurs. It should be noted that the transfer of the Underlying Parcel to the Holder on the Completion Date following the Completion Payment does not give rise to a CGT event and does not therefore restart the 12 month period.

Securityholder Applicants and Rollover Applicants who originally purchased their securities prior to 21 September 1999 may be eligible to index the cost base of their assets for movements in inflation occurring up until 30 September 1999. This indexation method of calculating capital gains may only be used as an alternative to (and not in conjunction with) the 50% CGT discount method.

As discussed below, the Cash Election Fee paid in respect of the Holder’s Westpac Instalments is also subject to the CGT regime.

## 4. Taxation considerations continued

### 4.10 CGT cost base of Underlying Parcel

#### *Cash Applicants*

The cost base of the Underlying Parcel for Cash Applicants includes the Capital Component of the First Payment, the Principal Loan Amount and any non-deductible incidental costs relating to the acquisition, eg legal fees. The Cash Election Fee, Initial Interest Amount and Second Period Interest, and any Borrowing Fee, are not generally included in the cost base of the Underlying Parcel. However, where the Holder provides a Cash Election Exercise Notice, then the Cash Election Fee will be included in the cost base of the Underlying Parcel.

#### *Securityholder Applicants*

The cost base of securities contributed by Securityholder Applicants includes the cost at which those shares, listed trust units or stapled securities were originally acquired and any non-deductible incidental costs. The Loan Amount advanced to these Holders does not affect the cost base of the Underlying Parcel, although it may be relevant to the cost base of other investment assets acquired using those funds.

#### *Rollover Applicants*

The starting point for calculating the cost base of the Underlying Parcel contributed by Rollover Applicants is to calculate the cost base of the shares that resulted from the investment in the Prior Series Westpac Instalments. Rollover Applicants are advised to consult the tax information provided in any applicable Prior Series offering circular (or equivalent document) for specific information. However, in general, it is expected that the cost base would include the capital component of the first payment made for the Prior Series Westpac Instalments plus the Prior Series Completion Payment (refinanced by Westpac) as well as any non-deductible incidental costs of acquiring the Underlying Parcel. Costs attributable to the Cash Election or to other rights under the Prior Series Westpac Instalments would not be included in the cost base of the Underlying Parcel.

No adjustment to cost base is required as a result of any Rollover Cash-Back or Rollover Payment made at the time, as this merely reflects the differential between the Prior Series Completion Payment and the Loan Amount.

Furthermore, where the applicant is required to make a Roll-over Payment and decides to dispose of part of their Prior Series Westpac Instalments in satisfaction of that obligation, the cost base of the remaining securities in the Underlying Parcel should not be adjusted. However, it is noted that such a disposal of part of the Prior Series Westpac Instalments may give rise to a capital gain if the value at which the relevant underlying shares are sold exceeds the Holder's cost base for those investments, or a capital loss if the cost base exceeds the market value. Rollover Applicants should refer to the Prior Series Offering Circular and seek independent tax advice where appropriate.

#### *On-market purchasers*

The cost base of an Underlying Parcel acquired by way of an on-market purchase of Westpac Instalments should include the amount paid on-market for the Westpac Instalment plus the Loan Amount (except to the extent that it relates to prepaid interest) less the amount paid which is attributable to the acquisition of Cash Election rights from the previous Holder.

### 4.11 On-market transfers

The disposal of a Westpac Instalment on the ASX will be treated as a disposal by the Holder of the Underlying Parcel and also the Cash Election rights secured by paying the Cash Election Fee.

The total capital proceeds received by the Holder for CGT purposes will equal the value received on-market for the Westpac Instalment plus the amount of the Loan which is repaid using funds borrowed by the Transferee (ie not including the part repayment attributable to the Interest Refund paid by Westpac).

These capital proceeds should then be allocated to the Underlying Parcel and the Cash Election rights.

### 4.12 Making the Completion Payment

As was noted above, since the Holder is taken to own the Underlying Parcel for CGT purposes, the transfer of legal title from the Security Trustee following the Completion Payment will not be a CGT event and no capital gain or capital loss will arise in relation to the Underlying Parcel at that point of time.

Should the Holder fail to submit either a Cash Election Exercise Notice or a Completion Payment Notice, the Underlying Parcel will be sold by Westpac and the proceeds used to repay the Loan, with any excess being distributed to the Holder. In the situation where the proceeds are less than the outstanding Loan, the ATO considers that the release from the obligation to repay the balance of a loan in such circumstances is in effect a recoupment of part of the costs of acquiring the share. Therefore the Holder's CGT cost base and any capital loss, should be reduced accordingly.

#### 4.13 Cash Election Exercise Notice

The Cash Election Fee paid by Holders relates to the benefit enjoyed by Holders under the Cash Election Exercise Notice of being able to sell their Underlying Parcel to Westpac at the Completion Date in full satisfaction of the Loan, even though the Market Value of those securities may be less than the outstanding amount. Although on-market purchasers do not pay the Cash Election Fee to Westpac, part of the cost of acquiring Westpac Instalments is related to acquiring the benefit enjoyed under the Cash Election Exercise Notice. For simplicity, this part of the on-market purchase cost, is referred to as the on-market purchaser's Cash Election Fee.

No immediate tax deduction will be allowed for the Cash Election Fee.

However, under the CGT rules in the *Income Tax Assessment Act 1997* the Cash Election rights received by paying the Cash Election Fee are treated as a put option for CGT purposes, and CGT implications will arise in the following circumstances:

- (a) If the Holder disposes of their Westpac Instalments on-market, a capital gain will be realised to the extent that the capital proceeds attributable to their Cash Election rights exceed the Cash Election Fee paid to Westpac or the previous Holder (in the case of Westpac Instalments that were acquired on-market). Alternatively, where there is a shortfall of the proceeds, a capital loss should arise.
- (b) Should the Holder make the Cash Election, the Cash Election Fee will be included in the cost base of the Underlying Parcel.

- (c) In circumstances where the Holder makes the Completion Payment and acquires the Underlying Parcel, or where the Holder does not submit either of the Cash Election Exercise Notice or Completion Payment Notice, the benefit of the Cash Election will lapse. In these circumstances, the Holder should realise a capital loss equal to the Cash Election Fee.

#### 4.14 Disclosure of Tax File Numbers and Australian Business Numbers

Although Australian resident investors are not required to disclose their Tax File Number ("*TFN*") or Australian Business Number, if one of these is not disclosed then PAYG withholding tax may be withheld from any dividends or distributions paid to the Holder at a rate of up to 48.5%. Any PAYG withholding tax deducted from the cash paid to the Holder may be claimed as a tax credit when the Holder's income tax return is lodged.

#### 4.15 Closely-held trusts

Where the Holder of Westpac Instalments is a trust, then the Security Trustee may be subject to reporting requirements under the closely held trust provisions in tax law. These rules ordinarily require the trustee investor to provide, in relation to each beneficiary, information (including TFN details) to the Security Trustee for the purpose of preparing an Ultimate Beneficiary Statement. However, the ATO has indicated in Practice Statement PS 2000/2 that it will not generally require trustees of "transparent trusts" and "secured purchase trusts", such as the Security Trust, to lodge these statements unless the trustee is specifically requested to do so. In the event of an actual or anticipated request from the ATO to provide an Ultimate Beneficiary Statement, Westpac may at its absolute discretion require the trustee investor to provide information in relation to the ultimate beneficiaries of the trust in order that the necessary details are available to the Security Trustee.

#### 4.16 Goods & Services Tax

No GST implications should arise for Holders who do not acquire their Westpac Instalments in the course of carrying on an enterprise. Other investors should seek independent advice in relation to the GST implications of their enterprise.

## 4. Taxation considerations continued

### 4.17 General anti-avoidance rule – Part IVA

The general anti-avoidance rule in Part IVA of the Tax Act can be applied by the Commissioner of Taxation to vary the income tax outcomes for a taxpayer who engages in a scheme with the sole or dominant purpose of gaining a “tax benefit”. A tax benefit can include the non-inclusion of income in the taxpayer’s assessable income, or the allowance of a deduction that would otherwise have not been obtained had the scheme not been undertaken. Where Holders of Westpac Instalments are motivated by the opportunities to generate assessable dividend and trust income and potentially capital gains, Part IVA should not generally apply to deny the interest deductions described above or to otherwise vary the Holder’s tax outcomes. However, as the application of Part IVA is essentially a question of fact based on each investor’s particular circumstances, potential investors should seek independent tax advice.

At present it cannot be determined how future changes to the law, including the proposed amendments to the taxation of capital protected products, could impact on investors covered by this taxation summary. Potential investors are advised to monitor the amendments relating to capital protected products and any other changes to income tax law and seek independent advice as required.

### 4.18 Tax reform

Australia’s taxation system has recently been the subject of significant and wide-ranging tax reform, including the recently-announced amendments to the taxation of capital protected products (discussed earlier in this Section) and also as a result of the Review of Business Taxation conducted in 1999. In particular, the Review of Business Taxation recommended that trusts should be taxed in a similar manner to companies, such that trusts would be liable to pay income tax on their taxable income (without any reduction for distributions of trust income) and would pay franked or unfranked distributions to beneficiaries. Legislation was introduced to this effect in 2000, and although it was later withdrawn in March 2001, the Government has indicated that the taxation of trusts is still under review. As such, it is possible that future legislation amending the taxation of trusts could impact on the tax treatment of various types of instalment warrants, although it is also possible that a bare trust arrangement, such as arises in the case of the Security Trust, could be excluded from the scope of any such reforms.



## 5. General information relating to Westpac Instalments

### 5.1 Market activities of Westpac

The Westpac Instalments will constitute direct unconditional obligations of Westpac.

Westpac reserves the right to buy back Westpac Instalments that have been issued. Westpac Instalments bought back will not be cancelled automatically but may be cancelled or resold by Westpac. Westpac Instalments may be issued after commencement of trading on the stock market of the ASX if the issue is not fully subscribed.

Brokers appointed by Westpac may apply for Westpac Instalments to facilitate market making activities that may be undertaken in relation to the Westpac Instalments. Those brokers will provide, as and when practicable, buy and sell quotations for Westpac Instalments on the ASX.

### 5.2 Admission to trading status on the ASX

Application has been made and approval given for each Series of Westpac Instalments offered by this Offering Circular to be admitted to trading status by the ASX. The fact that the ASX has admitted Westpac Instalments to trading status is not to be taken in any way as an indication of the merits of Westpac or of Westpac Instalments now offered for subscription. Admission to trading status of Westpac Instalments pursuant to this Offering Circular will commence as soon as practicable after the issue of Westpac Instalment notices to subscribers and is anticipated for 28 May 2003. The ASX does not warrant the accuracy or truth of the content of this Offering Circular including any expert's report which it may contain.

In admitting Westpac Instalments to trading status and not objecting to the Terms of Issue, the ASX has not authorised or caused the issue of this Offering Circular and is not in any way a party to or concerned in authorising or causing the issue of this Offering Circular or the making of offers or invitations with respect to Westpac Instalments. The ASX takes no responsibility for the contents of this Offering Circular. In particular, ASX has not formed a view as to whether this Offering Circular complies with the 'reasonable investor' standard of disclosure contained in Rule 8.7.5 of the ASX Business Rules. These matters are the sole responsibility of Westpac. The ASX makes no representation as to whether this Offering Circular and the Terms comply with the Corporations Act or the ASX Business Rules.

To the extent permitted by the Trade Practices Act or any other relevant law, the ASX will be under no liability for any claim whatsoever, including for any financial or consequential loss or damage suffered by Holders or any other person, where that claim arises wholly or substantially out of reliance on any information contained in this Offering Circular or any error in, or omission from, this Offering Circular.

### 5.3 Clearing House Electronic Sub-register System (CHES)

Westpac Instalments will be CHES Approved Securities in accordance with the ASX Business Rules and the ASTC Operating Rules. Westpac will maintain an electronic Issuer Sponsored Subregister on CHES together with an electronic CHES Sub-register. These two subregisters will constitute Westpac's principal register of Holders.

Under CHES, on issue of Westpac Instalments, Holders will be provided with a Holding Statement (similar to a bank statement) which sets out the number of Westpac Instalments issued (or, subsequently, transferred) to each Holder. Holders will not be issued with a certificate. The Holding Statement will also contain the Holder Identification Number (HIN) of each Holder, in the case of a CHES holding, or the Shareholder Reference Number (SRN), in the case of an Issuer Sponsored Holding. Westpac will provide Holders with a Holding Statement after the end of any month during which there has been a change in the balance of the holding.

To hold Westpac Instalments on the CHES Sub-register, an applicant will need to be either a participant in CHES or be sponsored by a participant in CHES. Westpac Instalments held by other applicants will be entered on the Issuer Sponsored Sub-register.

Owing to the electronic nature of the CHES environment, ownership of Westpac Instalments can be transferred without paper documentation.

The Australian Securities and Investments Commission (ASIC) has issued a declaration under section 1075A(1) of the Corporations Act the effect of which is to apply Division 4 of Part 7.11 of the Corporations Regulations (dealing with the transfer of Division 4 financial products) and Part 7.11 of the Corporations Act (dealing with the title and transfer of securities) to each Series of Westpac Instalments.

## 5. General information relating to Westpac Instalments continued

For Rollover Applicants there may be a period of Deferred Settlement Trading that applies immediately after they make their Application.

If you have any questions about the nature of your holding of Westpac Instalments under the CHESS system you should contact your broker or financial adviser.

### 5.4 Offering Circular not a prospectus

On 11 March 2002, the Financial Services Reform Act 2001 (**FSR**) amended the law in relation to disclosure of financial products. Subject to the FSR transition provisions, Westpac Instalments will require disclosure under Part 7.9 of the Corporations Act. Under transition, the Westpac Instalments are exempt from certain provisions in Part 7.9 of the Corporations Act including the product disclosure and secondary trading provisions until 10 March 2004 unless Westpac opts in earlier. As a result, Westpac Instalments can be offered under this Offering Circular without the need to prepare either a prospectus or product disclosure statement under the Corporations Act.

This Offering Circular has been prepared and issued in compliance with the ASX Business Rules relating to warrants (subject to waivers granted by the ASX). This Offering Circular complies in all respects with the information requirements of section 8 of the Business Rules as varied by the ASX with respect to this Offering Circular. The ASX has waived compliance with Business Rules 8.5.2; 8.5.8; 8.7.4; 8.7.8; 8.7.10(f); 8.7.10(g); 8.7.10(j); 8.7.10(x); 8.7.11; and 8.17B.

### 5.5 Distribution of Offering Circular to secondary Holders/Transferees

Because Westpac Instalments will be admitted to trading status on the ASX, they may be transferred to Holders other than the Applicant. Westpac will also provide a copy of this Offering Circular (which may be updated by a supplementary Offering Circular) on request to any person. Alternatively the Offering Circular and any supplementary Offering Circular can be viewed and printed or downloaded from the Structured Investments page at the Westpac website, [www.westpac.com.au/structuredinvestments](http://www.westpac.com.au/structuredinvestments).

### 5.6 Westpac's reporting obligations

Under the ASX Business Rules, Westpac will be reporting to the ASX, on a quarterly basis, as to the number of Westpac Instalments bought back during the quarter and the number of Westpac Instalments outstanding at the time of making the report. Each quarterly report must also state Westpac's relevant interest (within the meaning of the Corporations Act) in the Securities at the time of making the report. Westpac must also report to the ASX any increase or decrease in its relevant interest in Securities which represents 1% or more of the issued capital of each Listed Entity.

### 5.7 Interest of experts

No expert whose report appears in this Offering Circular has:

- (a) any holding of Securities;
- (b) the right (whether legally enforceable or not) to subscribe for Securities; or
- (c) the right (whether legally enforceable or not) to nominate persons to subscribe for Securities,

where that interest is a 'substantial holding' within the meaning of section 9 of the Corporations Act, or would have a material influence, being an influence that a reasonable person would consider likely to influence any report or advice provided to Westpac, for the purposes of inclusion in, or the preparation of, the Offering Circular.

### 5.8 Substantial holders, takeovers and associations

The acquisition of Westpac Instalments may have implications for Holders (particularly substantial holders) under Chapters 6 and 6C of the Corporations Act. The precise implications depend upon the Holder's particular circumstances.

The following explanation of the law as at the date of the Offering Circular is provided to assist Holders in identifying the practical obligations that may arise from holding a Westpac Instalment. The obligations of Holders will, however, be affected by circumstances peculiar to individual Holders and Holders should obtain their own advice on the obligations they may have under the Corporations Act.

Each Holder will, as soon as a Westpac Instalment is acquired, have a relevant interest in the number of Securities in which the Holder has a Beneficial Interest. Disclosure obligations (including obligations on substantial holders) and limitations on acquisitions, under Chapters 6 and 6C of the Corporations Act may (depending on the Holder's voting power in the relevant entity under the Corporations Act) affect Holders in respect of acquisitions, continuing holdings, and disposals of Westpac Instalments.

ASIC has issued Class Order 02/927 which applies in respect of the Westpac Instalments to modify the Corporations Act so as to disregard any relevant interest in the Securities in the Underlying Parcel which the Security Trustee holds under the Trust Deed and in accordance with the Terms.

## 5.9 Foreign Holders

Foreign Holders should be aware of the restrictions placed on the foreign acquisitions and ownership of shares and units in Australian companies under the Foreign Acquisitions and Takeovers Act 1975 (Cth). Acquiring Westpac Instalments may affect the legal position of a Holder under this Act.

Foreign ownership of shares and units in Australian companies may also be restricted under other Commonwealth legislation, or under Commonwealth Government policy for example, in relation to Australian banks and other financial institutions, insurance companies and companies in the telecommunications sector. Potential investors should seek their own independent legal advice as to the nature and applicability of these restrictions in the context of Westpac Instalments.

## 5.10 Information about the Listed Entities and their Securities

Information about Westpac and the Listed Entities (and their Securities) in this Offering Circular has been prepared by Westpac only from information available to the public. Each of the Listed Entities is subject to continuous and periodic disclosure requirements under the ASX Listing Rules and Corporations Act.

Under continuous disclosure, once a Listed Entity becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Listed Entity's Securities then, subject to certain exceptions, the Listed Entity must immediately tell ASX that information. Listed Entities are also subject to periodic disclosure requirements relating to the lodgment of half-year reports, preliminary final reports and annual reports.

Continuous disclosure announcements and periodic reports are lodged with ASIC and ASX and are available from ASX's website ([www.asx.com.au](http://www.asx.com.au)), information service providers and, generally, the relevant Listed Entity's website. The Listed Entities and their websites are set out in Section 1 (Introduction) of this Offering Circular.

To obtain more information about these Listed Entities and their Securities as well as Westpac Instalments in relation to such Securities, consult with your financial adviser. As noted in Section 6.5 (Value of Westpac Instalments) the value of Westpac Instalments depends on various factors relating to features of the Westpac Instalment and factors affecting the underlying Security.

The Listed Entities have not been involved in its preparation nor furnished any information specifically to Westpac for the purpose of its preparation. Similarly, information in this Offering Circular concerning those Listed Entities has not been independently verified. Westpac has no affiliation with those Listed Entities other than commercial arrangements arising in the ordinary course of its business and has no access to information concerning those Listed Entities, or their subsidiaries, other than information which is either:

- in the public domain; or
- obtained in the ordinary course of Westpac's business and not available to the division of Westpac which is responsible for the preparation of this Offering Circular and the offer of Westpac Instalments.

Westpac does not, therefore, accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. Investors should make their own enquiries.



## 5. General information relating to Westpac Instalments continued

Nothing in this Offering Circular can be relied upon as implying that there has been no change in the affairs of any Listed Entities or Westpac since the dates as at which information is given in this Offering Circular, or as a representation as to the future in relation to any Listed Entity.

Nothing in this Offering Circular should be taken to be an express or implied endorsement by the Listed Entities (or any of them) of this issue of Westpac Instalments. The Listed Entities have not accepted any responsibility for any statement in this Offering Circular or undertaken any liability in respect of Westpac Instalments.

### 5.11 Consents

**Allens Arthur Robinson** has given and not withdrawn its consent to be named in this Offering Circular, and has consented to be named in relation to Section 3.8 (Stamp duty), Section 5.8 (Substantial holders, takeovers and associations) and Section 7 (Summary of the Terms of Issue) in the form and context in which it is included but, in relation to any other part of this Offering Circular, has not been involved in its preparation, makes no statement and accepts no responsibility for its form or contents. Allens Arthur Robinson has not authorised or caused the issue of this Offering Circular.

**Computershare Investor Services Pty Limited** has given and has not withdrawn its consent to be named in this Offering Circular, but has not been involved in the preparation of this Offering Circular, makes no statement in this Offering Circular, has not authorised or caused its issue, and accepts no responsibility for its form or contents.

**Perpetual Trustee Company Limited** has given and not withdrawn its consent to be named in this Offering Circular as Security Trustee. The Security Trustee has had no involvement in the preparation of any part of this Offering Circular (other than the particular corporate references to Perpetual Trustee Company Limited).

**The Security Trustee** expressly disclaims and takes no responsibility for any other part of this Offering Circular. It makes no statement in this Offering Circular and has not authorised or caused the issue of it. The Security Trustee does not guarantee the success of Westpac Instalments or the repayment of capital or any particular rate of capital or income return.

**PricewaterhouseCoopers Securities Limited** has given and not withdrawn its consent to be named in this Offering Circular and has consented to be named in relation to Section 4 (Taxation considerations) in the form and context in which it is included but, in relation to any other part of this Offering Circular, has not been involved in its preparation, makes no statement and accepts no responsibility for its form or contents. PricewaterhouseCoopers Securities Limited has not authorised or caused the issue of this Offering Circular.

**PricewaterhouseCoopers** has given and not withdrawn its consent to be named in this Offering Circular as the Issuer's auditor. The Issuer's auditor has had no involvement in the preparation of any part of this Offering Circular (other than the particular references to the auditor of the Issuer). PricewaterhouseCoopers expressly disclaims and take no responsibility for any other part of this Offering Circular. It makes no statement in this Offering Circular and has not authorised or caused the issue of it. The Issuer's auditor does not guarantee the success of Westpac Instalments or the repayment of capital or any particular rate of capital or income return.

**Westpac Broking** has given and not withdrawn its consent to be named in this Offering Circular, but has not been involved in the preparation of this Offering Circular, makes no statement in this Offering Circular, has not authorised or caused its issue, and accepts no responsibility for its form or contents.

### 5.12 Electronic Offering Circular requirements

Copies of the Offering Circular are available at the Structured investments page at the Westpac website, [www.westpac.com.au/structuredinvestments](http://www.westpac.com.au/structuredinvestments). If this Offering Circular is accessed electronically, it must be downloaded in its entirety from the Westpac website. Applications will only be considered where the Application Form has accompanied this electronic document and by making an Application, you declare that you were given access to this electronic Offering Circular together with the Application Form. The offer of Westpac Instalments constituted by this Offering Circular is only available by this method to persons accessing and downloading or printing the electronic version of the Offering Circular in Australia. This Offering Circular, including all attachments and Application Forms, consists of 100 pages.

### 5.13 Foreign jurisdictions

None of the Westpac Instalments, the Securities transferred under Westpac Instalments, or this Offering Circular have been or will be lodged or registered under the securities laws of any other jurisdiction outside Australia. Further, the distribution of this Offering Circular in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Offering Circular comes should seek advice on and observe any such restrictions. Failure to comply with relevant legislation may violate those laws. This Offering Circular is not an offer or invitation in relation to Westpac Instalments in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Neither Westpac Instalments, any Securities transferred under Westpac Instalments, or this Offering Circular, have been or will be lodged or registered under the United States Securities Act of 1933, as amended (Securities Act) and may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of U.S. Persons (as defined in Regulation S under the Securities Act), except in transactions exempt from the registration requirements of the Securities Act. Westpac Instalments will not be admitted for trading by the United States Securities and Exchange Commission, any State Securities Commission, the Commodity Futures Trading Commission under the United States Commodity Exchange Act or any other regulatory authority.

### 5.14 Representations restricted to Offering Circular

This Offering Circular has been prepared and issued by Westpac Banking Corporation as Issuer. Westpac Broking is Broker to the Issue.

Potential investors should note that no person is authorised by Westpac or Westpac Broking (as Broker to the Issue) to give any information to investors or to make any representation other than this Offering Circular.

This Offering Circular is not a prospectus or other disclosure document issued for the purposes of the Corporations Act (see Section 5.4 (Offering Circular not a prospectus)).

**Potential investors should note that a copy of this Offering Circular has not and will not be lodged with the Australian Securities and Investments Commission and the Australian Securities and Investments Commission takes no responsibility for its contents or for Westpac Instalments.**

### 5.15 Terminology

Westpac Instalments will be admitted to trading status by the ASX as warrants under the Warrant Rules in section 8 of the ASX Business Rules. The terminology used in this Offering Circular, Trust Deed and the Terms varies from the terminology used in the Warrant Rules, as follows:

*Westpac Instalment* corresponds to *Warrant*

*First Payment* corresponds to *issue price*

*Completion Payment* corresponds to *exercise price*

*Completion Payment Date* corresponds to *expiry date*

*Completion Payment Notice* corresponds to *exercise notice*

*Terms and Trust Deed* corresponds to *Terms of Issue*

All defined terms are listed in Section 10 (Interpretation) of this Offering Circular.

## 6. Risk factors

### 6.1 What is the nature of Westpac's obligations?

Westpac has an obligation to procure the Transfer of the Underlying Parcels to Holders who give an effective Completion Payment Notice and make the Completion Payment. The ability of Westpac to fulfil its obligations under the Terms of Issue will affect the value of Westpac Instalments. Investors must, therefore, make their own assessment of the ability of Westpac to meet its obligations under Westpac Instalments.

In accordance with any Security Interest Westpac may exercise a power of sale if:

- (a) an effective Completion Payment Notice is not given in respect of Westpac Instalments; or
- (b) an effective Completion Payment Notice is given but the Completion Payment is not made.

Westpac may be required to make payments to the Holder if Westpac exercises a power of sale over the Underlying Parcel. Where the proceeds of sale of the Underlying Parcel on the Completion Payment Date are sufficient to satisfy the Completion Payment and cover Westpac's costs of sale, the balance is payable to the Holder.

The obligations of Westpac under the Terms of Issue are unsecured contractual obligations which will rank equally with Westpac's other unsecured contractual obligations and with its unsecured debt (other than liabilities preferred by law or statute). Investors should be aware that the obligations are not deposit liabilities of Westpac and are not guaranteed by any other party. In addition, section 13A of the Banking Act 1959 provides that, should Westpac be unable to meet its obligations, the assets of Westpac in Australia shall be available to meet its deposit liabilities in Australia in priority to all other liabilities of Westpac (which include the obligations of Westpac under the Terms).

### 6.2 Registration as Holder and Completion Payment Notices

A Completion Payment Notice will only be effective under the Terms if it is given by:

- the Holder; or
- a person who becomes the registered Holder before the 6th Business Day after the Completion Payment Notice is given.

It is important that investors who acquire Westpac Instalments ensure that their broker puts in place appropriate arrangements to enable the investor to become the Holder of the Westpac Instalment within the required time and that the Completion Payment Notice is received by Westpac before 5:00 pm on the Completion Payment Date (the Closing Time).

However, even if you become registered as a Holder, your Completion Payment Notice will be ineffective if another Completion Payment Notice is given in respect of the same Westpac Instalment by a person who becomes entitled to be registered as Holder of that Westpac Instalment after you prior to your notice becoming effective.

### 6.3 Extraordinary Events and lapse

The occurrence of an Extraordinary Event may result in the Completion Payment Date being brought forward. Westpac (with the ASX's consent) has the discretion to nominate an event to be an Extraordinary Event if it is, or results in, the de-listing, withdrawal of trading status or suspension of the relevant Securities or Westpac Instalments.

Investors should also be aware that Westpac Instalments will automatically lapse if the relevant Securities become the subject of compulsory acquisition under the Corporations Act, the subject scheme of arrangement, and buy-backs and capital reductions in certain circumstances where the Securities in the Underlying Parcel are cancelled). In such instances, the Security Trustee may, subject to the Order of Payment, be obliged to account to the Holder for benefits received as a result (refer to clauses 19 (Takeover bid for Securities), 21 (Schemes of arrangement), 22 (Demergers), 23 (Buy-backs) and 29 (Reduction of Capital) of the Terms for further details).

Further, a Westpac Instalment will lapse automatically if a valid Completion Payment Notice is not given before the Closing Time.

In any of these cases the Holder may, in certain circumstances, be entitled to a payment.

## 6.4 Taxation

Australian taxation law is complex and the impact of the law on Holders, in relation to their Westpac Instalments, may vary according to their personal circumstances. Further, tax law and practice may vary over time, possibly with retrospective application. The taxation section of this Offering Circular provides only a general guide to the relevant tax implications for Holders. Accordingly, Holders should seek their own specific tax advice in relation to their investments in Westpac Instalments. Potential Holders should particularly be aware of the announcement by the Commonwealth Treasurer on 16 April 2003 that the government intended to amend the tax laws relating to capital protected products. It is possible that these amendments could limit any tax deduction available to Holders for expenses paid in relation to their Westpac Instalments. This issue is explained in the Section 4 (Taxation considerations) above. Holders will need to monitor developments in this regard in order to determine how much of the interest paid will be immediately deductible.

Also, if a Trust Tax Change occurs or, in the reasonable opinion of Westpac, is expected to occur, Westpac may in its discretion, and with the consent of the ASX, decide to take such Reasonable Action as may be appropriate with the intent of enabling Westpac Instalments to remain on issue until the Completion Payment Date. Westpac shall give the Holder 10 day's notice, electronically or via ASX, of its decision.

## 6.5 Value of Westpac Instalments

The value of a Westpac Instalment as traded on the ASX may be affected by a number of factors including (without limitation):

- the Completion Payment amount;
- the current trading price of the relevant Security;
- the price volatility of the relevant Security;
- the time remaining to the Completion Payment Date;
- prevailing interest rates; and
- other factors and general risks applicable to stock markets on which the relevant Securities are traded.

As a result, Westpac Instalments may change significantly in value during their term and in certain circumstances may expire without any value. Because of the increased leverage, Westpac High Yield Instalments have greater borrowing costs and also have greater price fluctuations resulting from price movements in the price of the underlying Security.

It is important that investors who propose to acquire Westpac Instalments (whether from Westpac or by transfer from another Holder) have experience in options transactions. Any decision by an investor to acquire a Westpac Instalment should be made only after consultation with their adviser. Each investor should carefully consider the suitability of Westpac Instalments in the investor's particular circumstances.

## 6.6 Liquidity of trading market

It is not known how Westpac Instalments will trade in the secondary market, nor whether that market will be liquid or illiquid. However, Westpac will (as and when practicable) arrange for buy and sell quotations to be provided for Westpac Instalments on the ASX to help maintain liquidity in the relevant market.

Holders issued Westpac Instalments prior to the anticipated Admission to Trading Status (anticipated for 28 May 2003) will not be able to trade their Westpac Instalments on the ASX prior to that time. Holders wishing to trade prior to Admission to Trading Status should contact the Broker to the Issue.

## 6.7 Buy-back of Securities

The Security Trustee is under no obligation to accept or reject a buy-back offer made in relation to the Securities unless Westpac directs the Security Trustee to accept a buy-back offer. This will only occur if Westpac, in its absolute discretion, has advised the Holder of the offer and the Holder has directed Westpac to accept the offer.

## 6. Risk Factors continued

### 6.8 Takeover bids for Securities

If a takeover bid is made for any Securities, the Completion Payment Date in relation to a particular Series of Westpac Instalments may, with the ASX's permission, be brought forward by Westpac. In these circumstances or under the right to make an early Completion Payment, Holders may wish to make a Completion Payment with a view to participating in the takeover bid. Although the exercising Holder may be entitled under the provisions of the Corporations Act to accept a takeover bid made for the relevant Securities, the terms of the particular bid and the provisions of the Corporations Act may mean that Securities acquired by the Holder are not subject to the takeover. Thus, Westpac does not guarantee or represent to investors that Securities acquired by a Holder as a result of giving a Completion Payment Notice will be able to participate in any takeover bid for such Securities.

Also, Westpac and the Security Trustee undertake only to deliver the Securities in accordance with the Terms and the Trust Deed. In particular, neither Westpac nor the Security Trustee will accept any takeover bid on behalf of any exercising Holder. If compulsory acquisition of the Securities in the Underlying Parcel takes place after the conclusion of a successful takeover bid, the proceeds of such acquisition will be paid in accordance with the Order of Payment. Also, Westpac Instalments will lapse.

Investors should note that Westpac Instalments may become worthless if a takeover bid is made for any Securities at a price which is less than the Completion Payment Amount (if a takeover bid is made before the Completion Payment Date).

### 6.9 De-listing, withdrawal of trading status or suspension

De-listing, withdrawal of trading status or suspension of Securities will not affect the validity of Westpac Instalments or in any way detract from the obligations of Westpac under the Westpac Instalment (unless it constitutes an Extraordinary Event). However, as a consequence of the de-listing or suspension of Securities, Westpac Instalments may have their trading status withdrawn.

Westpac Instalments may be halted or suspended from trading on the ASX if ASX deems such action appropriate in the interests of maintaining a fair and orderly market in a Series of Westpac Instalments or in the relevant Securities. Similarly, ASX may halt or suspend Westpac Instalments where it considers such action to be in the best interests of the public or where it deems it necessary to protect investors. Factors that may affect the ASX's decision include circumstances where the ASX has been advised that a Listed Entity is about to make an important announcement affecting its Securities, the presence of any unusual conditions or circumstances or Westpac's inability, unwillingness or failure to comply with the ASX Business Rules. Further, ASX may, in its absolute discretion, decide to halt or suspend Westpac Instalments where it thinks fit.

### 6.10 Conflicts of interest

Westpac Entities, and directors and employees of such companies, may buy and sell Westpac Instalments or Securities of Listed Entities as principal in their own right. Westpac Broking may conduct such transactions as agent for Westpac Entities, as well as for other principals or itself.

### 6.11 Amendment of the Trust Deed and the Terms

The Trust Deed and the Terms may be amended by the Security Trustee and/or Westpac in certain limited circumstances or by a resolution approved by 75% of all Holders who cast votes in accordance with the Trust Deed and the Terms.

### 6.12 Westpac's discretionary powers

The Terms confer a number of discretionary powers on Westpac which could affect the value of Westpac Instalments including the power to fix an earlier Completion Payment Date where an Extraordinary Event occurs (see clause 12 of the Terms). In a number of instances, Westpac may only exercise its discretion with the consent of the ASX (unless that consent is unreasonably withheld or delayed).

### 6.13 The Security Trustee

Under the Trust Deed and the Terms, the Security Trustee has power to deal with Underlying Parcels by various means. These include the power to transfer Securities and to lend Securities to a Westpac Entity. The Security Trustee may also be entitled to rely on its indemnity under the Trust Deed to recover certain amounts out of the Underlying Parcels.

A summary of the role of the Security Trustee including the right of indemnity and various provisions limiting the responsibilities and liabilities of the Security Trustee is contained in Section 7 (Summary of the Terms of Issue) of this Offering Circular.

### 6.14 National Guarantee Fund – not a guarantor in all cases

Claims against the National Guarantee Fund may only be made in respect of secondary trading in Westpac Instalments between brokers on the ASX and cannot be made in relation to the issue of Westpac Instalments by Westpac or the settlement obligations of Westpac to Applicants if a Completion Payment Notice is given or a Westpac Instalment expires.

The capacity of Westpac and the Security Trustee to settle all outstanding Westpac Instalments is not guaranteed by the ASX, the National Guarantee Fund or the Options Clearing House.

### 6.15 Information for investors and their advisers

This Offering Circular contains the information which investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the capacity of Westpac to fulfil its obligations under Westpac Instalments and the risks, rights and obligations associated with Westpac Instalments. Investors should be aware, however, that it is not possible for a document of this type to take into account the wide range of investment objectives, the financial situation and the particular needs of each reader. For this reason, nothing in this Offering Circular should be interpreted as a recommendation by Westpac, the Broker, the Security Trustee, or any associate of them or any other person concerning investment in Westpac Instalments, the Securities or any other instrument. Investors should not rely on this Offering Circular other than in respect of the matters referred to above, or rely on it as the sole basis for any investment decision in relation to Westpac Instalments, the Securities or any other instrument. Investors should obtain relevant information concerning the Listed Entities before deciding to invest in Westpac Instalments.



## 7. Summary of the Terms of Issue

The following summary of the Terms of Issue in relation to Westpac Instalments has been prepared by Allens Arthur Robinson, the Issuer's solicitors, as at 26 May 2003.

The Terms of Issue are set out in the Trust Deed (see Section 7.1 (Significant provisions of the Trust Deed)) and Terms (see Section 7.2 (Significant provisions of the Terms)).

### 7.1 Significant provisions of the Trust Deed

The Underlying Parcels of Securities for the issue of Westpac Instalments are held by Perpetual Trustee Company Limited (as Security Trustee) on trust for Holders (subject to any Security Interest of Westpac). The Trust Deed sets out the rights, powers, obligations and liabilities of the Security Trustee and each Holder in relation to the Underlying Parcel.

#### *(a) Effect of Trust Deed*

The rights, powers, obligations and liabilities of the Security Trustee and each Holder in relation to the Separate Trusts and the Underlying Parcels, are set out in the Trust Deed. The Trust Deed binds the Security Trustee in respect of its obligations to each Holder and by subscribing for or acquiring a Westpac Instalment, each Holder agrees to be bound by the terms of the Trust Deed.

Where the Terms (see below) state that the Security Trustee will do something, the Security Trustee must take any Reasonable Action necessary to give effect to the Terms and must act consistently with the Terms.

Any agreement, undertakings, representation or warranty taken to be given by a Holder under the Terms is also taken to be given by the Holder to and for the benefit of the Security Trustee, and each person who is a Holder from time to time has the benefit of the Security Trustee's obligations under the Trust Deed.

A Holder cannot enforce the Trust Deed against other Holders, and a Holder is not responsible for the obligations of the Security Trustee or any other Holder (clause 1).

#### *(b) Nature of the trust and creation of Security Interest*

The Security Trustee undertakes to hold each Underlying Parcel on a Separate Trust as bare trustee for the Holder on the terms and conditions of the Trust Deed and the Terms.

Each Underlying Parcel is held on a Separate Trust of which the Holder is the Beneficiary (clause 2). Each Holder is absolutely beneficially entitled as against the Security Trustee to the Beneficial Interest in the Underlying Parcel (clause 3), and is presently entitled to any income derived by the Security Trustee in respect of that Holder's Separate Trust (clause 7).

Each Holder acknowledges that the Security Trustee as trustee for each Holder may separately mortgage or offer to mortgage (a **Security Interest**) to Westpac (as lender) each Underlying Parcel to secure the due and punctual repayment of the Secured Monies (clause 4.1). The Security Trustee is required to offer in writing to mortgage to Westpac all the Underlying Parcels on the terms set out in the Trust Deed and the Terms.

Although each trust is separate, Underlying Parcels and Westpac Instalments may be aggregated for certain purposes (clause 8).

#### *(c) Powers of Security Trustee*

The Security Trustee may only exercise the powers conferred on it under the terms of the Trust Deed. It has no other "external" powers, duties, rights or discretions. In particular, it cannot dispose of the Underlying Parcel except as expressly provided for in the Trust Deed (clause 10). However, the Security Trustee is given some specific powers (such as to grant security over Underlying Parcels).

#### *(d) Dividends*

Subject to tax file number obligations, the Security Trustee must pay to Holders the cash amount of any Dividend from the Listed Entities as soon as practicable after such Dividend is declared (clause 13.1).

However, in the case of Special Dividends, the Security Trustee must distribute the cash amount of the Special Dividend to Holders or, if directed by Westpac, pay the whole or part of the cash amount of the Special Dividend in accordance with the Order of Payment (clause 13.2).

The Security Trustee is not permitted to participate in any Dividend reinvestment plan (or similar reinvestment plan) conducted by a Listed Entity (clause 12.9).

***(e) Corporate Actions***

The Security Trustee has obligations in respect of corporate actions and other events affecting Westpac Instalments and Underlying Parcels. The Security Trustee for instance must not accept a takeover bid for the securities comprising the Underlying Parcels and, unless directed by Westpac, must not accept any buy-back offer for securities comprising the Underlying Parcels. The Security Trustee also has a general power where Corporate Actions and other events happen to take action directed by Westpac (or if not directed by Westpac as it may be advised) to maintain as far as practicable the economic position of Holders (clause 12).

***(f) Limited liability and limited obligations of Security Trustee***

The liability of the Security Trustee for losses or liabilities arising under or in connection with the Trust Deed is limited to the extent which the Security Trustee is actually indemnified against those losses or liabilities out of the property of the Separate Trusts, provided that the loss was not caused by the Security Trustee's own dishonesty (or that of its officers or employees), a wilful breach of trust or its own gross negligence (clause 14).

The liability of the Security Trustee is limited. It will not be liable to any Holder or any other person in respect of any conduct, delay, negligence or breach of duty in the exercise or non-exercise of any power nor for any loss (including consequential loss) which arises (unless it acts dishonestly, commits a breach of trust or is guilty of gross negligence) (clause 15).

Except where required by the express terms of the Trust Deed, the Security Trustee is not obliged to act in any particular manner, or to consult with Holders, keep itself informed as to the state of affairs of Westpac or any Listed Entity, monitor Westpac's compliance with the Trust Deed or any other agreement, provide Holders with financial information about Westpac or any Listed Entity, use its own funds for the payment of costs or expenses, or prepare accounts or returns in respect of the Separate Trusts (clause 11.1). The Security Trustee is not required to take any action unless its liability is limited in a manner satisfactory to the Security Trustee.

***(g) No recourse to Separate Trusts***

The Security Trustee cannot use the Separate Trusts to derive remuneration or recover expenses incurred by it in the discharge of its functions under the Trust Deed unless it has made a claim against Westpac under the indemnity in clause 43 of the Terms and Westpac has failed to satisfy that claim (clause 17). Under clause 43 of the Terms (which is summarised in Section 7.2(o) (Westpac to indemnify Security Trustee)), Westpac indemnifies the Security Trustee against any loss, cost, expense or liability incurred by the Security Trustee in the performance of its duties under the Terms. The indemnity does not, however, cover any loss, cost, expense or liability incurred as a result of the Security Trustee's own dishonesty or the dishonesty of its employees, or the wilful commission or omission by it or its employees of any act known by them to be a breach of trust. The indemnity will also not extend to cover any loss, cost expense or liability incurred as a result of the Security Trustee's gross negligence.

***(h) Replacement of Security Trustee***

The Security Trustee may resign or be removed by Westpac provided there is another trustee appointed in its place. On appointment, the successor Security Trustee has all the rights, powers and obligations of the retiring Security Trustee (clause 21).

***(i) Appointment of nominee***

The Security Trustee can appoint a nominee to be the registered holder of the Underlying Parcel, provided that the nominee is a bare trustee for the Security Trustee with no power to deal with the Securities and Accretions (clause 24).

## 7. Summary of the Terms of Issue continued

### **(j) Amendment of Separate Trusts**

The Security Trustee may by supplemental deed make any modification, variation, alteration or deletion from the terms of the Separate Trusts which in the opinion of Westpac:

- does not affect in any material way, the rights, conditions and obligations of Westpac and the Holders relating to the Westpac Instalments; and
- does not affect the Holder's absolute entitlement to the Underlying Parcel or their present entitlement to the income; or
- is authorised by a resolution of Holders (clause 26) (in accordance with the provisions for obtaining such resolutions set out under clause 46 of the Terms summarised in Section 7.2(p) (Resolution Holders)).

### **(k) Termination of Separate Trusts**

A Separate Trust terminates on the earlier of:

- the transfer of the Underlying Parcel to:
  - the Holder;
  - Westpac; or
  - a third party;
- notice by a Westpac Entity (in its capacity as Holder) that it does not want to maintain a Separate Trust over property which may be created by the Trust Deed;
- the exercise by Westpac or the Security Trustee of a power of sale under any Security Interest; or
- the 80th anniversary of the Issue Date (clause 27).

## 7.2 Significant provisions of the Terms

### **(a) Effect of Terms**

The rights, powers, obligations and liabilities of Westpac and each Holder in respect of the issue of Westpac Instalments are set out in the Terms of Issue. By subscribing for or acquiring a Westpac Instalment, a Holder agrees to be bound by the Terms. The Terms bind Westpac and each Holder in respect of their obligations to each other. Any promise taken to be given by a Holder under the Terms is also taken to be given by the Holder to and for the benefit of Westpac and the Security Trustee,

and each person who is a Holder from time to time has the benefit of Westpac's obligations under the Terms.

A Holder cannot enforce the Terms against other Holders, and a Holder is not responsible for the obligations of Westpac or any other Holder (clause 1).

### **(b) Terms of Westpac Instalments**

By accepting an Application, Westpac agrees to issue a Westpac Instalment and make a Loan to the Applicant. Westpac Instalments are issued on the following terms:

- each Holder acknowledges and agrees that the Underlying Parcel is held by the Security Trustee in accordance with the Terms and the Trust Deed;
- Westpac will on behalf of the Holder draw down the Second Interest Amount under the Loan at the commencement of the Second Interest Period;
- the Underlying Parcel transferred to the Security Trustee by the Applicant or by Westpac, or continued to be held by the Security Trustee, may be subject to a Security Interest;
- each Westpac Instalment constitutes an agreement between Westpac and the Applicant on the terms set out in the Terms; and
- the rights of an Applicant under the Terms are transferable and by becoming a Holder, each Holder agrees to be bound by the Terms (clause 2.3).

### **(c) Loan**

Westpac irrevocably offers to make a Loan to any person who intends to be a Holder of a Westpac Instalment (clause 2.2).

### **(d) Payment of Dividends**

Holders are entitled to receive any cash Dividends declared by the relevant Listed Entities. The Security Trustee must pay to the Holder the cash amount of the Dividend by electronic funds transfer or cheque (clause 3)

However, Westpac may direct the Security Trustee to distribute the whole or part of the cash amount of Special Dividends in accordance with the Order of Payment (clause 3.3).

**(e) No guarantee of Security Trustee's performance**

Westpac does not guarantee the Security Trustee's performance of its duties under the Trust Deed and nothing in the Terms is to be taken as a representation by Westpac that the Security Trustee will perform or comply with its obligations under the Trust Deed (clause 7).

**(f) Transfer of Westpac Instalments**

No fees are charged for registration of Westpac Instalments. Westpac undertakes to ensure that the Registrar does not prevent, delay or hinder a proper Transfer of Westpac Instalments. All Transfers are made under a new Loan provided to the new Holder. No cash payments are made under the new Loan as a result of the Transfer. The prior Holder and the new Holder expressly consent to the repayment of some or all of the Holder's Loan out of money borrowed by the new Holder under the new Loan (clause 10).

**(g) Extraordinary Event**

Westpac may fix an Accelerated Completion Payment Date (with the consent of the ASX) if the Securities comprised in the Underlying Parcel are:

- the subject of a buy-back offer;
- the subject of a takeover bid or a scheme of arrangement;
- the subject of a Demerger;
- de-listed; or
- suspended.

An Accelerated Completion Payment Date may also be fixed (with the consent of the ASX) if Westpac Instalments are de-listed, withdrawn from trading status or suspended otherwise than as a result of the acts of Westpac, or there occurs a change to the tax treatment of trustees (clause 12.1).

**(h) Completion Payment and Cash Election**

A Holder may give Westpac a duly completed Completion Payment Notice at any time before the Closing Time in respect to some or all of the Holder's Westpac Instalments (clause 13.2). A Completion Payment Notice given within 10 Business Days of the Completion Payment Date will be deemed to have been given at the Closing Time on the Completion Payment Date.

If a Holder gives a Completion Payment Notice, the Holder is obliged to make the Completion Payment.

The Completion Payment Notice must be accompanied by the Completion Payment. The Completion Payment must be received in cleared funds by the 6th Business Day after the Completion Payment Notice is given. Westpac will notify the Holder if the Holder fails to meet its obligation to make the Completion Payment in cleared funds or if Westpac treats the Completion Payment Notice as invalid.

If a Holder gives a Completion Payment Notice and makes the Completion Payment in cleared funds by the 6th Business Day after the Completion Payment Notice is given, the Security Trustee must transfer the unencumbered title to the Underlying Parcel to the Holder within 20 Business Days of the Completion Payment Notice having been given (clause 13.5). If the Security Trustee fails to do so, Westpac must pay the Holder an amount calculated as 110% of the Market Value of the Underlying Parcel (clause 17.2).

If a Holder gives a Completion Payment Notice but the payment received and cleared is less than the aggregate of the Completion Payments for Westpac Instalments specified in a Completion Payment Notice, Westpac may exercise its power of sale over any Underlying Parcels in respect of which Westpac determines the Completion Payment has not been received (clause 13.3). Despite Westpac exercising its power of sale, the Holder is still obliged to make the Completion Payment in full on all the Westpac Instalments specified in the Completion Payment Notice and Westpac may recover any shortfall directly from the Holder (clause 13.4).

Alternatively, the Holder can make a Cash Election. To make a Cash Election, the Holder may deliver to Westpac a valid Cash Election Exercise Notice at any time before the Closing Time on the Completion Payment Date. The Cash Election Exercise Notice is irrevocable. A Cash Election Exercise Notice is effective in respect of that number of Westpac Instalments as are subject to the Cash Election Exercise Notice (or fewer) in respect of which the person who gave the notice is the registered Holder by the close of trading on the 6th Business Day after the Completion Date.

## 7. Summary of the Terms of Issue continued

A Holder who delivers a valid Cash Election Exercise Notice acknowledges that Westpac will purchase the Underlying Parcel at the Cash Election Exercise Price and the Holder irrevocably directs Westpac to irrevocably apply this amount first to payment of the Completion Payment and the remainder, if any, to the Holder within 20 Business Days of the Completion Payment Date (clause 14).

If no Completion Payment Notice or Cash Election Exercise Notice is given by Closing Time on the Completion Payment Date, Westpac may exercise its power of sale over the Underlying Parcel but may not seek to recover any shortfall directly from the Holder.

### *(i) Takeovers, schemes, buy-backs, rights, demergers and bonus issues*

Westpac may fix an earlier Completion Payment Date if there is a takeover bid for any Securities comprised in the Underlying Parcel. Where the Securities are compulsorily acquired following completion of a takeover bid, the Security Trustee and Westpac must hold the consideration received and distribute the sale proceeds in accordance with the Order of Payment (clause 19).

If there is an offer to acquire all Westpac Instalments in a Series, Westpac is not authorised to consent to such offers and is not obliged to respond to such offers but either may take such Reasonable Action as it may be advised (clause 20).

Westpac may fix an earlier Completion Payment Date (in accordance with clause 12.1) if there is a scheme of arrangement in relation to any Securities comprised in the Underlying Parcel. Where the Securities are subject to a scheme of arrangement, Westpac (and the Security Trustee) must hold the consideration received and distribute the sale proceeds in accordance with the Order of Payment (clause 21 and Trust Deed clause 12.3).

Where a Listed Entity announces an intention to undertake a Demerger, Westpac will in its absolute discretion have the ability to fix an early Completion Payment Date. The instalments will then cease to exist after the new Completion Payment Date. If Westpac does not fix an early Completion Payment Date and the Listed Entity completes the Demerger, Westpac will have a number of options.

Westpac may reconstruct the Underlying Parcel by directing that the Security Trustee dispose of either the Securities in the Listed Entity or the Demerged Securities and distribute the proceeds either to Holders or in accordance with the Order of Payment. Alternatively, Westpac may create a new Series of Westpac Instalments over the Demerged Securities and allocate the Completion Payment across the original Westpac Instalments and the new Series of Westpac Instalments based on the relative market values of the Underlying Parcel of the original Westpac Instalments and the Underlying Parcel of the new Series of Westpac Instalments (using the Weighted Average Sale Price on the relevant date). Otherwise, Westpac, may decide that the Demerged Securities will form part of the Underlying Parcel and become subject to the Security Interest (clause 22).

If a buy-back offer is made for Securities comprised in Underlying Parcels, Westpac may fix an earlier Completion Payment Date. Westpac may, in its absolute discretion, direct the Security Trustee to accept the offer (clause 23).

Securities issued as a result of a bonus issue made to Holders of Securities comprised in Underlying Parcels will form part of the Underlying Parcel and will be subject to the mortgage (clause 24).

Where a Listed Entity gives holders of Securities the right to acquire securities under a rights issue (whether the rights issue is renounceable or non-renounceable), neither Westpac nor the Security Trustee will have an obligation to accept or deal with such rights and the Completion Payment Amount will not change, however, Westpac may take (and may direct the Security Trustee to take the steps necessary to give effect to) Reasonable Action to confer a benefit on Holders arising from the rights issue (clause 25).

### *(j) Subdivision or consolidation of Underlying Parcels*

Westpac can, in certain circumstances, subdivide or consolidate the Underlying Parcels if a Listed Entity divides, consolidates or similarly reconstructs its Securities. For example, Westpac can substitute the new securities in the Underlying Parcel in lieu of the Securities (clause 26.1). However, Westpac can only exercise its powers under clause 26.1 if the rights of Holders will not be prejudiced and the new securities correspond to the relevant Westpac Instalments (clause 26.2).



***(k) Corporate Actions, reconstruction and reduction of capital***

Where there is a Corporate Action by a Listed Entity, and a number of new Securities or other securities are issued by the entity or acquired by the Security Trustee, in determining the number of new Securities or other securities to be added to the Underlying Parcel, the number added must be a whole number. Westpac may direct the Security Trustee to sell such Securities or other securities and include the proceeds in the Underlying Parcel or distribute the proceeds to Holders. Any cash amount included in the Underlying Parcel must be applied in partial satisfaction of the Completion Payment (clause 27).

Westpac may (with the consent of the ASX) reconstruct Westpac Instalments in the event of a consolidation or subdivision of Securities in an Underlying Parcel or, if as a result of a Corporate Action, the number of Securities in an Underlying Parcel increases or decreases. Reconstruction may also take place generally with the consent of Holders (clause 28).

If a Listed Entity reduces its capital by distributing cash, securities or other assets (other than Demerged Securities), without cancelling any Securities, Westpac or the Security Trustee must either:

- pay the cash and, if directed by Westpac, sell the securities and other assets, pay the proceeds in accordance with the Order of Payment; or
- if the cash, securities or other assets are compulsorily applied to acquire new securities pursuant to a scheme of arrangement, receive and pay any remaining cash and, if directed by Westpac, sell the remaining securities, assets and new securities and apply the proceeds in accordance with the Order of Payment (clause 29.1 and Trust Deed clause 12.8).

Where a Listed Entity reduces its capital by cancelling any Securities, Westpac will receive as mortgagee and pay any cash distribution in accordance with the Order of Payment (clause 29.2).

Alternatively, the Underlying Parcel will be transferred to the Holder where any amounts to be paid pursuant to this clause exceed the aggregate amounts described in paragraphs (a) and (b) of the Order of Payment (clause 29.3). In this event, the Holder will receive the excess amount of any cash payment only.

***(l) Holding and cancellation of Westpac Instalments***

Westpac can cancel Westpac Instalments if it becomes the Holder of the relevant Westpac Instalment. If it cancels a Westpac Instalment, Westpac must apply the proceeds of sale in accordance with the Order of Payment (clause 34) as if Westpac remained the Holder. Westpac can buy back or hold a Westpac Instalment without cancelling it.

***(m) Westpac to indemnify Security Trustee***

Westpac agrees to indemnify the Security Trustee against any loss, cost, expense or liability incurred by the Security Trustee in the performance of its duties under the Trust Deed. The indemnity does not apply where the loss, cost etc arises as a result of the Security Trustee's dishonesty, breach of trust or gross negligence. The Security Trustee must not knowingly incur certain material liabilities without the consent of Westpac (clause 43).

***(n) The payment of Taxes, GST and stamp duty***

The Terms include provisions regarding payment of Tax, goods and services tax (GST) and stamp duty (clause 35).

***(o) Amendment of Terms***

Westpac, with the written consent of the Security Trustee, may amend the Terms from time to time provided that the proposed amendment is set out in a supplemental deed and:

- (i) the terms of the supplemental deed are authorised by a resolution of Holders; or
- (ii) the terms of the supplemental deed are necessary or desirable in the reasonable opinion of Westpac and the Security Trustee in order to:
  - (A) comply with any legal or regulatory requirement or to rectify any technical defect, manifest error or ambiguity; or



## 7. Summary of the Terms of Issue continued

(B) provide for the consequences of any Corporate Action taken by a Listed Entity in respect of Securities comprised in the Underlying Parcels and, in the reasonable opinion of Westpac and the Security Trustee, the amendment is not materially prejudicial to the interests of the Holders and an adjustment in accordance with the Terms is not appropriate; or

(iii) the amendment does not apply to existing Westpac Instalments (clause 45).

### **(p) Resolution Holders**

A resolution of Holders may only be passed where Westpac:

- notifies every Holder of the terms of the proposed variation;
- supplies every Holder with a document setting out the reasons for, and any advantages and disadvantages of, the proposed variation; and
- supplies every Holder with a ballot paper allowing the Holder to vote for or against the proposed variation.

Even if Westpac has complied with the above requirements, a resolution varying the Terms can only be passed if 75% of all votes cast by Holders are in favour of the resolution. Where a Holder is either Westpac or any of its associates, that Holder will not be allowed to exercise its right to vote on the resolution.

Each Holder will have one vote for each Westpac Instalment held and the voting period must not be less than 20 Business Days from despatch of the last notice of proposed variation to a Holder. No ballot can be requisitioned by Holders. Votes will be validated and checked by Westpac's auditors.

Where Westpac Instalments are held by Westpac or its associate as trustee or nominee for a Holder, Westpac or its associate will only cast a vote, in respect of each Westpac Instalment so held, in the manner directed by the Holder (clause 46).

## 8. Form of Loan Agreement

### Loan Agreement

To: **[Name of Applicant(s)]** of **[Address of Applicant(s)]**.

Thank you for your application for a loan in respect of the Westpac Instalments identified in your Application and any Westpac Instalments issued as a result of the application of any Reinvestment Amount arising from your Application (the Loan). Westpac accepts your loan application. By applying for a Westpac Instalment you irrevocably appoint the Security Trustee as your nominee to be the registered Holder of the Securities to which your Application relates.

Westpac Instalments are issued on the terms and conditions set out in the Terms of Issue which are summarised in Section 7 (Summary of the Terms of Issue) of the Offering Circular dated 26 May 2003 (the *Offering Circular*) issued by Westpac in respect of the offer of Westpac Instalments. Capitalised terms in this Loan Agreement have the same meaning as those in the Offering Circular. The singular includes the plural and visa versa.

### 8.1 Terms of Loan

#### *Loan Amount for Applicants*

Subject to this Loan Agreement, Westpac will make a Loan available to you in respect of each Westpac Instalment. Each Loan will be made available in two drawdowns.

The first drawdown will be made available on the date on which this Agreement is signed by both Westpac and your attorney on your behalf (the *Effective Date*). The total amount of the first drawdown will be the number of Westpac Instalments for which you have validly applied (including as a result of the application of any Reinvestment Amount) multiplied by the Principal Loan Amount specified for the relevant Series in the Summary Table located in the Introduction of the Offering Circular.

The second drawdown will be made available to you, if you are the Holder, on the commencement of the Second Period. The second draw down will automatically occur on the commencement of the Second Period without any action required by you. The amount of the second drawdown will be equal to the Second Interest Amount for each Westpac Instalment. Once drawn down, this amount will be retained by Westpac and applied to the pre-payment of interest for the unexpired portion of the Second Period.

#### *Loan Amount for Transferee*

A Loan is also made available to each Transferee of a Westpac Instalment.

Transferees must drawdown under the Loan an amount equal to the Principal Loan Amount plus (if the Transfer occurs in the Second Period) an amount equal to the Second Interest Amount. The drawdown will occur on the date that Westpac Instalments are Transferred to the Transferee without any further action required by the Transferee.

#### *Completion Payment*

You may repay the Loan and acquire legal title to an Underlying Parcel by making the Completion Payment on or before the Completion Payment Date. If you do not make the Completion Payment or exercise the Cash Election, Westpac may enforce any Security Interest described below.

The Completion Payment Date may alter in the manner referred to in the Offering Circular. In relation to a Westpac Instalment the Loan is repaid and any Security Interest discharged on the 6th Business Day after the notice is given, subject to it being effective.

#### *Interest*

Interest is payable on the Principal Loan Amount from the Effective Date to the Completion Payment Date. The Initial Interest Amount is the amount of interest payable for the unexpired portion of the Initial Period. The Second Interest Amount is the amount of interest payable for the Second Period.

Part of the Interest Amount will be refunded (a *Refund*) if the Completion Payment Date is brought forward due to the occurrence of an Extraordinary Event. The amount of a Refund will be determined on a pro rata basis less the cost incurred by Westpac in:

- (i) terminating its funding arrangements in respect of the relevant Westpac Instalments; or
- (ii) redeploying any amounts received early.

#### *Directions*

If you are a Cash Applicant, you irrevocably authorise and direct Westpac to apply the Loan Proceeds from the first drawdown for each Westpac Instalment applied for to acquire the Underlying Parcel.

If you are a Securityholder Applicant, you irrevocably authorise and direct Westpac to apply the Loan Proceeds first to payment of the Initial Interest Amount,

## 8. Form of Loan Agreement continued

the Cash Election Fee and, if any, the Borrowing Fees, and the balance (the ***Securityholder Investment Amount***) to be paid in cash to you.

If you are a Rollover Applicant, you irrevocably authorise and direct Westpac to apply the Loan Proceeds first to payment of the Prior Series Completion Payment in relation to the Prior Series Westpac Instalments that you hold and which are to be rolled over, then to payment of the Initial Interest Amount, the Cash Election Fee and, if any, the Borrowing Fees, and the balance, if any, to be paid in cash to you (the ***Rollover Cash-Back***).

Where you give a direction in your Application that any Securityholder Investment Amount or Rollover Cash-Back, as applicable, is to be used as a Reinvestment Amount:

- (i) you will be provided a Loan in respect of that number of additional Westpac Instalments equal to the quotient of the Reinvestment Amount divided by the First Payment;
- (ii) you irrevocably authorise and direct Westpac to apply the Loan Proceeds from the first drawdown for each such additional Westpac Instalment to acquire the Underlying Parcel; and
- (iii) you direct that any cash remaining from the Reinvestment Amount greater than \$20 be paid to you and otherwise that it be retained by Westpac.

If you are the Holder at the commencement of the Second Period you irrevocably authorise and direct Westpac to apply the Loan Proceeds from the second drawdown for each Westpac Instalment held by you in pre-payment of the Second Interest Amount.

If you are a Transferor or Transferee you give the directions on a Transfer as discussed in Section 3 (Description of Westpac Instalments) below.

### ***Limited recourse***

Your liability to Westpac for repayment of each Loan is limited to the total amount received by Westpac in relation to the Underlying Parcel relating to each Westpac Instalment to be issued to you (whether by exercising any power of sale or otherwise) excluding Dividends paid to you before the Completion Payment Date. Westpac will not take any action against you in relation to the Loan to recover any amount beyond enforcing any Security Interest (as referred to below). However, this does not apply if you have given a Completion Payment Notice, in which you are liable to pay the Completion Payment in full.

## 8.2 Security Interest

### ***Acknowledgement of Security Interest***

You acknowledge that in consideration of Westpac making the Loan available the Security Trustee, on your behalf, may mortgage or offer to mortgage to Westpac on the terms set out in the Terms of Issue all the Security Trustee's rights in and to the Underlying Parcel to secure the due and punctual payment of the Loan or, where a Completion Payment Notice is given in respect of some or all of the Westpac Instalments the subject of the Completion Payment Notice, the Completion Payment in respect of those Westpac Instalments.

### ***Sale of Underlying Parcel***

Accordingly:

- (i) if a Holder does not either make the Completion Payment or exercise the Cash Election on or before the Completion Payment Date in relation to a Westpac Instalment;
- (ii) the Holder, having given a Completion Payment Notice, does not make the Completion Payment; or
- (iii) the Holder is or becomes bankrupt or in liquidation,

Westpac may be entitled to sell an Underlying Parcel and apply the proceeds in accordance with the Order of Payment. To the extent permitted by law the Security Trustee has dispensed with any notice or lapse of time required by any law for the enforcement of a Security Interest or the exercise of any power by Westpac under this Agreement or the Terms of Issue.

## 8.3 Transfer of Westpac Instalments

(a) Where you are the Transferor:

- (i) subject to paragraph (b) below, on the registration of a Transfer during the Initial Period, you will be entitled to a refund of a part of the Initial Interest Amount, being an amount equal to the interest payable by the Transferee on the new Loan in respect of the period from the date of Transfer to the Initial Period End; and
- (ii) subject to paragraph (b) below, on the registration of a Transfer during the Second Period, you will be entitled to a refund of as much of the Second Interest Amount as relates to the unexpired portion of the Second Period.

- (b) Where you are a Transferee you irrevocably authorise and direct Westpac on the effective date of any Transfer in respect of each Westpac Instalment to apply:
- (i) a portion of the Loan Amount on your Loan in pre-payment of interest on your Loan for the unexpired portion of the then current Interest Period (being an amount previously pre-paid by the Transferor); and
  - (ii) the remainder of the new Loan to the Transferor in repayment of the net amount due by the Transferor to Westpac.
- (c) Where you are the Transferor:
- (i) you agree with Westpac that the Interest Refund to which you are entitled (that amount now pre-paid by the Transferee as described under paragraph (b)(i) above) be applied towards partial repayment of your Loan; and
  - (ii) agree to the remainder of your Loan (the Principal Loan Amount and the remainder of the Second Interest Amount after deduction of the Interest Refund) being repaid by the application of the remainder of the Transferee's Loan Proceeds (the amount referred to in paragraph (b)(ii) above), in repayment of your Loan.

## 8.4 Demerger

If Westpac decides that, on a Demerger, it will issue a new Series of Westpac Instalments in respect of the Demerged Securities, Westpac may allocate the Loan Proceeds between the existing Series and the new Series (thereby reducing the amount of the Loan in respect of the existing Series) and may execute any document on your behalf, including a new loan agreement, to effect this result and to issue to you the new Series of Westpac Instalments. No such action taken by Westpac can result in an increase in the amount of the loan proceeds.

## 8.5 Miscellaneous

### *Joint Applications or Transfers*

Where the Application or Transfer is for two (2) or more persons, references to "you" in this Loan Agreement means each Applicant or Transferee jointly and severally.

### *Further assurances*

You agree to take all steps, execute all documents and do everything reasonably required by Westpac to give effect to the transactions contemplated by this Agreement.

### *Notices*

Any notice given under this Agreement must be in writing addressed to the intended recipient at the address shown above or the address last notified by the intended recipient to the sender. A notice will be taken to be given or made when delivered, receive or left at the above address.

### *Stamp duty*

Westpac agrees to pay all stamp duty payable on this Agreement. You agree to promptly provide to Westpac any information Westpac reasonably requests to assist in the calculation and payment of any such stamp duty.

### *Assignment*

Westpac may novate, assign or sub-participate this Agreement and any or all of its rights under this Agreement at any time.

You must not novate, assign or sub-participate this Agreement and any or all of your rights under this Agreement (other than in accordance with the Trust Deed) at any time.

### *No waiver*

No failure to exercise a power, and no delay in exercising a power operates as a waiver.

### *Severability*

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction is ineffective in that jurisdiction to the extent of the prohibition or unenforceability.

### *Governing law*

This Agreement is governed by the law of New South Wales. The parties submit to the exclusive jurisdiction of the Courts of New South Wales.

Signed for and on behalf of Westpac

by its attorneys

---

I accept the above offer

---

Signature of Attorney for and on behalf of the Applicant(s)

## 9. Information about Westpac

### 9.1 Introduction

Westpac is one of the four major banking organisations in Australia and also one of the largest banks in New Zealand. Westpac provides a broad range of banking and financial services in these markets, including retail, commercial and institutional banking and wealth management activities.

Westpac was founded in 1817 and was the first bank to be established in Australia. In 1850 Westpac was incorporated as the Bank of New South Wales by an Act of the New South Wales Parliament. In 1982 Westpac changed its name to Westpac Banking Corporation. On 23 August 2002 Westpac was registered as a public company limited by shares under the Australian Corporations Act 2001. Westpac's principal office is located at 60 Martin Place, Sydney, New South Wales, 2000, Australia.

Westpac has branches, affiliates and controlled entities throughout Australia, New Zealand and the Pacific region and maintains offices in key financial centres around the world. As at 30 September 2002 Westpac's market capitalisation was \$25 billion. Westpac's operations comprise four key areas of business, serving approximately 7.5 million customers. These four areas of business are:

- **Business and Consumer Banking:** providing retail banking and other financial services to individuals and small to medium-size businesses in all states and territories of Australia;
- **BT Financial Group:** our newly named wealth management business that operates in Australia and New Zealand, that enable customers to achieve their financial goals;
- **Westpac Institutional Bank:** providing banking and financial services to corporate, institutional and government customers, and also supplying products to small and medium-size businesses primarily in Australia and New Zealand; and
- **New Zealand:** Our New Zealand operations provide banking and wealth management products and services to New Zealand.

### 9.2 Business and Consumer Banking

The Business and Consumer Banking (BCB) unit represents the regional bank operations branded 'Westpac' in New South Wales, Queensland, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory, 'Bank of Melbourne' in Victoria, and 'Challenge Bank' in Western Australia.

BCB is responsible for servicing and product development for consumer and small to medium-size business customers within Australia. Activities are conducted via a nationwide network of branches (over 800 including in-store branches), call centres, automatic teller machines (ATMs) and internet banking services. Front line staff provide sales and service-related functions to customers for a broad range of financial products, including savings and cheque accounts, demand and term deposits, credit cards, personal and housing loans. A significant portion of housing finance sales is through independent mortgage brokers. In the years ended 30 September 2002 and 2001 approximately 25% of mortgage loan drawdowns were arranged via this channel. Westpac also employs around 700 financial planners and advisers who provide advice in respect of various superannuation, investment and life insurance products. Business banking customers are additionally serviced by specialised relationship managers.

Westpac is a significant lender in the housing finance market in Australia. In the year ended 30 September 2002, Westpac's owner-occupied residential mortgage loan portfolio in Australia increased 9% to \$38 billion (net of securitised loans) with variable interest rate loans comprising 89% of the portfolio. Non-owner-occupied residential mortgage loans increased 21% during the year ended 30 September 2002. As at 30 September 2002 these loans amounted to \$23 billion of which around 74% constituted variable interest rate loans. In addition, Westpac is a major provider of credit card finance in Australia. Total credit card outstandings at 30 September 2002 were \$4.1 billion (2001 \$5.6 billion). The decrease is attributable primarily to the sale of AGC (see below), which included 'CreditLine', AGC's credit card product, which had outstanding balances of \$1.5 billion at 30 September 2001. The number of credit card account holders was approximately 1.7 million as at 30 September 2002, which is unchanged compared to 30 September 2001.

In May 2002, Westpac sold the finance company, Australian Guarantee Corporation Limited (AGC). In Australia, AGC's existing consumer and business finance operations were included in the sale. Westpac was granted certain marketing rights in relation to the AGC business finance portfolio. These arrangements enable Westpac to continue to offer a full range of products to existing business customers who have facilities with AGC.

### 9.3 BT Financial Group

The BT Financial Group (BTFG), Westpac's newly named wealth management business, designs, manufactures and services financial products that enable customers to achieve their financial goals through the accumulation, management and protection of personal wealth. These products include managed investments, life insurance, superannuation, margin lending and discount broking. Distribution of Wealth Management products is conducted through our Australian and New Zealand consumer distribution business and an extensive range of independent financial advisers.

BTFG consists of the acquired businesses of BT Financial Group (BT) from the Principal Financial Group, Rothschild Australia Asset Management (Rothschild), since rebranded Sagitta Wealth Management (Sagitta) and the existing Westpac wealth management business.

As at 30 September 2002 the wealth management business had \$32.4 billion<sup>1</sup> of funds under management, \$169 million of in-force life insurance and risk premiums and held \$130 billion<sup>2</sup> of custodial assets.

### 9.4 Westpac Institutional Bank

The institutional bank strives to meet the financial needs of corporations, institutions and government customers which are based in, or have interests in, Australia and New Zealand. This is achieved through dedicated industry teams supported by specialised expertise in financial markets, corporate finance, advisory, equity and transactional banking. The products and services offered include:

1. Includes the assets of our life company.
2. Includes a portion of our wealth management funds under management.

#### *Capital*

- Debt/Equity underwriting
- Financial structuring
- Loan syndications
- Capital market

#### *Financial Markets*

- Foreign exchange
- Derivatives
- Commodities
- Debt securities

#### *Transactional Services*

- International payments
- International cash management
- Domestic transactional services

#### *Advice*

- Mergers and acquisitions
- Project finance
- Property
- Resources

In the global financial markets, Westpac focuses on Australian and New Zealand dollar-denominated financial products and also provide a range of currency and interest rate risk management products.

Over the financial year Westpac experienced substantial growth in Westpac's online delivery of financial market and transactional services products. In this financial year Westpac executed around 50,000 foreign exchange and bond transactions with customers through online channels, compared to 6,000 transactions in the previous financial year. The institutional bank operates with a strong Australasian focus. Westpac supports its customers through branches and subsidiaries located in Australia, New Zealand, New York, London, Tokyo, Singapore, and Hong Kong, and are represented in Thailand, Indonesia and China.

### 9.5 New Zealand Retail

Westpac began operating in New Zealand in 1861 as the Bank of New South Wales. In 1996, Westpac acquired Trust Bank New Zealand Limited. From the acquisition Westpac operated through a branch network under the name Westpac Trust, however was renamed to Westpac in October 2002. In addition, Westpac has to relocated the senior customer-facing staff, product and head office functions from Wellington to Auckland.

Westpac is one of New Zealand's largest banks, providing a full range of retail banking products, wealth management services and commercial banking services to customers. As at 30 September 2002, Westpac had 4,687 staff, 200 branches and 484 ATMs operating throughout the country.



## 9. Information about Westpac continued

Westpac is the second largest lender of housing finance in New Zealand. As at 30 September 2002, Westpac's mortgage loan portfolio (net of securitised loans) was \$12.2 billion. In addition, Westpac is a major provider of wealth management services, with \$1.4 billion in funds under management as at 30 September 2002.

### 9.6 Business and Technology Solutions and Services

Business and Technology Solutions and Services (BTSS) provides functional support to the business units and comprises the following areas: eBusiness, Group Operations, Information Technology (IT), Corporate Services and Governance.

The eBusiness group manages online banking facilities for business and personal customers. As at 30 September 2002, Westpac had over 1.4 million online banking and share broking customers who conducted 27 million online transactions, including 18% of credit card and 14% of personal loan originations over the past financial year.

The IT group defines overall IT architecture, supports and enhances software systems and implements major IT projects across the organisation.

Group Operations performs back office processing and settlement services for all products. Corporate Services provides infrastructure support for properties, procurement, cash management, fraud control, physical security and business continuity management. Governance manages the IT and telecommunications, mortgage processing and voucher processing outsourcing contracts that Westpac has entered into with IBMGSA, EDS and Unisys respectively.

### 9.7 Other

BTSS forms part of 'Other', which also includes Group Treasury, Pacific Banking and Head Office functions. Due to its relatively small size, Pacific Banking business is not a separate business segment.

### 9.8 Property

Westpac occupies premises primarily in Australia and New Zealand including approximately 874 branches as at 30 September 2002. Of the premises occupied, as at 30 September 2002, Westpac directly owns approximately 9% in Australia and less than 1% in New Zealand. The remainder of these premises are held under commercial lease.

As at 30 September 2002, the carrying value of directly-owned premises and sites was \$148 million.

Under the sale and leaseback program 106 properties have been sold in Australia with total proceeds of \$424 million, and 67 properties in New Zealand with total proceeds of \$68 million during the past three financial years.

### 9.9 Recent developments

#### *Sale of Australian Guarantee Corporation Limited (AGC)*

On 31 May 2002, Westpac sold its 100% interest in AGC in Australia to General Electric Capital (GE). In addition Westpac sold certain loan assets of Australian Guarantee Corporation (NZ) Limited to GE. Westpac has retained certain marketing rights in Australia to AGC business customers, enabling continuation in offering a full range of products to existing business customers. This transaction resulted in a profit on sale of \$754 million and a reduction in total group assets of approximately \$9.2 billion being recorded in the second half of the 2002 financial year.

#### *Acquisition of BT Financial Group (BT)*

On 26 August 2002, Westpac announced the acquisition of most of the business of BT for \$900 million. An additional payment of up to \$150 million may be paid, contingent upon exceeding certain performance hurdles in the future. The acquisition includes the funds management operations of BT Financial Group in New Zealand and was completed on 31 October 2002. The acquisition was funded from existing financing sources.

#### *Acquisition of Rothschild Australia Asset Management (Rothschild)*

On 1 June 2002, Westpac acquired the Rothschild funds management business for \$323 million. The business has been rebranded as Sagitta Wealth Management.

#### *Acquisition of Hastings Funds Management Limited (Hastings)*

On 19 August 2002, Westpac announced agreements to purchase a 51% shareholding in Hastings for an initial payment of \$36 million which settled on 16 October 2002. Further payments, to acquire the remaining 49%, are dependent on Hastings' financial and operational performance over the next three years.

The business will form part of the institutional banking division. Hastings, with approximately \$2 billion in assets under management, is involved in specialised funds management principally in infrastructure, and also in private equity, forestry and high yield debt.

### ***Outsourcing***

On 1 October 2001, Westpac entered into a ten year agreement with EDS (Business Process Administration) Pty Limited whereby they provide mortgage and other processing services in connection with Westpac's mortgage loan portfolio. Westpac continue to perform the sales, credit and collection functions related to home loan mortgage business. The estimated costs to be paid by Westpac over the remaining life of the multi-year agreement is approximately \$1 billion. On 30 September 2002, Westpac entered into an agreement with First Data Resources Australia Limited ('First Data') to provide a managed service for cards processing. First Data assumed responsibility for Australasian cards processing in phases from October 2002. Westpac retains control of cards sales, credit, collections and customer service functions. The estimated costs to be paid by Westpac over the life of the multi-year agreement are approximately \$100 million.

## **9.10 Directors' Profiles**

**Leon Davis**, ASAIT, DSc(h.c.), FRACI, FAustIMM. Age 64. Appointed Chairman December 2000. Director since November 1999. Leon Davis has had many years of experience in resource management, both in Australia and overseas.

He has lived and worked in senior positions in Australia, Papua New Guinea, Singapore and the United Kingdom. He was formerly Chief Executive of Rio Tinto and is now Deputy Chairman. He is a Director of Huysmans Pty Limited, Codan Limited and Trouin Pty Limited and a Board Member of The Walter and Eliza Hall Institute of Medical Research. Trustee of The Westpac Foundation and the Rio Tinto Aboriginal Foundation.

**David Morgan**, BEc, MSc, PhD. Age 56.

Appointed Managing Director and Chief Executive Officer March 1999, executive director since November 1997. David Morgan has extensive experience in the financial sector, having worked in the International Monetary Fund in Washington in the 1970s and the Federal Treasury in the 1980s where he headed all major areas before being appointed Senior Deputy Secretary.

Since joining Westpac in 1990, he has had responsibility for all major operating divisions including Westpac Financial Services, Retail Banking, Commercial Banking, Corporate and Institutional Banking and International Banking.

**Barry Capp**, BE (Civil), BCom, BA. Age 69.

Director since May 1993. Barry Capp was employed for many years in financial and commercial roles and has had experience in company reconstructions. Chairman of National Foods Limited. Director of Australian Infrastructure Fund Limited, Hellaby Holdings Limited, Melbourne University Private Limited and Touchcorp Limited.

**David Crawford**, BCom, LLB, FCA, FCPA. Age 59.

Director since May 2002. David Crawford was National Chairman of KPMG from 1998 until 2001, a member of KPMG's International Board and, prior to that, Chairman of KPMG's Southern Regional Practice (1996-1998). He was the Chairman of the State Electricity Commission in Victoria from 1993 to 1994.

He was Chief Executive Officer of the Rural Finance Corporation in Victoria managing the integration and merger of the activities of the Victorian Economic Development Corporation with the Rural Finance Corporation. He is currently a Director of BHP Billiton Limited, Foster's Group Limited, Lend Lease Corporation Limited and National Foods Limited. Deputy Chairman of the Australian Ballet, a Member of the Council of the University of Melbourne and Treasurer of the Melbourne Cricket Club.

## 9. Information about Westpac continued

**The Hon. Sir Llewellyn Edwards, AC, MB, BS, FRACMA, LLD (h.c.), FAIM.** Age 67.

Director since November 1988. Sir Llewellyn Edwards has had extensive experience in Queensland state politics (including five years as Treasurer), business and in community service (Chairman World Expo 88 Authority and Chancellor of University of Queensland).

Chairman of AMACA Pty Limited, AMABA Pty Limited and the Medical Research and Compensation Foundation. Also Chairman of UQ Holdings Pty Limited and Pacific Film and Television Commission. Director of Uniseed Pty. Limited and Trustee of The Westpac Foundation. He also acts as a consultant to business and government.

**Ted Evans, AC, BEcon.** Age 62.

Director since November 2001. Ted Evans has extensive experience in the financial sector, having joined the Australian Treasury in 1969, heading the Fiscal and Monetary Policy Branch in 1980 and the General Financial and Economic Policy Division in 1982. From 1984 to 1989 he held the position of Deputy Secretary and was Secretary to the Treasury from 1993 to 2001.

From 1976 to 1979 he was a member of the Australian Permanent Delegation to the OECD in Paris and, from 1989 to 1993, Executive Director on the Board of the International Monetary Fund, representing Australia and a number of other countries, mainly in the Asia Pacific region. Director of the Reserve Bank of Australia from 1993 to 2001 and the Commonwealth Bank of Australia from 1993 to 1996.

**John Fairfax, AM.** Age 61.

Director since December 1996. John Fairfax has considerable understanding of the financial services needs of the commercial and rural sectors and of the impact of production and information technology on industry strategy.

He has extensive experience in the media industry and takes an active interest in community organisations including the Royal Agricultural Society of NSW. Chairman of Rural Press Limited and a director of Crane Group Limited. He is the Chairman of trustees of The Westpac Foundation.

**Carolyn Hewson, BEc, (Hons.), MA (Econ.).** Age 47.

Director since February 2003. Carolyn Hewson was an Executive Director of Schroder Australia Limited between 1989 and 1995. She is now a Director of The Australian Gaslight Company, CSR Limited and the Economic Development Board of South Australia.

Carolyn has extensive experience in the financial sector. She joined Schroders in 1981. She held several positions including Director – Financial Markets specialising in risk management and Director – Investment Management.

Graduating in economics from the University of Adelaide and subsequently completing a Master of Arts in economics at Cambridge University, Carolyn has contributed widely to the community. Carolyn's community involvement includes board or advisory roles with the Royal Humane Society, YWCA of Sydney (President), the Australian Charities Fund, Neurosurgical Research Foundation and the Fred Hollows Foundation Executive Committee Advisory Forum.

**Helen Lynch, AM.** Age 60.

Director since November 1997. Helen Lynch had thirty five years experience in Westpac including membership of Westpac's executive team before retiring in 1994. She is a director of Southcorp Limited. Chairman of OPSM Group Limited and of the Sydney Symphony Orchestra Holdings Pty Limited.

### 9.11 Statement of Financial Performance and Statement of Financial Position

The Statement of Financial Performance for the financial years ended 30 September 2002, 2001, 2000, 1999 and 1998 and Statement of Financial Position as at 30 September 2002, 2001, 2000, 1999 and 1998 for the Group are set out as follows. The statements have been extracted from published audited consolidated financial statements. Refer to the Annual Financial Report for additional information.

**Statement of financial performance as at 30 September**

Westpac Banking Corporation and its controlled entities

	<b>2002 \$m</b>	<b>2001 \$m</b>	<b>2000 \$m</b>	<b>1999 \$m</b>	<b>1998 \$m</b>
Net interest income	<b>4,146</b>	4,051	3,669	3,476	3,492
Tax equivalent gross up <sup>1</sup>	<b>139</b>	149	169	127	128
Net interest income (including gross up)	<b>4,285</b>	4,200	3,838	3,603	3,620
Non-interest income	<b>2,978</b>	2,537	2,414	2,155	2,003
Net operating income (including gross up)	<b>7,263</b>	6,737	6,252	5,758	5,623
Total operating expenses	<b>(3,995)</b>	(3,570)	(3,503)	(3,434)	(3,392)
Operating profit before bad and doubtful debts (including gross up)	<b>3,268</b>	3,167	2,749	2,324	2,231
Bad and doubtful debts	<b>(461)</b>	(433)	(202)	(171)	(168)
Profit from ordinary activities before income tax and abnormal items (including gross up)	<b>2,807</b>	2,734	2,547	2,153	2,063
Tax equivalent gross up <sup>1</sup>	<b>(139)</b>	(149)	(169)	(127)	(128)
Income tax expense	<b>(471)</b>	(677)	(660)	(567)	(589)
Net profit attributable to outside equity interests	<b>(5)</b>	(5)	(3)	(3)	(4)
Profit from ordinary activities before abnormal items	<b>2,192</b>	1,903	1,715	1,456	1,342
Abnormal items (net of tax) <sup>2</sup>	<b>-</b>	-	-	-	(70)
Net profit attributable to equity holders of Westpac Banking Corporation	<b>2,192</b>	1,903	1,715	1,456	1,272

1. The Group has entered into various tax effective financing transactions that derive income that is subject to either a reduced or zero rate of income tax. The impact of this is reflected in lower income tax expense and interest income. In order to provide improved comparability, this income is presented on a tax equivalent basis
2. For reporting periods ending on or after 30 June 2001, it is no longer required (under Australian GAAP) to disclose abnormal items on the face of the statement of financial performance. Where a revenue or expense is of such a size, nature or incidence that its disclosure is relevant in explaining financial performance, separate disclosure of its nature and amount is required.

## 9. Information about Westpac continued

### Statement of financial position as at 30 September

Westpac Banking Corporation and its controlled entities

	2002 \$m	2001 \$m	2000 \$m	1999 \$m	1998 \$m
<b>Assets</b>					
Cash and balances with central banks	1,669	1,079	836	345	403
Due from other financial institutions	5,242	5,094	3,325	4,006	3,290
Trading securities	10,643	10,629	7,174	9,057	6,826
Investment securities	3,313	2,960	2,731	2,208	2,168
Loans	135,870	122,250	107,533	97,716	91,738
Acceptances of customers	4,788	15,700	15,665	10,249	10,325
Life insurance assets	7,566	7,352	7,547	–	–
Regulatory deposits with central banks overseas	455	482	620	398	1,196
Goodwill	1,754	1,501	1,535	1,665	1,788
Fixed assets	815	1,034	1,175	1,527	1,599
Deferred tax assets	587	441	467	523	725
Other assets	18,335	21,323	19,010	12,526	17,261
<b>Total assets</b>	<b>191,037</b>	<b>189,845</b>	<b>167,618</b>	<b>140,220</b>	<b>137,319</b>
<b>Liabilities</b>					
Due to other financial institutions	4,731	5,954	3,972	3,562	4,343
Deposits and public borrowings	110,763	96,157	89,994	85,546	83,164
Debt issues	27,575	27,989	19,203	14,910	10,580
Acceptances	4,788	15,700	15,665	10,249	10,325
Current tax liabilities	537	303	235	204	207
Deferred tax liabilities	80	403	416	237	256
Life insurance policy liabilities	7,163	7,123	6,991	–	–
Provisions	1,093	1,038	989	965	1,024
Other liabilities	19,327	20,635	15,999	12,858	16,286
<b>Total liabilities excluding loan capital</b>	<b>176,057</b>	<b>175,302</b>	<b>153,464</b>	<b>128,531</b>	<b>126,185</b>
<b>Loan capital</b>					
Subordinated bonds, notes and debentures	3,795	4,045	4,175	2,030	1,778
Subordinated perpetual notes	717	793	717	662	745
<b>Total loan capital</b>	<b>4,512</b>	<b>4,838</b>	<b>4,892</b>	<b>2,692</b>	<b>2,523</b>
<b>Total liabilities</b>	<b>180,569</b>	<b>180,140</b>	<b>158,356</b>	<b>131,223</b>	<b>128,708</b>
<b>Net assets</b>	<b>10,468</b>	<b>9,705</b>	<b>9,262</b>	<b>8,997</b>	<b>8,611</b>
<b>Equity</b>					
Share capital <sup>1</sup>	3,974	2,233	2,258	1,853	1,899
Other equity interests:					
Trust originated preferred securities (TOPrS <sup>SM</sup> )	465	465	465	465	–
Reserves <sup>1</sup>	82	2,819	3,099	3,888	4,466
Retained profits <sup>1</sup>	5,930	4,174	3,435	2,788	2,241
<b>Total equity attributable to equity holders of Westpac Banking Corporation</b>	<b>10,451</b>	<b>9,691</b>	<b>9,257</b>	<b>8,994</b>	<b>8,606</b>
Outside equity interests in controlled entities	17	14	5	3	5
<b>Total equity</b>	<b>10,468</b>	<b>9,705</b>	<b>9,262</b>	<b>8,997</b>	<b>8,611</b>

1. On 23 August 2002, Westpac Banking Corporation was registered as a public company limited by shares under the Corporations Act 2001. On that date, Westpac's ordinary shares ceased to have a par value and the balances in the share premium reserve and capital redemption reserve (previously required to be held under the prior Deed of Settlement, but no longer required under Westpac's new constitution or permitted under the Corporations Act 2001) were transferred to the Share Capital Account. In addition, the balance of the reserve fund was transferred to retained profits.

## 9.12 Disclosure obligations

Westpac, as a corporation whose shares and other securities are quoted on the stock markets of the ASX, is a disclosing entity under the Corporations Act and has a continuous disclosure obligation. This means that, subject to certain exceptions, Westpac must disclose to the ASX any information that would have a material effect on the price or value of its ordinary shares and other securities. Information disclosed to the ASX by Westpac can be viewed on the public file of Westpac at the ASX.

For the duration of the Offer Period under this Offering Circular Westpac will provide to Holders on request a copy of each of the following documents:

- the annual report of Westpac for the financial year ended 30 September 2002 filed with the ASX; and
- the audited financial statements of Westpac for the five years up to and including the year ending 30 September 2002.
- Appendix 4B filed with the ASX for period 31 March 2003.

If you wish to obtain such documents you may contact Westpac Group Investor Relations at:

Level 25, 60 Martin Place  
Sydney NSW 2000  
(02) 9229 3311

Alternatively, you can view and download Westpac's Results and Annual Reports from our Investor Centre web page located at [www.westpac.com.au](http://www.westpac.com.au).

**No circumstance has arisen or information has become available, since the end of the financial years set out on the previous pages, that would materially affect an investor's decision as to the capacity of Westpac to fulfil its obligations specified in the Terms.**



# 10. Interpretation

In this Offering Circular, unless the context otherwise requires:

**Acceptance** means acceptance by Westpac of an Application, which acceptance occurs upon:

- (a) Westpac and the Applicant (by an attorney on its behalf) entering into the Loan Agreement; and
- (b) Westpac giving a written instruction to the Registrar to register the issue of Westpac Instalments to the Applicant upon receipt of a confirmation from the Security Trustee that the Security Trustee is or has become the registered holder of Securities comprised in the Underlying Parcels the subject of Westpac's acceptance and that those Securities have become subject to the Security Interest.

**Accelerated Completion Payment Date** means the date to which the Completion Payment Date has been brought forward as a result of an Extraordinary Event in accordance with clause 12.1 of the Terms.

**Accretion** means all rights accretions and entitlements attaching to the Securities after the date of issue of the corresponding Westpac Instalments including, without limitation, all voting rights and all distributions (other than cash Dividends and cash returns of capital), shares, units notes, options or other securities exercisable, declared, paid or issued in respect of the Securities.

**Applicant** means a person who makes an Application and includes a joint Applicant.

**Application** means an application to Westpac for a Loan and Westpac Instalments on the terms and conditions set out in the Application Form.

**Application Form** means a form attached to this Offering Circular or such other form as Westpac agrees to accept.

**Application Number** means a number provided to the Applicant (or their agent) by Westpac in respect of the Applicant's Application.

**Assessed Value Payment** means 90% of the value of the difference between the Market Value of the Underlying Parcel and the Completion Payment (but only if the Intrinsic Value of the Underlying Parcel exceeds 5% of the Completion Payment on the Completion Payment Date).

**ASIC** means Australian Securities and Investments Commission.

**ASTC** means the ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

**ASTC Operating Rules** means the operating rules of the ASTC, by whatever name.

**ASX** means Australian Stock Exchange Limited (ABN 98 008 624 691) or the stock market conducted by Australian Stock Exchange Limited, as the context requires.

**ASX Business Rules** means the Business Rules of the ASX regulating trading in warrants on the ASX.

**ASX Listing Rules** means the Listing Rules of the ASX.

**Beneficial Interest** means the beneficial interest of a Holder in a particular Underlying Parcel under a Separate Trust.

**Beneficiary** means an Initial Beneficiary and/or a Holder and/or a Westpac Beneficiary as the context requires.

**Borrowing Fees** means fees payable to Westpac, stated by Westpac to be the borrowing fees for Applications made on a particular day, being a component of the First Payment for Cash Applicants or paid out of the Loan Proceeds for Shareholder Applicants or Rollover Applicants.

**Broker** means Westpac Securities Limited (ABN 39 087 924 221) trading as Westpac Broking.

**Business Day** means a Trading Day on which banks are open for business in Sydney and Melbourne.

**Capital Component** means the capital component of the First Payment as specified by Westpac at the time of Application.

**Cash Application** means an Application pursuant to which the Applicant pays the First Payment in cash to Westpac upon Application and **Cash Applicant** has a corresponding meaning.

**Cash Election** means the right of the Holder to elect to transfer its entire right, title and interest in the corresponding Underlying Parcel to Westpac (or as Westpac may direct) in consideration of the Cash Election Exercise Price, in accordance with clause 14 of the Terms.

**Cash Election Exercise Notice** means a notice substantially in the form or to the effect of that notice appearing as Section 12 of this Offering Circular.

**Cash Election Exercise Price** means the price at which the Cash Election is exercisable, being the greater of the Completion Payment and the Market Value of the Underlying Parcel.

**Cash Election Fee** means an amount specified by Westpac for Applications made on a particular day being consideration for Westpac providing the Cash Election.

**CHESS** means the Clearing House Electronic Subregister System operated in accordance with the ASTC Operating Rules.

**CHESS Approved Securities** has the meaning given in the ASTC Operating Rules.

**CHESS Sub-register** has the meaning given in the ASX Listing Rules.

**Closing Time** means 5.00 pm on the Completion Payment Date.

**Completion Payment** means the amount payable to Westpac to require it to direct the Security Trustee to transfer the unencumbered legal title to the Underlying Parcel to the Holder being an amount equal to the aggregate of:

- (a) the Loan Amount; and
- (b) where the Completion Payment is received prior to the commencement of the Second Period (except in circumstances where an Accelerated Completion Payment Date has been determined pursuant to clause 12.1 of the Terms) the Early Completion Payment Fee.

**Completion Payment Date** means (in respect of a Series) the Completion Payment Date outlined in the Summary Tables on pages 6 and 7 of this Offering Circular or, where the context requires, an Accelerated Completion Payment Date determined pursuant to clause 12.1 of the Terms.

**Completion Payment Notice** means a notice substantially in the form or to the effect of the form in Section 11 (Completion Payment Notice) of this Offering Circular.

**Corporate Action** has the meaning given in the ASTC Operating Rules.

**Corporations Act** means the Corporations Act 2001.

**Deferred Settlement** has the meaning attributed to it in the ASX Listing Rules.

**Deferred Settlement Period** means the period during which Deferred Settlement operates in relation to trading in a Westpac Instalment or a Security comprised in the Underlying Parcel.

**Deferred Settlement Trading** means trading in a Westpac Instalment or a Security comprised in the Underlying Parcel which is affected by Deferred Settlement.

**Demerger** means an event where a Listed Entity reduces its capital by way of demerger which entitles holders of Securities in the Listed Entity to acquire Securities in a demerged entity.

**Demerged Securities** means the Securities acquired under a Demerger.

**Disposal Proceeds** means the proceeds of a sale or disposal of Underlying Parcels or of a surplus or other amount, received by Westpac or the Security Trustee following the exercise of powers of duties under the Trust Deed or the Terms.

**Dividend** in relation to Westpac Instalments over shares means a dividend and in relation to Westpac Instalments over units in a unit trust means distributions of income or gains.

**Early Completion Payment Fee** means the fee charged by Westpac for discharging its Security Interest over the Underlying Parcel prior to the commencement of the Second Period and is an amount equal to the Second Interest Amount.

**Extraordinary Event** means an event described in clause 12 of the Terms (Accelerated Completion Payment Date).

**First Payment** means in respect of an Underlying Parcel the sum specified by Westpac on a particular day as the amount of the First Payment payable for a particular Cash Application.

**Holder** means the person recorded in the Register as the Holder of a Westpac Instalment from time to time.

**Holder Identification Number** or **HIN** has the meaning given in the ASTC Operating Rules.

**Holding Statement** means a statement issued pursuant to clause 8.2 of the Terms.

**Initial Beneficiary** means a Successful Applicant.

**Initial Interest Amount** means an amount stated by Westpac to be the initial interest amount for a particular Application, and shall constitute interest payable on the Principal Loan Amount for the period from Acceptance until the Initial Period End.

**Initial Period** means, in respect of a Westpac Instalment the period of commencing on Acceptance of the Application and ending on the Initial Period End.

**Initial Period End** means 25 May 2004.

# 10. Interpretation continued

**Interest Amount** means the amount of interest payable on a Loan and, where the context requires, is the sum of the Initial Interest Amount and the Second Interest Amount.

**Interest Period** means the Initial Period or the Second Period, as the case requires.

**Interest Refund** means an amount calculated in accordance with Section 3.7(d) (Sale of Westpac Instalments) of this Offering Circular.

**Intrinsic Value** means the Weighted Average Sale Price less the Completion Payment.

**Issue Date** means the date on which Westpac accepts the first Application made under this Offering Circular.

**Issuer** means Westpac.

**Issuer Sponsored Holding** has the meaning given in the ASTC Operating Rules.

**Issuer Sponsored Subregister** has the meaning given in the ASX Listing Rules.

**Listed Entity** means an entity listed on the ASX, the Securities of which are the subject of Westpac Instalments.

**Loan** means each loan (which may be secured) offered by Westpac to successful Applicants or subsequent Transferees on the terms and conditions set out in the Application Form and the Loan Agreement.

**Loan Agreement** means the Loan Agreement (which may be secured) between Westpac and each successful Applicant or each subsequent Transferee, a sample form of which is set out in Section 8 (Form of Loan Agreement) of this Offering Circular.

**Loan Amount** means the total amount advanced and outstanding under the Loan Agreement in respect of each Loan at any relevant time and including any part of it.

**Loan Proceeds** means the proceeds of a Loan.

**Market Value** means the market value of an Underlying Parcel determined pursuant to clause 16.3 of the Terms namely, the aggregate of the values of the items of property comprising an Underlying Parcel being:

- (a) where the item of property is traded on the ASX on the relevant date, the Weighted Average Sale Price of that item of property on the ASX; and
- (b) in all other cases, the value determined by Westpac (with the consent of the ASX) to be the fair market value of that item of property on the relevant date.

**Minimum Subscription** means for:

- (a) Cash Applicants – a minimum of \$2, 000 per Series;
- (b) Securityholder Applicants – a minimum number of Westpac Instalments per Series as set out in the Summary Tables on pages 6 and 7 of this Offering Circular.

**Offer Period** means the period commencing on the date of this Offering Circular and ending (unless brought forward by Westpac) at 5.00 pm on 10 March 2004.

**Offering Circular** means this Offering Circular.

**Options Clearing House** means Options Clearing House Pty Limited (ABN 48 001 314 503).

**Order of Payment** means the payment of the Disposal Proceeds in the following order:

- (a) First: All costs, charges, liabilities and expenses of the Security Trustee which have been incurred in or are incidental to the exercise or performance or attempted exercise or performance of a power or duty under the Trust Deed or the Terms in respect of the relevant Underlying Parcel, including Taxes and any other amount payable to the Security Trustee from the relevant Separate Trust in accordance with the Trust Deed or the Terms.
- (b) Second: The Secured Monies, to Westpac.
- (c) Third: Any balance, to the Holder (without interest and in full discharge of all liability of the Security Trustee and Westpac to the Holder),

except where Westpac exercised its power of sale in accordance with clause 13.6 of the Terms (No Completion Payment Notice) in which case the Holder will receive the greater of the amount under paragraph (c) and the Assessed Value Payment and the remainder will be distributed in accordance with paragraphs (a) and (b).

**Principal Loan Amount** means the initial amount of the Loan applying to each Westpac Instalment and identified as the Principal Loan Amount in this Offering Circular.

**Prior Series Westpac Instalments** means each series of Westpac Instalments (now referred to as a Westpac Standard Instalment) and Westpac High Yield Instalments issued by Westpac under a Prior Series Offering Circular.

**Prior Series Offering Circular** means the Offering Circulars dated 14 May 2001, 8 March 2002 and 29 July 2002 offering Prior Series Westpac Instalments.

**Prior Series Loan** means the secured loan between Westpac and the holder of a Rollover Applicant in

relation to a Prior Series Westpac Instalments as defined in the Prior Series Offering Circular.

**Prior Series Completion Payment** means the relevant Completion Payment as defined under the Prior Series Offering Circular.

**Prior Series Underlying Parcel** means the Underlying Parcel as defined under the Prior Series Offering Circular.

**Reasonable Action** means action taken by Westpac, or by the Security Trustee which is taken after consultation with Westpac, and which is lawful, practicable, does not create a risk of liability for Westpac or the Security Trustee unacceptable to either and is otherwise reasonable.

**Reinvestment Amount** means a Securityholder Investment Amount or Rollover Cash-Back that an Applicant has directed Westpac to apply to acquire further Westpac Instalments under their Application.

**Register** means the register of Holders of Westpac Instalments in respect of particular Listed Entities and includes the relevant CHESS subregister and issuer sponsored subregister established under the ASTC Operating Rules.

**Registrar** means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other competent registrar appointed by Westpac with the written consent of the Security Trustee.

**Reminder Notice** means a notice sent pursuant to clause 13.1 or clause 14.2 of the Terms.

**Rollover Application** means an application under which a holder of Prior Series Westpac Instalments elects to rollover the whole or part of that existing holding in respect of the relevant Securities into a new Series of Westpac Instalments and **Rollover Applicant** has a corresponding meaning.

**Rollover Cash-Back** means the amount paid to a Rollover Applicant by Westpac equal to the amount by which the Loan Amount (less the Interest Amount, the Cash Election Fee and, where applicable, the Borrowing Fees) exceeds the Prior Series Completion Payment.

**Rollover Payment** means the amount paid by a Rollover Applicant to Westpac equal to the amount by which the Loan Amount (less the Interest Amount, the Cash Election Fee and, where applicable, the Borrowing Fees) is exceeded by the Prior Series Completion Payment.

**Second Interest Amount** means the amount specified in the Offering Circular as the Second Interest Amount for the relevant Series being the amount of interest that accrues during the Second Period, or for Transferees during the Second Period, a pro-rata amount of interest for the unexpired portion of the Second Period and an additional amount that is used to repay the Transferor's Loan equal to the interest that had accrued from the commencement of the Second Period to the date of Transfer.

**Second Period** means the period commencing on 26 May 2004 and ending at the Closing Time.

**Secured Monies** means the Loan Amount and all fees, costs, charges, liabilities, Tax and expenses incurred by and payable to Westpac under the Trust Deed directly in relation to the relevant Underlying Parcels and the sale thereof, and any amounts due pursuant to clause 35.1(c) of the Terms (Notification and Payment of Tax).

**Security** in relation to Westpac Instalments over shares means one fully paid ordinary share in the capital of a Listed Entity and in relation to Westpac Instalments over units means a unit representing a beneficial interest in the trust represented by a Listed Entity.

**Security Interest** means the mortgage held by Westpac in respect of an Underlying Parcel to secure repayment of the Secured Monies.

**Security Trustee** means the trustee of the Separate Trusts.

**Securityholder Application** means an Application under which the Applicant transfers Securities for the Series of Westpac Instalments which are the subject of the Application and **Securityholder Applicant** has a corresponding meaning.

**Securityholder Investment Amount** means the amount of cash equal to the Principal Loan Amount less the Initial Interest Amount in relation to each Westpac Instalment provided to each Securityholder Applicant on acceptance of their Application by Westpac.

**Separate Trust** means each trust established under the Trust Deed.

**Series** means those Westpac Instalments issued under this Offering Circular relating to Securities which have the same rights.

**Special Dividend** is a Dividend that is special or abnormal and includes a Dividend that:

- (a) is described by the entity that pays the Dividend as special, extraordinary, abnormal, extra or additional;

# 10. Interpretation continued

- (b) forms part of a scheme of arrangement or takeover consideration;
- (c) forms part of a special distribution involving a return of capital;
- (d) is paid on a Demerger; or
- (e) is characterised by ASX as a special Dividend.

**Successful Applicant** means an Applicant whose Application has been accepted.

**Summary Table** means the Summary Table of Westpac Instalments in Section 1 (Introduction) of this Offering Circular.

**Tax** includes any tax, levy, impost, deduction, charge, rate, duty, compulsory loan or withholding which is levied or imposed by a Government or Government agency, and any related interest, penalty, charge, fee or other amount, excluding stamp duty payable on the Trust Deed, on the transfer of Securities to the Security Trustee or upon the transfer of Securities from the Security Trustee to the Holder or Westpac under the Terms or the Trust Deed.

**Tax Act** means the Income Tax Assessment Act 1997, and the operative provisions of the Income Tax Assessment Act 1936, both as amended from time to time, and any successor legislation.

**Terms** means the Deed Poll – Warrant Terms executed by Westpac on or about 23 May 2003 as amended from time to time with the written consent of the Security Trustee, a summary of which is contained in Section 7 (Summary of the Terms of Issue) of this Offering Circular.

**Terms of Issue** means the Trust Deed and the Terms.

**Trading Day** has the meaning given in the ASX Business Rules.

**Transfer** means the transfer of a Westpac Instalment pursuant to clause 10 of the Terms.

**Transfer Date** means the date on which a Transfer is effective, being the date on which the Transferee is registered in the Register as the holder of the Westpac Instalment.

**Transferee** means a person to whom a Westpac Instalment is Transferred.

**Transferor** means a Holder who Transfers a Westpac Instalment.

**Trust Deed** means the Deed Poll – Declaration of Trust executed by the Security Trustee dated on or about 23 May 2003 as amended from time to time.

**Trust Tax Change** means a change to the Tax Act whereby trustees are taxed in a manner similar to companies or trust distributions are taxed in a manner similar to corporate distributions or any other change which has a material financial impact over the issue, holding, cancellation or expiry of Westpac Instalments.

**Underlying Parcel** means one Security acquired by the Security Trustee in respect of a Westpac Instalment, and all Accretions in respect of that Security but excluding any fractions of Securities remaining in the aggregate of Securities and Accretions in the Underlying Parcel, encumbered only by the Security Interest. In respect of a Prior Series Instalment it has the meaning set out in the Prior Series Offering Circular.

**Weighted Average Sale Price** means the price of an item of property on the ASX determined by Westpac by dividing the total of the sale prices of identical items of property on the ASX by the number of those items the subject of sales during the relevant period specified below:

- (a) during the 5 Trading Days immediately following the relevant date;
- (b) in relation to the calculation of the Intrinsic Value in the 2 hours immediately prior to close of trading on the relevant date; or
- (c) for the purposes of clause 21.4(c) of the Terms (Creation of new Series on a Demerger) on the relevant date,

excluding any ASX special crossings, option exercises and overseas sales reported by the ASX on the relevant days.

**Westpac** means Westpac Banking Corporation (ABN 33 007 457 141) of 60 Martin Place, Sydney NSW 2000 and, where relevant, includes any subsidiary of Westpac.

**Westpac Beneficiary** means a Westpac Entity which is absolutely entitled to Securities of a Listed Entity held by the Security Trustee in accordance with the Trust Deed.

**Westpac Entity** means Westpac or a related body corporate of Westpac.

**Westpac Instalment** means a warrant (as that term is used in section 8 of the ASX Business Rules) issued pursuant to the Terms and the Trust Deed and offered under this Offering Circular and includes a Westpac Standard Instalment and a Westpac High Yield Instalment.



# 11. Completion Payment Notice

## Completion Payment Notice for Westpac Instalments

To: The Manager

Westpac Instalments (Expiry)  
Structured Investments  
Westpac Banking Corporation  
PO Box A990  
Sydney South NSW 1234

Dear Sir/Madam

This is to notify you that, I/we\*, being the Holder or being entitled to be registered as the Holder of the number of Westpac Instalments in the Series specified below and issued in accordance with the Terms summarised in Section 7 (Summary of the Terms of Issue) of the Offering Circular issued by Westpac Banking Corporation dated 26 May 2003, hereby give a Completion Payment Notice in respect of those Westpac Instalments.

This notice is, as required by the Terms, accompanied by the required instruments including a cheque in favour of Westpac Banking Corporation for the Completion Payment amount. I/We agree that where this Completion Payment Notice is ineffective in respect of the some or all of the Westpac Instalments the subject of this notice that I/we must pay the Completion Payment or, where Westpac exercises its power of sale, I/we must pay Westpac any shortfall between the amount of the Completion Payment and the actual proceeds of sale received by Westpac as mortgagee.

Name of Holder	<input type="text"/>
SRN	<input type="text"/>
HIN	<input type="text"/>
PID	<input type="text"/>
Contact telephone number	<input type="text"/>
Series of Westpac Instalments	<input type="text"/>
ASX Code for that Series	<input type="text"/>
Number of Westpac Instalments	<input type="text"/>
Total Completion Payment	\$ <input type="text"/>
Date**	<input type="text"/> / <input type="text"/> / <input type="text"/>

\* Delete as applicable

\*\* Where this notice is given within 10 Business Days of the Completion Payment Date it will be deemed to be given at 5.00 pm on the Completion Payment Date.

Optional: To assist with the processing of this Completion Payment Notice please attach a copy of your CHESS Holding Statement for these Securities.

PLEASE NOTE: The Securities to be delivered to your account will be registered as an Issuer Sponsored holding. Investors wanting to transfer these holdings to their broker sponsored account should contact their stockbroker to arrange this.

**Completion Payment amount cheques must be made payable to Westpac Banking Corporation.**

Signature	<input type="text"/>	Signature	<input type="text"/>
Printed Name	<input type="text"/>	Printed Name	<input type="text"/>
Date	<input type="text"/> / <input type="text"/> / <input type="text"/>	Date	<input type="text"/> / <input type="text"/> / <input type="text"/>



This page has been left blank intentionally.

# 12. Cash Election Exercise Notice

## Cash Election Exercise Notice

**This form should only be completed by those Holders wishing to sell their underlying Securities to Westpac, rather than paying the Completion Payment and receiving the underlying Securities, or rolling their Westpac Instalments into a new Series.**

To: The Manager

Westpac Instalments (Expiry)  
Structured Investments  
Westpac Banking Corporation  
PO Box A990  
Sydney South NSW 1234

Dear Sir/Madam

This is to notify you that, I/we\*, being the Holder/entitled to be registered as the Holder\* of the number of Westpac Instalments relating in the Series specified below and issued with the Terms summarised in Section 7 of the Offering Circular issued by Westpac Banking Corporation dated 26 May 2003, hereby give a Cash Election Exercise Notice in respect of those Westpac Instalments.

Name of Holder	<input type="text"/>
SRN	<input type="text"/>
HIN	<input type="text"/>
PID	<input type="text"/>
Contact telephone number	<input type="text"/>
Series of Westpac Instalments	<input type="text"/>
ASX Code for that Series	<input type="text"/>
Number of Westpac Instalments	<input type="text"/>

Signature

Printed Name

Date

Signature

Printed Name

Date

\* Delete as applicable

This page has been left blank intentionally.

Before you complete this form please read the section titled “Privacy Consent” in Section 1 of this Application Form.

Please complete all relevant information on the Application Form.

The instructions below are a guide to assist you in completing your Application Form.

Important Notice

If there is no application number on your form, and you are paying by a method other than cheque, you will need to call Westpac on 1800 024 420 to obtain an application number. This enables Westpac to reconcile your payment to your Application Form.

Write the full name you wish to appear on your Holding Statement. This must be the name of the individual or company. Up to 2 joint Applicants may register.

If you are investing as the trustee of a trust or superannuation fund entity, you should also put the name of the trust or fund, where indicated. Superannuation entities should obtain their own advice about the suitability of investing in Westpac Standard Instalments.

Date of Birth assists Westpac in Applicant identification (dd/mm/yyyy).

Enter your postal address where Westpac should send all correspondence and communications as well as your contact details. For joint Applicants, only one address can be inserted. We will direct any correspondence or telephone calls to the person named under "Contact Details".

TFN/Exemption or ABN – Quoting this number is not compulsory, but tax may be taken out of your distribution if you do not quote your number or your exemption. For more information about TFN/ABN rules, contact your local Taxation Office. If you are investing as the trustee of a trust or superannuation fund, you should enter the TFN of the trust or superannuation fund. If the trust or fund does not have its own TFN, enter the TFN of the Trustee or beneficiary. Please Note – An Australian Business Number may only be provided for a business use account.

If you are already a participant in CHESS, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your sponsoring broker for completion prior to lodgment. If no details are provided, you will become issuer sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your Holding Statement.

Westpac Banking Corporation ABN 33 007 457 141

Westpac Standard Instalments  
Cash Application Form

Send to: Westpac Standard Instalments  
Structured Investments  
Westpac Banking Corporation  
PO Box A990  
Sydney South NSW 1234  
Facsimile 02 9284 8648

Broker/Adviser Stamp

Adviser's Name

Application Number

The Application Form is for Westpac Standard Instalments over Securities outlined in the Introduction of the Offering Circular dated 26 May 2003. The Offering Circular contains important information about investing in Westpac Standard Instalments. Potential Investors should read the attached Offering Circular prior to making an application to invest in Westpac Standard Instalments. The Expiry Date of the Offering Circular is 10 March 2004.

A person (including the Issuer) who gives another person access to this Application Form must also give that other person access (at the same time and by the same means) to the Offering Circular and any supplementary document. If the Offering Circular and Application Form have been accessed electronically, the Issuer or the Broker will provide, upon request, a free paper copy of the Offering Circular and any supplementary documents. The Application Form cannot be completed or lodged electronically – it must be downloaded and printed.

A Applicant's Details

Name – (including Trustees); Company Name; or Title (Mr, Mrs, Miss); Given Name(s) & Surname

Applicant 1

Applicant 2

Name of Trust, Superannuation Fund, Business or Other (if applicable)

Date of Birth

Applicant 1

Applicant 2

ABN  
(if applicable)

Address

State

Postcode

Contact Details

Contact Name

Day Phone

Mobile Phone

Email Address

Tax File Number Enter your TFN, ABN or TFN exemption category  
(If you are a non-resident for tax purposes, please indicate your status and an exemption number, if applicable)

Applicant 1

Applicant 2

If claiming an exemption, please insert one of the following reasons in the space for the TFN:

- If a pensioner, insert pensioner type, eg age/invalid/service/wife's/carer's/widow's/sole parent/special parent/rehabilitation pension;
- If tax exempt, insert reason for exemption.

B Sponsoring Broker's (CHESS) Details – for delivery of Westpac Standard Instalments

Broker's Name

Broker's Address

State

Postcode

Broker's Phone  
Number

Account Name

PID Number

HIN Number

C Bank Account Details – for direct credit payments of distributions

Bank/Institution

Account Name

Branch

BSB

Account Number

Enter your bank account details here for the distribution(s) to be directly credited into your account. The instructions are only applicable for accounts held with banks, building societies and credit unions within Australia. If no details are provided, a cheque will be mailed to the address appearing in section A of the Application Form.

D Investment Summary

Note that the Investment Amount is subject to a minimum application per series of \$2,000

ASX Code 1	Number of Westpac Standard Instalments 2	First Payment 3	Investment Amount \$ 4	Standard Instalment Confirmation Number 5
AMPIWE				
ANZIWE				
BHPIWE				
CBAIWE				
CMLIWE				
FGLIWE				
FXJIWE				
LLCIWE				
MBLIWE				
NABIWE				
NCPIWE				
QANIWE				
RIOIWE				
SLFIWE				
SRPIWE				
STWIWE				
TAHIWE				
TLSIWE				
WESIWE				
WOWIWE				
WSFIWE				
Total Amount Payable on Application			\$	

Write the number of Westpac Standard Instalments you are applying for in each Series in the column titled "Number of Westpac Standard Instalments". If a confirmed First Payment has been obtained from Westpac by your approved financial adviser, write this amount in the First Payment column and insert the confirmation number in the column provided, otherwise leave these columns blank. If a confirmed First Payment has been obtained, the Investment Amount is determined by multiplying this amount by the number of Westpac Standard Instalments you are applying for. Alternatively, if you are applying for a dollar value of Westpac Standard Instalments, write the dollar value amount you wish to have applied as the Investment Amount (minimum application is \$2,000 per Westpac Standard Instalment Series). Add up the Investment Amount for each Series of Westpac Standard Instalments and write this number in the box provided at the bottom of the Investment Summary table. Refer to the Summary Tables on pages 6 and 7 of this Offering Circular for the full name of each Listed Entity.

E Payment Details – Cheque

Please attach cheque to this application.

Account Name

Bank

Cheque Number

Total

\$

**Cheque** – Please provide details of any cheques that you are attaching and ensure that all cheques equal your total amount payable. Cheques are to be made out to "Westpac Banking Corporation – WARRANTS" and crossed "Not Negotiable". Then simply mail in the Application Form together with the cheque to the address shown below: Westpac Standard Instalments, Structured Investments, Westpac Banking Corporation, PO Box A990, Sydney South NSW 1234

F Payment Details – Direct Credit

Please arrange transfer of funds equal to the total amount invested into the following account (you can arrange this through your bank or any Westpac branch). Note generally Direct Credit cannot be confirmed as cleared funds until the day following payment.

Account Name

BSB

Account No

Aux Serial No.

Total

\$

Please insert application number found on top of the Application Form.

**Direct Credit** – If you arrange a direct credit, please credit the total payment amount to the Account Name, BSB, and Account Number on the left. So that we can identify your payment, you **MUST** link your Application Number to your payment: if you fill in a direct credit form or a Westpac deposit slip, **write your Application Number** in the "Aux serial no." section on that form. If you make an electronic transfer, **please type your Application Number** in the Description field, which appears on our statement. You **MUST mail in the original Application Form**. If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

**BPAY** – You can transfer funds electronically through the BPAY system. **The application number is to be used as the customer reference number. You MUST mail in the original Application Form.** If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

**Direct Debit** – You can use direct debit if you have a Westpac account. Please complete the account details for Westpac to debit the Total. **You MUST mail in the original Application Form.** If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

## G Payment Details – BPAY



Please arrange transfer of funds equal to the total amount invested. Note generally BPAY cannot be confirmed as cleared funds until the day following payment.



Billers Code: 47464

Total

\$

*The customer reference number to use when paying through BPAY is the application number found on top of the Application Form.*

## H Payment Details – Direct Debit – Westpac Account



This option is available for Westpac Customers only. Please fill in your account details and the total amount invested below. We will arrange the transfer once we receive your signed Application Form.

Account Name

BSB

Account No

Total

\$

## I Privacy Consent

I/We agree that Westpac Banking Corporation ("Westpac"), Westpac Broking ("Broking"), and any other member of the Westpac Group, Computershare Investor Services Pty. Ltd. ("Registrar"), and Perpetual Trustee Company Limited ("Security Trustee") (the "Parties") may exchange with each other any information about me/us including:

- any information provided by me/us in this document;
- anything about my/our credit worthiness, credit standing, credit history or credit capacity which may, under the Privacy Act, lawfully be exchanged if I/we authorise the exchange;
- any other personal information I/we provide to any of them or which they otherwise lawfully obtain about me/us; and
- transaction details or transaction history arising out of my/our arrangements with Westpac or any of them.

If any of the Parties engages anyone (a "Service Provider") to do something on its behalf (for example a mailing house or a data processor) then I/we agree that the Party and the Service Provider may exchange with each other any information referred to above.

Any of the Parties might give any information referred to above to entities other than the Parties and the Service Providers where it is required or allowed by law or where I/we have otherwise consented.

I/We agree that any information referred to above can be used by the Parties and any Service Provider to give effect to the issue to me, and comply with any Terms of Issue, of the Westpac Standard Instalments the subject of my/our Application, to enable the Parties and any Service Provider to comply with any applicable laws or regulations and for account administration, planning, product development and research purposes.

I/We understand that I/we can access most personal information that members of the Westpac Group hold about me/us (sometimes there will be a reason why that is not possible, in which case I/we will be told why).

I/We understand that if I/we fail to provide any information requested in this form, or do not agree to any of the possible exchanges or uses detailed above, my/our Application may not be accepted by Westpac. To find out what sort of personal information members of the Westpac Group have about you, or to make a request for access, please contact Westpac on 132 032. The Westpac Group means Westpac Banking Corporation and its related bodies corporate, which include Westpac General Insurance and Westpac Financial Services Limited.

**Members of the Westpac Group would like to be able to contact you, or send you information, regarding other products and services.**

If you do not wish to receive this information, please:

- call us on 132 032;
- write to us at GPO Box 3433, Sydney, 2001;
- send an e-mail to [acctstats@westpac.com.au](mailto:acctstats@westpac.com.au); or
- call in at any Westpac, Bank of Melbourne or Challenge Bank branch.

You do not need to do this if you have already told us you do not wish to receive information of this sort.

## 2 Power of Attorney

1. For valuable consideration I/we irrevocably appoint any employee of Westpac Banking Corporation whose title includes the words "head of", "associate" or "manager" severally as my/our attorney.
2. An attorney may, in my name:
  - Complete any blanks in the Loan Agreement;
  - Execute the Loan Agreement substantially in the form set out in the Offering Circular manually or by authorising the electronic image of the signature of the attorney (or sub-attorney) to be applied to the Loan Agreement in electronic form;
  - Do anything which I am/we are obliged to do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and Westpac relating to the Loan or any subsequent loan;
  - Do anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in the attached Application Form(s) and appointing any person as sub-attorney to do any of the above); and
  - Do anything in relation to the Securities which I may lawfully do (including selling the Securities) if an event occurs which would make a Mortgage enforceable.
3. For the purposes of this Power of Attorney, Loan Agreement includes any Subsequent Loan Agreement.
4. Subsequent Loan Agreement means any future Loan Agreement relating to an Application by me for a future series of Westpac Standard Instalments.



### 3 Investor Declarations

By lodging the Application Form I/we, whose full name(s) and address(es) appear above, hereby acknowledge and confirm my/our Application for the number of Westpac Standard Instalments on this Application Form to be issued in accordance with the terms of the Offering Circular dated 26 May 2003 issued by Westpac Banking Corporation Limited. I/We acknowledge that in making our Application:

1. I/We have irrevocably appointed Perpetual Trustee Company Limited ("Security Trustee") or its nominee as my/our nominee on the terms of the Term of Issue in respect of any Securities to which my/our Application relates (**My Securities**) for valuable consideration and to facilitate the granting of the Loan and any Security Interest.
2. I/We authorise and direct the Security Trustee or its nominee to become the registered Holder of My Securities and to do anything incidental or necessary to become the registered Holder.
3. I/We declare that before completing this Application Form, I/we have received and was/were given access to an Offering Circular together with this Application Form.
4. Before completing this Application Form, I/we have read and understood the Offering Circular (which I/we received together with this Application Form, including the Summary of the Terms of Issue), and agree to accept the Westpac Standard Instalments on the conditions set out in the Offering Circular and agree to be bound by and hold the Westpac Standard Instalments subject to the rights and obligations set out in the Terms of Issue.
5. I/We declare that my/our Application is not being made in my/our capacity as the trustee of any estate (other than a complying superannuation fund or other excluded trust as defined in section 102UC of the Income Tax Assessment Act 1936).
6. I/We represent and warrant that I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.
7. I/We understand that if I/we:
  - fail to provide any information requested in this Application Form; or
  - do not agree to any of the possible exchanges or disclosures detailed above, my/our application may not be accepted by Westpac.
8. I/We understand that Westpac may pay to an adviser the fees identified in the Offering Circular to which this Application Form is attached in connection with the issue and holding of Westpac Standard Instalments, and that the adviser may pay all or a portion of these fees to other persons. I/We assent to the payment of these fees.
9. I/We acknowledge that in making my/our application, my/our application is made and addressed to both Westpac and the Security Trustee.

#### Non – Capital Guarantee Nature of Westpac Standard Instalments

10. I/We understand and agree that neither the Security Trustee nor Westpac nor any member of the Westpac Banking Corporation Group is guaranteeing any return of capital in respect of Westpac Standard Instalments, and accordingly that there is a risk that I/we may sustain a partial or complete loss of my/our cash invested in the Westpac Standard Instalments.

#### Individual/Joint Application

Signature Applicant 1

Signature Applicant 2

Print Name

Print Name

Witnessed by (print name)

Witnessed by (print name)

Signature of Witness

Signature of Witness

Date

Date

#### Company Application

Director/Sole Director Signature

Director/Secretary Signature

Print Name

Print Name

Date

Date

Company Seal (if applicable)

Unless you have received a confirmed First Payment through your approved financial adviser, Westpac will issue you with a number of Westpac Standard Instalments determined by your Investment Amount. This will be dependent on the First Payment established by Westpac on the day we receive your original Application Form and cleared funds.

If the Application form is signed by an attorney under a power of attorney, a copy of the power of attorney should be provided to Westpac. Applications on behalf of superannuation funds, trusts, partnerships, and deceased estates are to be signed by the individual trustees, executors or principals.

Company applications must be signed by two directors, a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director. The Application Form can also be signed under the company seal provided that the fixing of the seal is witnessed by two directors or a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director.

Before you complete this form please read the section titled “Privacy Consent” in Section 1 of this Application Form.

Please complete all relevant information on the Application Form.

The instructions below are a guide to assist you in completing your Application Form.

Write the full name you wish to appear on your Holding Statement. This must be the name of the individual or company. Up to 2 joint Applicants may register.

If you are investing as the trustee of a trust, you should also put the name of the trust or fund, where indicated. Westpac will NOT ACCEPT applications from superannuation entities investing in Westpac Standard Instalments under a Securityholder Application Form.

Date of Birth assists Westpac in Applicant identification (dd/mm/yyyy).

Enter your postal address where Westpac should send all correspondence and communications as well as your contact details. For joint Applicants, only one address can be inserted. We will direct any correspondence or telephone calls to the person named under "Contact Details".

TFN/Exemption or ABN – Quoting this number is not compulsory, but tax may be taken out of your distribution if you do not quote your number or your exemption. For more information about TFN/ABN rules, contact your local Taxation Office. If you are investing as the trustee of a trust or superannuation fund, you should enter the TFN of the trust or superannuation fund. If the trust or fund does not have its own TFN, enter the TFN of the Trustee or beneficiary. Please Note – An Australian Business Number may only be provided for a business use account.

If you are already a participant in CHESS, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your sponsoring broker for completion prior to lodgment. If no details are provided, you will become issuer sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your Holding Statement.

Westpac Banking Corporation ABN 33 007 457 141

# Westpac Standard Instalments Securityholder Application Form

Send to: Westpac Standard instalments  
Structured Investments  
Westpac Banking Corporation  
PO Box A990  
Sydney South NSW 1234  
Facsimile 02 9284 8648

Broker/Adviser Stamp

Adviser's Name

Application Number

The Application Form is for Westpac Standard Instalments over Securities outlined in the Introduction of the Offering Circular dated 26 May 2003. The Offering Circular contains important information about investing in Westpac Standard Instalments. Potential Investors should read the attached Offering Circular prior to making an application to invest in Westpac Standard Instalments. The Expiry Date of the Offering Circular is **10 March 2004**.

A person (including the Issuer) who gives another person access to this Application Form must also give that other person access (at the same time and by the same means) to the Offering Circular and any supplementary document. If the Offering Circular and Application Form have been accessed electronically, the Issuer or the Broker will provide, upon request, a free paper copy of the Offering Circular and any supplementary documents. The Application Form cannot be completed or lodged electronically – it must be downloaded and printed.

## A Applicant's Details

**Name** – (including Trustees); Company Name; or Title (Mr, Mrs, Miss); Given Name(s) & Surname

Applicant 1

Applicant 2

Name of Trust, Business or Other (if applicable)

**Date of Birth**  
Applicant 1

/ /

Applicant 2

/ /

ABN  
(if applicable)

**Address**

State

Postcode

**Contact Details**

Contact Name

Day Phone

Mobile Phone

Email Address

**Tax File Number** Enter your TFN, ABN or TFN exemption category  
(If you are a non-resident for tax purposes, please indicate your status and an exemption number, if applicable)

Applicant 1

Applicant 2

If claiming an exemption, please insert one of the following reasons in the space for the TFN:

- If a pensioner, insert pensioner type, eg age/invalid/service/wife's/carer's/widow's/sole parent/ special parent/rehabilitation pension;
- If tax exempt, insert reason for exemption.

## B Sponsoring Broker's (CHESS) Details – for delivery of Westpac Standard Instalments

Broker's Name

Broker's Address

State

Postcode

Broker's Phone  
Number

Account Name

PID Number

HIN Number

**C Bank Account Details** – for direct credit payments of distributions

Bank/Institution

Account Name

Branch

BSB

Account Number

Enter your bank account details here for the distribution(s) and, where applicable, the Cash Payment (Loan) to be directly credited into your account. The instructions are only applicable for accounts held with banks, building societies and credit unions within Australia. If no details are provided, a cheque will be mailed to the address appearing in Section A of this Application Form

**D Investment Summary**

ASX Code 1	Minimum Number of Shares 2	Number of Westpac Standard Instalments 3	Securityholder Invest. Amount per Instalment 4	Total Securityholder Invest. Amount 5	HIN and PID or SRN Existing Shares 6
AMPIWE	1,050				
ANZIWE	200				
BHPIWE	400				
CBAIWE	150				
CMLIWE	750				
FGLIWE	900				
FXJIWE	1,800				
LLCIWE	400				
MBLIWE	150				
NABIWE	100				
NCPIWE	450				
QANIWE	1,100				
RIOIWE	150				
SLFIWE	300				
SRPIWE	1,800				
STWIWE	150				
TAHIWE	450				
TLSIWE	900				
WESIWE	150				
WOWIWE	300				
WSFIWE	300				
Total Cash Payment (Loan) per Application				\$	

Write the number of Westpac Standard Instalments you are applying for in each Series in the column titled “Number of Westpac Standard Instalments”. If your approved financial adviser has obtained a confirmed value for the Securityholder Investment Amount, from Westpac, write this value in the column provided otherwise leave it blank. The total Securityholder Investment Amount is determined by multiplying the number of Westpac Standard Instalments you are applying for by the value obtained from Westpac. Add up the total Securityholder Investment Amounts for each Series of Westpac Standard Instalments and write this number in the box provided at the bottom of the Investment Summary table, **otherwise** leave it blank and this will be determined by Westpac. Refer to the Summary Tables on pages 6 and 7 of this Offering Circular for the full name of each Listed Entity.

**E Reinvestment of Securityholder Investment Amount**

I/We agree to invest any Securityholder Investment Amount due to me/us in applying for additional Westpac Standard Instalments. *(tick one)*

Yes ☐ Please fill out Section GNo ☐ Please complete Section F

You can apply to reinvest the Securityholder Investment Amount due to you as a result of the Securityholder Application in application for further Westpac Standard Instalments.

If you wish to reinvest the Securityholder Investment Amount you should tick the “Yes” box in this section of the Securityholder Application Form. You will then need to complete Section G.

If you do not tick either box, you will be deemed to have elected to apply the Securityholder Investment Amount as a Re-Investment Amount for further Westpac Standard Instalments in that Series.

If you do not want to re-invest the amount you must tick the “No” box **and** complete the Consumer Credit Declaration in Section F of this Application.

**F Declaration of the Purpose for which Credit is provided**

\* I/We declare that the credit to be provided to me/us by Westpac Banking Corporation is to be applied wholly or predominantly for business or investment purposes (or for both purposes).

**IMPORTANT**

You should not sign this declaration unless the Loan is wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code.

Signature Applicant 1

Signature Applicant 2

Print Name

Print Name

Date

Date

\* Delete if applicable

Write the number of Westpac Standard Instalments you are applying for in each Series in the column titled "Number of Westpac Standard Instalments". If a confirmed First Payment has been obtained from Westpac, by your approved financial adviser, write this amount in the First Payment column and insert the confirmation number in the column provided, otherwise leave these columns blank. If a confirmed First Payment has been obtained, the Investment Amount is determined by multiplying the confirmed First Payment amount by the number of Westpac Standard Instalments you are applying for. Alternatively, if you are applying for a dollar value of Westpac Standard Instalments, write the dollar value amount you wish to have applied as the Investment Amount. If re-investing in Series already applied for, there is no minimum application amount. Otherwise, the minimum application is \$2,000 per Westpac Standard Instalment Series. Add up the Investment Amount for each Series of Westpac Standard Instalments and write this number in the box provided at the bottom of the Re-investment Summary Table. Refer to the Summary Tables on pages 6 and 7 of this Offering Circular for the full name of each Listed Entity.

Any amount remaining and insufficient to use to apply for a further Westpac Standard Instalment in the Series that you have applied for will be donated to charity.

## G Re-investment Summary of Securityholder Investment Amount

If you ticked the "Yes" box in Section E, please set out your Re-investment Summary below.

ASX Code 1	Number of Westpac Standard Instalments 2	First Payment 3	Investment Amount \$ 4	Standard Instalment Confirmation Number 5
AMPIWE				
ANZIWE				
BHPIWE				
CBAIWE				
CMLIWE				
FGLIWE				
FXJIWE				
LLCIWE				
MBLIWE				
NABIWE				
NCPIWE				
QANIWE				
RIOIWE				
SLFIWE				
SRPIWE				
STWIWE				
TAHIWE				
TLSIWE				
WESIWE				
WOWIWE				
WSFIWE				
Total Re-investment Amount			\$	

## 1 Privacy Consent

I/We agree that Westpac Banking Corporation ("Westpac"), Westpac Broking ("Broking") and any other member of the Westpac Group (the "Parties"), Computershare Investor Services Pty. Ltd. ("Registrar") and Perpetual Trustee Company Limited ("Security Trustee") may exchange with each other any information about me/us including:

- any information provided by me/us in this document;
- anything about my/our credit worthiness, credit standing, credit history or credit capacity which may, under the Privacy Act, lawfully be exchanged if I/we authorise the exchange;
- any other personal information I/we provide to any of them or which they otherwise lawfully obtain about me/us; and
- transaction details or transaction history arising out of my/our arrangements with Westpac or any of them.

If any of the Parties engages anyone (a "Service Provider") to do something on its behalf (for example a mailing house or a data processor) then I/we agree that the Party and the Service Provider may exchange with each other any information referred to above. Any of the Parties might give any information referred to above to entities other than the Parties and the Service Providers where it is required or allowed by law or where I/we have otherwise consented.

I/We agree that any information referred to above can be used by the Parties and any Service Provider to give effect to the issue to me, and to comply with any Terms of Issue, of the Westpac Standard Instalments the subject of my/our Application, to enable the Parties and any Service Provider to comply with any applicable laws or regulations and for account administration, planning, product development and research purposes.

I/We understand that I/we can access most personal information that members of the Westpac Group and the other Parties hold about me/us (sometimes there will be a reason why that is not possible, in which case I/we will be told why).

I/We understand that if I/we fail to provide any information requested in this form, or do not agree to any of the possible exchanges or uses detailed above, my/our Application may not be accepted by Westpac.

To find out what sort of personal information members of the Westpac Group and the Parties have about you, or to make a request for access, please contact Westpac on 132 032. The Westpac Group means Westpac Banking Corporation and its related bodies corporate which include Westpac General Insurance and Westpac Financial Services Limited.

**Members of the Westpac Group would like to be able to contact you, or send you information, regarding other products and services.**

If you do not wish to receive this information, please:

- call us on 132 032;
- write to us at GPO Box 3433, Sydney, 2001;
- send an e-mail to [acctstats@westpac.com.au](mailto:acctstats@westpac.com.au); or
- call in at any Westpac, Bank of Melbourne or Challenge Bank branch.

You do not need to do this if you have already told us you do not wish to receive information of this sort.

## 2 Power of Attorney

1. For valuable consideration I/we irrevocably appoint any employee of Westpac Banking Corporation whose title includes the words "head of", "associate" or "manager" severally as my/our attorney.
2. An attorney may, in my name:
  - Complete any blanks in the Loan Agreement;
  - Execute the Loan Agreement substantially in the form set out in the Offering Circular manually or by authorising the electronic image of the signature of the attorney (or sub-attorney) to be applied to the Loan Agreement in electronic form;
  - Do anything which I am/we are obliged to do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and Westpac relating to the Loan or any subsequent loan;
  - Do anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in the attached Application Form(s) and appointing any person as sub-attorney to do any of the above); and
  - Do anything in relation to the Securities which I may lawfully do (including selling the Securities) if an event occurs which would make a Mortgage enforceable.
3. For the purposes of this Power of Attorney, Loan Agreement includes any Subsequent Loan Agreement.
4. Subsequent Loan Agreement means any future Loan Agreement relating to an Application by me for a future series of Westpac Standard Instalments.

## 3 Investor Declarations

By lodging the Application Form I/we whose full name(s) and address appear above, hereby acknowledge and confirm my/our Application for the number of Westpac Standard Instalments on this Application Form to be issued in accordance with the terms of the Offering Circular dated 26 May 2003 issued by Westpac Banking Corporation Limited. I/We acknowledge that in making our Application:

1. I/We have irrevocably appointed Perpetual Trustee Company Limited ("Security Trustee") or its nominee as my/ our nominee on the terms of the Terms of Issue in respect of any Securities to which my/our Application relates (**My Securities**) for valuable consideration and to facilitate the granting of the Loan and any Security Interest.
2. I/We authorise and direct the Security Trustee or its nominee to become the registered holder of **My Securities** and to do anything incidental or necessary to become the registered holder.
3. I/We declare that before completing this Application Form, I/we have received and was/were given access to an Offering Circular together with this Application Form.
4. Before completing this Application Form, I/we have read and understood the Offering Circular (which I/we received together with this Application Form, including the Summary of the Terms of Issue), and agree to accept the Westpac Standard instalments on the conditions set out in the Offering Circular and agree to be bound by and hold the Westpac Standard Instalments subject to the rights and obligations set out in the Terms of Issue.
5. I/We declare that my/our Application is not being made in my/our capacity as the trustee of any estate (other than an excluded trust as defined in section 102UC of the Income Tax Assessment Act 1936).
6. I/We declare that my/our Application is NOT being made in my/our capacity as the trustee of a superannuation fund.
7. I/We represent and warrant that:
  - I/We are the sole legal and beneficial\* owner(s) of **My Securities**;
  - **My Securities** are free from any Encumbrances; and
  - I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.
- \* Delete the words "and beneficial" if subject to the previous declaration you are acting as a trustee. In this case, you in addition represent and warrant that you have all power, authority and discretion invested as trustee to apply in relation to the securities which are subject of the trust.
8. I/We instruct my sponsoring broker (or the relevant registrar of an issuer-sponsored sub-register) to deliver **My Securities** to Westpac Broking, PID 1056 as an "Off-Market" transaction.
9. I/We understand that if I/we:
  - fail to provide any information requested in this Application Form; or
  - do not agree to any of the possible exchanges or disclosures detailed above,
  - my/our application may not be accepted by Westpac.
10. I/We understand that Westpac may pay to an adviser the fees identified in the Offering Circular to which this Application Form is attached in connection with the issue and holding of Westpac Standard Instalments, and that the adviser may pay all or a portion of these fees to other persons. I/We assent to the payment of these fees.
11. I/We acknowledge that in making my/our application my/our application is made and addressed to both Westpac and the Security Trustee.

### Non - Capital Guarantee Nature of Westpac Standard Instalments

12. I/We understand and agree that neither the Security Trustee nor Westpac nor any member of the Westpac Banking Corporation Group is guaranteeing any return of capital in respect of Westpac Standard Instalments, and accordingly that there is a risk that I/we may sustain a partial or complete loss of my/our securities or cash invested in the Westpac Standard Instalments.

The number of Westpac Standard Instalments you will receive will equal the number of Securities to be transferred under your Application. Where you have elected to re-invest the Cash, Westpac will issue you with an additional number of Westpac Standard Instalments determined by your Re-investment Amount. This will be dependent on the First Payment established by Westpac on the day we receive your original Application Form unless you have received a confirmed First Payment through your approved financial adviser

If the Application Form is signed by an attorney under power of attorney, a copy of the power of attorney should be provided to Westpac. Applications on behalf of trusts, partnerships, and deceased estates are to be signed by the individual trustees, principals or executors.

Company applications must be signed by two directors, a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director. The Application Form can also be signed under the company seal provided that the fixing of the seal is witnessed by two directors or a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director.

3

Investor Declarations continued

Individual/Joint Application

Signature Applicant 1

Print Name

Witnessed by (print name)

Signature of Witness

Date

/ /

Signature Applicant 2

Print Name

Witnessed by (print name)

Signature of Witness

Date

/ /

Company Application

Director/Sole Director Signature

Print Name

Date

/ /

Director/Secretary Signature

Print Name

Date

/ /

Company Seal (if applicable)



This page is left blank intentionally.

**Before you complete this form please read the section titled “Privacy Consent” in Section 1 of this Application Form.**

**Please complete all relevant information on the Application Form.**

**The instructions below are a guide to assist you in completing your Application Form.**

Please insert your Portfolio Number which can be found at the bottom right hand corner of page 2 of your expiry pack.

Please insert the date on which you confirmed the Rollover amount with Westpac.

**Rollover Confirmation Date**

Write the full name you wish to appear on your Holding Statement. This must be the name of the individual or company. Up to 2 joint Applicants may register.

If you are investing as the trustee of a trust, you should also put the name of the trust or fund, where indicated. Westpac will NOT ACCEPT Rollover Applications from superannuation entities investing in Westpac Standard Instalments under a Rollover Application Form.

Date of Birth assists Westpac in Applicant identification (dd/mm/yyyy).

Enter your postal address where Westpac should send all correspondence and communications as well as your contact details. For joint Applicants, only one address can be inserted. We will direct any correspondence or telephone calls to the person named under "Contact Details".

TFN/Exemption or ABN – Quoting this number is not compulsory, but tax may be taken out of your distribution if you do not quote your number or your exemption. For more information about TFN/ABN rules, contact your local Taxation Office. If you are investing as the trustee of a trust or superannuation fund, you should enter the TFN of the trust or superannuation fund. If the trust or fund does not have its own TFN, enter the TFN of the Trustee or beneficiary. Please Note – An Australian Business Number may only be provided for a business use account.

If you are already a participant in CHESS, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your sponsoring broker for completion prior to lodgment. If no details are provided, you will become issuer sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your Holding Statement.

Westpac Banking Corporation ABN 33 007 457 141

Broker/Adviser Stamp

## Westpac Standard Instalments Rollover Application Form

Send to: Westpac Standard instalments (Rollover)

Structured Investments  
Westpac Banking Corporation  
PO Box A990  
Sydney South NSW 1234  
Facsimile 02 9284 8648

Portfolio Number

Application Number

Adviser's Name

The Application Form is for Westpac Standard Instalments over Securities outlined in the Introduction of the Offering Circular dated 26 May 2003. The Offering Circular contains important information about investing in Westpac Standard Instalments. Potential Investors should read the attached Offering Circular prior to making an application to invest in Westpac Standard Instalments. **Rollover Applications must be lodged no later than 5:00pm Sydney Time on 12 June 2003.**

A person (including the Issuer) who gives another person access to this Application Form must also give that other person access (at the same time and by the same means) to the Offering Circular and any supplementary document. If the Offering Circular and Application Form have been accessed electronically, the Issuer or the Broker will provide, upon request, a free paper copy of the Offering Circular and any supplementary document. The Application Form cannot be completed or lodged electronically – it must be downloaded and printed.

### A Applicant's Details

**Name** – (including Trustees); Company Name; or Title (Mr, Mrs, Miss); Given Name(s) & Surname

Applicant 1

Applicant 2

Name of Trust, Superannuation Fund, Business or Other *(if applicable)*

**Date of Birth**  
Applicant 1

Applicant 2

ABN  
*(if applicable)*

**Address**

State

Postcode

**Contact Details**

Contact Name

Day Phone

Mobile Phone

Email Address

**Tax File Number** Enter your TFN, ABN or TFN exemption category  
*(If you are a non-resident for tax purposes, please indicate your status and an exemption number, if applicable)*

Applicant 1

Applicant 2

If claiming an exemption, please insert one of the following reasons in the space for the TFN:

- If a pensioner, insert pensioner type, eg age/invalid/service/wife's/carer's/widow's/sole parent/ special parent/rehabilitation pension;
- If tax exempt, insert reason for exemption.

### B Sponsoring Broker's (CHESS) Details – for delivery of Westpac Standard Instalments

Broker's Name

Broker's Address

State

Postcode

Broker's Phone  
Number

Account Name

PID Number

HIN Number

C Bank Account Details - for direct credit payments of distributions

Bank/Institution

Account Name

Branch

BSB

Account Number

Enter your bank account details here for the distribution(s) and, where applicable, the Rollover Cash-Back Amount to be directly credited into your account. The instructions are only applicable for accounts held with banks, building societies and credit unions within Australia. If no details are provided, a cheque will be mailed to the address appearing in Section A of this Application Form.

D Investment Summary

New ASX Code 1	Prior Series Standard Instalment Code 2	Number of Standard Instalments Rolled into New Series 3	Rollover Cash-Back per NEW Westpac Standard Instalments Payable TO Applicant 4	Rollover Cash-Back per NEW Westpac Standard Instalments Payable BY Applicant 5	Total Rollover Cash-Back/Payment for NEW ASX Code (Receivable/Payable) 6	HIN and PID or SRN Prior Series Standard Instalments 7
AMPIWE	AMPIWA					
ANZIWE	ANZIWA					
BHPIWE	BHPIWA					
CBAIWE	CBAIWA					
CMLIWE	CMLIWA					
FGLIWE	FGLIWA					
FXJIWE	FXJIWA					
LLCIWE	LLCIWA					
MBLIWE	MBLIWA					
NABIWE	NABIWA					
NCPIWE	NCPIWA					
QANIWE	QANIWA					
RIOIWE	RIOIWA					
SRPIWE	SRPIWA					
STWIWE	STWIWA					
TAHIWE	TAHIWA					
TLSIWE	TLSIWA					
WESIWE	WESIWA					
WOWIWE	WOWIWA					
WSFIWE	WSFIWA					
Total Amount Rollover Cash-Back per Application					\$	

Write the number of Westpac Standard Instalments you are applying to roll over in each Series in the column titled "Number of Standard Instalments Rolled into New Series". Contact Westpac to obtain a Rollover Payment or Rollover Cash-Back and write this amount in the column titled "Rollover Cash-Back per NEW Westpac Standard Instalment Series that is Payable TO Applicant" or Rollover Payment per NEW Westpac Standard Instalments Series that is Payable BY Applicant" whichever is appropriate. The **Total Rollover Payment** or **Rollover Cash-Back** is determined by multiplying the **Rollover Payment** or **Rollover Cash-Back** amount by the number of Westpac Standard Instalments you are **rolling over** and writing this amount in the column titled "Total Rollover Cash-Back/Payment for New ASX Instalment Code (Receivable/Payable)". Add up the **amounts in this column** and write this number in the box provided at the bottom of the Investment Summary table. **This amount will be the net \$amount Rollover Cash-Back/Payment per Application.**

E Reinvestment of Total Rollover Cash-Back per Application

I/We agree to invest any Total Rollover Cash-Back per Application amount due to me/us in applying for additional Westpac Standard instalments. *(tick one)*

Yes

Please fill out Section G

No

Please complete Section F

You can apply to reinvest the Total Rollover Cash-Back per Application amount due to you as a result of the Rollover Application in application for further Westpac Standard Instalments. If you wish to reinvest the Total Rollover Cash-Back amount per Application, you must tick the "Yes" box in this section of the Rollover Application Form. You will then need to complete Section G.

F Declaration of the Purpose for which Credit is provided

\* I/We declare that the credit to be provided to me/us by Westpac Banking Corporation is to be applied wholly or predominantly for business or investment purposes (or for both purposes).

**IMPORTANT**  
You should not sign this declaration unless the Loan is wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code.

Signature Applicant 1

Signature Applicant 2

Print Name

Print Name

Date

Date

If you do not tick either box, you will be deemed to have elected to re-invest the Total Rollover Cash-Back per Application amount to apply for further Westpac Standard Instalments in the series.

If you do not want to re-invest the amount you must tick the "No" box **and** complete the Consumer Credit Declaration in Section F of this Application.

\* Delete if applicable

Write the number of Westpac Standard Instalments you are applying for in each Series in the column titled "Number of Westpac Standard Instalments". If a confirmed First Payment has been obtained from Westpac, by your approved financial adviser, write this amount in the First Payment column and insert the confirmation number in the column provided, otherwise leave these columns blank. If a confirmed First Payment has been obtained, the Investment Amount is determined by multiplying the confirmed First Payment amount by the number of Westpac Standard Instalments you are applying for. Alternatively, if you are applying for a dollar value of Westpac Standard Instalments, write the dollar value amount you wish to have applied as the Investment Amount. If re-investing in Series already applied for, there is no minimum application amount. Otherwise, the minimum application is \$2,000 per Westpac Standard Instalment Series. Add up the Investment Amount for each Series of Westpac Standard Instalments and write this number in the box provided at the bottom of the Re-investment Summary Table. Refer to the Summary Tables on pages 6 and 7 of this Offering Circular for the full name of each Listed Entity.

Any amount remaining and insufficient to use to apply for a further Westpac Standard Instalment in the Series that you have applied for will be donated to charity.

**Direct Credit** – If you arrange a direct credit, please credit the money to the Account Name, BSB and Account Number specified. So that we can identify your payment, you **MUST** link your application number to your payment: if you fill in a direct credit form or a Westpac deposit slip, **write your application number** in the "Aux serial no." section on that form. If you make an electronic transfer, **please type your application number** in the Description field, which appears on our statement. You **MUST mail in the original Application Form**. If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

**BPAY** – You can transfer funds electronically through the BPAY system. **The application number is to be used as the customer reference number. You MUST mail in the original Application Form.** If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

**Cheque** – Please provide details of any cheques that you are attaching and ensure that all cheques equal your total amount payable. Cheques are to be made out to "Westpac Banking Corporation – WARRANTS" and crossed "Not Negotiable". Then simply mail in the Application Form together with the cheque to the address shown on the top of the form.

**G Re-investment Summary of Rollover Cash-Back per Application**

If you ticked the "Yes" box in Section E, please set out your Re-investment Summary below.

ASX Code	Number of Westpac Standard Instalments	First Payment	Investment Amount \$	Instalment Confirmation Number
AMPIWE				
ANZIWE				
BHPIWE				
CBAIWE				
CMLIWE				
FGLIWE				
FXJIWE				
LLCIWE				
MBLIWE				
NABIWE				
NCPIWE				
QANIWE				
RIOIWE				
SRPIWE				
STWIWE				
TAHIWE				
TLSIWE				
WESIWE				
WOWIWE				
WSFIWE				
Total Re-investment Amount			\$	

**H Payment Details – Direct Credit**

☐ Please arrange transfer of funds equal to the total amount invested into the following account (you can arrange this through your bank or any Westpac branch). Note generally Direct Credit cannot be confirmed as cleared funds until the day following payment.

Account Name

Westpac Banking Corporation – Warrants

BSB

032 916

Account No

10 0331

Aux Serial No.


Total

\$

Please insert application number found on top of the Application Form.

**I Payment Details – BPAY**

☐ Please arrange transfer of funds equal to the total amount invested. Note generally BPAY cannot be confirmed as cleared funds until the day following payment.



Biller Code: 47464

Total

\$

The customer reference number to use when paying through BPAY is the application number found on top of the Application Form.

**J Payment Details – Cheque**

☐ Please attach cheque to this application.

Account Name

Bank

Cheque Number

Total

\$

## K Payment Details – Direct Debit – Westpac Account

☐ This option is available for Westpac Customers only. Please fill in your account details and the total amount invested below. We will arrange the transfer once we receive your signed Application Form.

Account Name	<input type="text"/>		
BSB	<input type="text"/>	Account No	<input type="text"/>
Total	\$ <input type="text"/>		

## 1 Privacy Consent

I/We agree that Westpac Banking Corporation ("Westpac"), Westpac Broking ("Broking") and any other member of the Westpac Group, Computershare Investor Services Pty.Ltd. ("Registrar") and Perpetual Trustee Company Limited ("Security Trustee") (the "Parties") may exchange with each other any information about me/us including:

- any information provided by me/us in this document;
- anything about my/our credit worthiness, credit standing, credit history or credit capacity which may, under the Privacy Act, lawfully be exchanged if I/we authorise the exchange;
- any other personal information I/we provide to any of them or which they otherwise lawfully obtain about me/us; and
- transaction details or transaction history arising out of my/our arrangements with Westpac or any of them.

If any of the Parties engages anyone (a "Service Provider ") to do something on its behalf (for example a mailing house or a data processor) then I/we agree that the Party and the Service Provider may exchange with each other any information referred to above.

Any of the Parties might give any information referred to above to entities other than the Parties and the Service Providers where it is required or allowed by law or where I/we have otherwise consented.

I/We agree that any information referred to above can be used by the Parties and any Service Provider to give effect to the issue to me, and to comply with any Terms of Issue, of the Westpac Standard Instalments the subject of my/our Application, to enable the Parties and any Service Provider to comply with any applicable laws or regulations and for account administration, planning, product development and research purposes.

I/We understand that I/we can access most personal information that members of the Westpac Group and the Parties hold about me/us (sometimes there will be a reason why that is not possible, in which case I/we will be told why).

I/We understand that if I/we fail to provide any information requested in this form, or do not agree to any of the possible exchanges or uses detailed above, my/our Application may not be accepted by Westpac.

To find out what sort of personal information members of the Westpac Group and the Parties have about you, or to make a request for access, please contact Westpac on 132 032. The Westpac Group means Westpac Banking Corporation and its related bodies corporate which include Westpac General Insurance and Westpac Financial Services Limited.

**Members of the Westpac Group would like to be able to contact you, or send you information, regarding other products and services.**

If you do not wish to receive this information, please:

- call us on 132 032;
- write to us at GPO Box 3433, Sydney, 2001;
- send an e-mail to [acctstats@westpac.com.au](mailto:acctstats@westpac.com.au); or
- call in at any Westpac, Bank of Melbourne or Challenge Bank branch.

You do not need to do this if you have already told us you do not wish to receive information of this sort.

## 2 Power of Attorney

1. For valuable consideration I/we irrevocably appoint any employee of Westpac Banking Corporation whose title includes the words "head of", "associate" or "manager" severally as my/our attorney.
2. An attorney may, in my name:
  - Complete any blanks in the Loan Agreement;
  - Execute the Loan Agreement substantially in the form set out in the Offering Circular manually or by authorising the electronic image of the signature of the attorney (or sub-attorney) to be applied to the Loan Agreement in electronic form;
  - Do anything which I am/we are obliged to do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and Westpac relating to the Loan or any subsequent loan;
  - Do anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in the attached Application Form(s) and appointing any person as sub-attorney to do any of the above); and
  - Do anything in relation to the Securities which I may lawfully do (including selling the Securities) if an event occurs which would make a Mortgage enforceable.
3. For the purposes of this Power of Attorney, Loan Agreement includes any Subsequent Loan Agreement.
4. Subsequent Loan Agreement means any future Loan Agreement relating to an Application by me for a future series of Westpac Standard Instalments.

**Direct Credit** – You can use direct debit if you have a Westpac account. Please complete the account details for Westpac to debit the Total. **You MUST mail in the original Application Form.** If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

The number of Westpac Standard Instalments you will receive will equal the number of Prior Series Westpac Instalments to be rolled over unless the Prior Series Second Payment is greater than the Loan Amount (less Interest Amount) for the relevant Series and no Rollover Payment is made. Where you have elected to re-invest the Rollover Cash-Back, Westpac will issue you with an additional number of Westpac Standard Instalments determined by your Re-investment Amount. This will be dependent on the First Payment established by Westpac on the day we receive your original Application Form unless you have received a confirmed First Payment through your approved financial adviser.

If the Application Form is signed by an attorney under power of attorney, a copy of the power of attorney should be provided to Westpac. Applications on behalf of trusts, partnerships, and deceased estates are to be signed by the individual trustees, principals or executors.

3 Investor Declarations

- By lodging the Application Form I/we, whose full name(s) and address appear above, hereby acknowledge and confirm my/our Application for the number of Westpac Standard Instalments on this Application Form to be issued in accordance with the terms of the Offering Circular dated 26 May 2003 issued by Westpac Banking Corporation Limited. I/We acknowledge that in making our Application:
1. I/We have irrevocably appointed Perpetual Trustee Company Limited ("Security Trustee") or its nominee as my/our nominee on the terms of the Terms of Issue in respect of any Securities to which my/our Application relates (**My Securities**) for valuable consideration and to facilitate the granting of the Loan and any Security Interest.
  2. I/We authorise and direct the Security Trustee or its nominee to become or remain the registered Holder of **My Securities** and to do anything incidental or necessary to become or remain the registered Holder.
  3. I/We declare that before completing this Application Form, I/we have received and was/were given access to an Offering Circular together with this Application Form.
  4. Before completing this Application Form, I/we have read and understood the Offering Circular (which I/we received together with this Application Form, including the Summary of the Terms of Issue), and agree to accept the Westpac Standard Instalments on the condition set out in the Offering Circular and agree to be bound by and hold the Westpac Standard Instalments subject to the rights and obligations set out in the Terms of Issue.
  5. I/We declare that my/our Application is not being made in my capacity as the trustee of any estate (other than an excluded trust as defined in section 102UC of the Income Tax Assessment Act 1936).
  6. I/We declare that where my/our Application is NOT being made in my/our capacity as the trustee of a superannuation fund.
  7. I/We represent and warrant that:
    - I/We are the sole beneficial\* owner(s) of **My Securities**;
    - **My Securities** are free from any Encumbrances; and
    - I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.

\* Delete the words "beneficial" if subject to the previous declaration you are acting as a trustee. In this case, you in addition represent and warrant that you have all power, authority and discretion vested as trustee to apply in relation to the securities which are subject of the trust.
  8. I/We understand that if I/we:
    - fail to provide any information requested in this Application Form; or
    - do not agree to any of the possible exchanges or disclosures detailed above, my/our application may not be accepted by Westpac.
  9. I/We understand that Westpac may pay to an adviser the fees identified in the Offering Circular to which this Application Form is attached in connection with the issue and holding of Westpac Standard Instalments, and that the adviser may pay all or a portion of these fees to other persons. I/We assent to the payment of these fees.
  10. I/We acknowledge that in making my/our application, my/our application is made and addressed to both Westpac and the Security Trustee.

**Non - Capital Guarantee Nature of Westpac Standard Instalments**  
11. I/We understand and agree that neither the Security Trustee nor Westpac nor any member of the Westpac Banking Corporation Group is guaranteeing any return of capital in respect of Westpac Standard Instalments, and accordingly that there is a risk that I/we may sustain partial or a complete loss of my/our securities or cash invested in the Westpac Standard Instalments.

Individual/Joint Application

Signature Applicant 1	Signature Applicant 2
<div></div>	<div></div>
Print Name	Print Name
<div></div>	<div></div>
Witnessed by (print name)	Witnessed by (print name)
<div></div>	<div></div>
Signature of Witness	Signature of Witness
<div></div>	<div></div>
Date	Date
<div>/ /</div>	<div>/ /</div>

Company Applications please sign on the following page.



Company Application

Director/Sole Director Signature

Director/Secretary Signature

Print Name

Print Name

Date

/

Date

/

Company Seal (if applicable)

Company applications must be signed by two directors, a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director. The Application Form can also be signed under the company seal provided that the fixing of the seal is witnessed by two directors or a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director.

Before you complete this form please read the section titled “Privacy Consent” in Section 1 of this Application Form.

Please complete all relevant information on the Application Form.

The instructions below are a guide to assist you in completing your Application Form.

Important Notice

If there is no application number on your form, and you are paying by a method other than cheque, you will need to call Westpac on 1800 024 420 to obtain an application number. This enables Westpac to reconcile your payment to your Application Form.

Write the full name you wish to appear on your Holding Statement. This must be the name of the individual or company. Up to 2 joint Applicants may register.

If you are investing as the trustee of a trust or superannuation fund entity, you should also put the name of the trust or fund, where indicated. Superannuation entities should obtain their own advice about the suitability of investing in Westpac High Yield Instalments.

Date of Birth assists Westpac in Applicant identification (dd/mm/yyyy).

Enter your postal address where Westpac should send all correspondence and communications as well as your contact details. For joint Applicants, only one address can be inserted. We will direct any correspondence or telephone calls to the person named under "Contact Details".

TFN/Exemption or ABN – Quoting this number is not compulsory, but tax may be taken out of your distribution if you do not quote your number or your exemption. For more information about TFN/ABN rules, contact your local Taxation Office. If you are investing as the trustee of a trust or superannuation fund, you should enter the TFN of the trust or superannuation fund. If the trust or fund does not have its own TFN, enter the TFN of the Trustee or beneficiary. Please Note – An Australian Business Number may only be provided for a business use account.

If you are already a participant in CHESS, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your sponsoring broker for completion prior to lodgment. If no details are provided, you will become issuer sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your Holding Statement.

Westpac Banking Corporation ABN 33 007 457 141

Broker/Adviser Stamp

Westpac High Yield Instalments  
Cash Application Form

Send to: Westpac High Yield Instalments  
Structured Investments  
Westpac Banking Corporation  
PO Box A990  
Sydney South NSW 1234  
Facsimile 02 9284 8648

Adviser's Name

Application Number

The Application Form is for Westpac High Yield Instalments over Securities outlined in the Introduction of the Offering Circular date 26 May 2003. The Offering Circular contains important information about investing in Westpac High Yield Instalments. Potential Investors should read the attached Offering Circular prior to making an application to invest in Westpac High Yield Instalments. The Expiry Date of the Offering Circular is 10 March 2004.

A person (including the Issuer) who gives another person access to this Application Form must also give that other person access (at the same time and by the same means) to the Offering Circular and any supplementary document. If the Offering Circular and Application Form have been accessed electronically, the Issuer or the Broker will provide, upon request, a free paper copy of the Offering Circular and any supplementary documents. The Application Form cannot be completed or lodged electronically – it must be downloaded and printed.

A Applicant's Details

Name – (including Trustees); Company Name; or Title (Mr, Mrs, Miss); Given Name(s) & Surname

Applicant 1

Applicant 2

Name of Trust, Superannuation Fund, Business or Other (if applicable)

Date of Birth  
Applicant 1

/ /

Applicant 2

/ /

ABN  
(if applicable)

Address

State

Postcode

Contact Details

Contact Name

Day Phone

Mobile Phone

Email Address

Tax File Number Enter your TFN, ABN or TFN exemption category  
(If you are a non-resident for tax purposes, please indicate your status and an exemption number, if applicable)

Applicant 1

Applicant 2

If claiming an exemption, please insert one of the following reasons in the space for the TFN:

- If a pensioner, insert pensioner type, eg age/invalid/service/wife's/carer's/widow's/sole parent/ special parent/rehabilitation pension;
- If tax exempt, insert reason for exemption.

B Sponsoring Broker's (CHESS) Details – for delivery of Westpac High Yield Instalments

Broker's Name

Broker's Address

State

Postcode

Broker's Phone  
Number

Account Name

PID Number

HIN Number

C Bank Account Details – for direct credit payments of distributions

Bank/Institution

Account Name

Branch

BSB

Account Number

Enter your bank account details here for the distribution(s) to be directly credited into your account. The instructions are only applicable for accounts held with banks, building societies and credit unions within Australia. If no details are provided, a cheque will be mailed to the address appearing in section A of the Application Form.

D Investment Summary

Note that the Investment Amount is subject to a minimum application per series \$2,000

ASX Code 1	Number of Westpac High Yield Instalments 2	First Payment 3	Investment Amount \$ 4	Instalment Confirmation Number 5
AMPIWF				
ANZIWF				
BHPIWF				
BILIMF				
CBAIWF				
CMLIWF				
FGLIWF				
FXJIWF				
HVNIWF				
LLCIWF				
MBLIWF				
MIGIWF				
NABIWF				
NCPIWF				
PBLIWF				
QANIWF				
RIOIWF				
SGBIWF				
SRPIWF				
SUNIWF				
TAHIWF				
TLSIWF				
WOWIWF				
WPLIWF				
WSFIWF				
Total Amount Payable on Application			\$	

Write the number of Westpac High Yield Instalments you are applying for in each Series in the column titled "Number of Westpac High Yield Instalments". If a confirmed First Payment has been obtained from Westpac by your approved financial adviser, write this amount in the First Payment column and insert the confirmation number in the column provided, otherwise leave these columns blank. If a confirmed First Payment has been obtained, the Investment Amount is determined by multiplying this amount by the number of Westpac High Yield Instalments you are applying for. Alternatively, if you are applying for a dollar value of Westpac High Yield Instalments, write the dollar value amount you wish to have applied as the Investment Amount (minimum application is \$2,000 per Westpac High Yield Instalment Series). Add up the Investment Amount for each Series of Westpac High Yield Instalments and write this number in the box provided at the bottom of the Investment Summary table. Refer to the Summary Tables on pages 6 and 7 of this Offering Circular for the full name of each Listed Entity.

E Payment Details – Cheque

Please attach cheque to this application.

Account Name

Bank

Cheque Number

Total

\$

**Cheque** – Please provide details of any cheques that you are attaching and ensure that all cheques equal your total amount payable. Cheques are to be made out to "Westpac Banking Corporation – WARRANTS" and crossed "Not Negotiable". Then simply mail in the Application Form together with the cheque to the address shown below: Westpac High Yield Instalments, Structured Investments, Westpac Banking Corporation, PO Box A990, Sydney South NSW 1234

F Payment Details – Direct Credit

Please arrange transfer of funds equal to the total amount invested into the following account (you can arrange this through your bank or any Westpac branch). Note generally Direct Credit cannot be confirmed as cleared funds until the day following payment.

Account Name

BSB

Account No

Aux Serial No.

Total

\$

Please insert application number found on top of the Application Form.

**Direct Credit** – If you arrange a direct credit, please credit the total payment amount to the Account Name, BSB, and Account Number on the left. So that we can identify your payment, you **MUST** link your application number to your payment: if you fill in a direct credit form or a Westpac deposit slip, write your application number in the "Aux serial no." section on that form. If you make an electronic transfer, please type your application number in the Description field, which appears on our statement. You **MUST** mail in the original Application Form. If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

**BPAY** – You can transfer funds electronically through the BPAY system. **The application number is to be used as the customer reference number. You MUST mail in the original Application Form.** If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

**Direct Debit** – You can use direct debit if you have a Westpac account. Please complete the account details for Westpac to debit the Total. **You MUST mail in the original Application Form.** If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

## G Payment Details – BPAY



Please arrange transfer of funds equal to the total amount invested. Note generally BPAY cannot be confirmed as cleared funds until the day following payment.



Billers Code: 47464

Total

\$

*The customer reference number to use when paying through BPAY is the application number found on top of the Application Form.*

## H Payment Details – Direct Debit – Westpac Account



This option is available for Westpac Customers only. Please fill in your account details and the total amount invested below. We will arrange the transfer once we receive your signed Application Form.

Account Name

BSB

Account No

Total

\$

## I Privacy Consent

I/We agree that Westpac Banking Corporation ("Westpac"), Westpac Broking ("Broking") and any other member of the Westpac Group, Computershare Investor Services Pty.Ltd. ("Registrar") and Perpetual Trustee Company Limited ("Security Trustee") (the "Parties") may exchange with each other any information about me/us including:

- any information provided by me/us in this document;
- anything about my/our credit worthiness, credit standing, credit history or credit capacity which may, under the Privacy Act, lawfully be exchanged if I/we authorise the exchange;
- any other personal information I/we provide to any of them or which they otherwise lawfully obtain about me/us; and
- transaction details or transaction history arising out of my/our arrangements with Westpac or any of them.

If any of the Parties engages anyone (a "Service Provider") to do something on its behalf (for example a mailing house or a data processor) then I/we agree that the Party and the Service Provider may exchange with each other any information referred to above.

Any of the Parties might give any information referred to above to entities other than the Parties and the Service Providers where it is required or allowed by law or where I/we have otherwise consented.

I/We agree that any information referred to above can be used by the Parties and any Service Provider to give effect to the issue to me, and to comply with any Terms of Issue, of the Westpac Standard instalments the subject of my/our Application, to enable the Parties and any Service Provider to comply with any applicable laws or regulations and for account administration, planning, product development and research purposes.

I/We understand that I/we can access most personal information that members of the Westpac Group and the Parties hold about me/us (sometimes there will be a reason why that is not possible, in which case I/we will be told why).

I/We understand that if I/we fail to provide any information requested in this form, or do not agree to any of the possible exchanges or uses detailed above, my/our Application may not be accepted by Westpac.

To find out what sort of personal information members of the Westpac Group and the Parties have about you, or to make a request for access, please contact Westpac on 132 032. The Westpac Group means Westpac Banking Corporation and its related bodies corporate which include Westpac General Insurance and Westpac Financial Services Limited.

**Members of the Westpac Group would like to be able to contact you, or send you information, regarding other products and services.**

If you do not wish to receive this information, please:

- call us on 132 032;
- write to us at GPO Box 3433, Sydney, 2001;
- send an e-mail to acctstats@westpac.com.au; or
- call in at any Westpac, Bank of Melbourne or Challenge Bank branch.

You do not need to do this if you have already told us you do not wish to receive information of this sort.

## 2 Power of Attorney

1. For valuable consideration I/we irrevocably appoint any employee of Westpac Banking Corporation whose title includes the words "head of", "associate" or "manager" severally as my/our attorney.
2. An attorney may, in my name:
  - Complete any blanks in the Loan Agreement;
  - Execute the Loan Agreement substantially in the form set out in the Offering Circular manually or by authorising the electronic image of the signature of the attorney (or sub-attorney) to be applied to the Loan Agreement in electronic form;
  - Do anything which I am/we are obliged to do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and Westpac relating to the Loan or any subsequent loan;
  - Do anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in the attached Application Form(s) and appointing any person as sub-attorney to do any of the above); and
  - Do anything in relation to the Securities which I may lawfully do (including selling the Securities) if an event occurs which would make a Mortgage enforceable.
3. For the purposes of this Power of Attorney, Loan Agreement includes any Subsequent Loan Agreement.
4. Subsequent Loan Agreement means any future Loan Agreement relating to an Application by me for a future series of Westpac High Yield instalments.

### 3 Investor Declarations

By lodging the Application Form I/we, whose full name(s) and address(es) appear above, hereby acknowledge and confirm my/our Application for the number of Westpac High Yield Instalments on this Application Form to be issued in accordance with the terms of the Offering Circular dated 26 May 2003 issued by Westpac Banking Corporation Limited. I/We acknowledge that in making our Application:

1. I/We have irrevocably appointed Perpetual Trustee Company Limited ("Security Trustee") or its nominee as my/our nominee on the terms of the Term of Issue in respect of any Securities to which my/our Application relates (**My Securities**) for valuable consideration and to facilitate the granting of the Loan and any Security Interest.
2. I/We authorise and direct the Security Trustee or its nominee to become the registered Holder of **My Securities** and to do anything incidental or necessary to become the registered Holder.
3. I/We declare that before completing this Application Form, I/we have received and was/were given access to an Offering Circular together with this Application Form.
4. Before completing this Application Form, I/we have read and understood the Offering Circular (which I/we received together with this Application Form, including the Summary of the Terms of Issue), and agree to accept the Westpac High Yield Instalments on the conditions set out in the Offering Circular and agree to be bound by and hold the Westpac High Yield Instalments subject to the rights and obligations set out in the Terms of Issue.
5. I/We declare that my/our Application is not being made in my/our capacity as the trustee of any estate (other than a complying superannuation fund or other excluded trust as defined in section 102UC of the Income Tax Assessment Act 1936).
6. I/We represent and warrant that I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.
7. I/We understand that if I/we:
  - fail to provide any information requested in this Application Form; or
  - do not agree to any of the possible exchanges or disclosures detailed above, my/our application may not be accepted by Westpac.
8. I/We understand that Westpac may pay to an adviser the fees identified in the Offering Circular to which this Application Form is attached in connection with the issue and holding of Westpac High Yield Instalments, and that the adviser may pay all or a portion of these fees to other persons. I/We assent to the payment of these fees.
9. I/We acknowledge that in making my/our application, my/our application is made and addressed to both Westpac and the Security Trustee.

#### Non - Capital Guarantee Nature of Westpac High Yield Instalments

10. I/We understand and agree that neither the Security Trustee nor Westpac nor any member of the Westpac Banking Corporation Group is guaranteeing any return of capital in respect of Westpac High Yield Instalments, and accordingly that there is a risk that I/we may sustain a partial or complete loss of my/our cash invested in the Westpac High Yield Instalments.

#### Individual/Joint Application

Signature Applicant 1	Signature Applicant 2
<input type="text"/>	<input type="text"/>
Print Name	Print Name
<input type="text"/>	<input type="text"/>
Witnessed by (print name)	Witnessed by (print name)
<input type="text"/>	<input type="text"/>
Signature of Witness	Signature of Witness
<input type="text"/>	<input type="text"/>
Date	Date
<input type="text"/>	<input type="text"/>

#### Company Application

Director/Sole Director Signature	Director/Secretary Signature
<input type="text"/>	<input type="text"/>
Print Name	Print Name
<input type="text"/>	<input type="text"/>
Date	Date
<input type="text"/>	<input type="text"/>
Company Seal (if applicable)	
<input type="text"/>	

Unless you have received a confirmed First Payment through your approved financial adviser, Westpac will issue you with a number of Westpac High Yield Instalments determined by your Investment Amount. This will be dependent on the First Payment established by Westpac on the day we receive your original Application Form and cleared funds.

If the Application form is signed by an attorney under a power of attorney, a copy of the power of attorney should be provided to Westpac. Applications on behalf of superannuation funds, trusts, partnerships, and deceased estates are to be signed by the individual trustees, executors or principals.

Company applications must be signed by two directors, a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director. The Application Form can also be signed under the company seal provided that the fixing of the seal is witnessed by two directors or a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director.

Before you complete this form please read the section titled “Privacy Consent” in Section 1 of this Application Form.

Please complete all relevant information on the Application Form.

The instructions below are a guide to assist you in completing your Application Form.

Write the full name you wish to appear on your Holding Statement. This must be the name of the individual or company. Up to 2 joint Applicants may register.

If you are investing as the trustee of a trust, you should also put the name of the trust or fund, where indicated. Westpac will NOT ACCEPT applications from superannuation entities investing in Westpac High Yield Instalments under a Securityholder Application Form.

Date of Birth assists Westpac in Applicant identification (dd/mm/yyyy).

Enter your postal address where Westpac should send all correspondence and communications as well as your contact details. For joint Applicants, only one address can be inserted. We will direct any correspondence or telephone calls to the person named under "Contact Details".

TFN/Exemption or ABN – Quoting this number is not compulsory, but tax may be taken out of your distribution if you do not quote your number or your exemption. For more information about TFN/ABN rules, contact your local Taxation Office. If you are investing as the trustee of a trust or superannuation fund, you should enter the TFN of the trust or superannuation fund. If the trust or fund does not have its own TFN, enter the TFN of the Trustee or beneficiary. Please Note – An Australian Business Number may only be provided for a business use account.

If you are already a participant in CHESS, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your sponsoring broker for completion prior to lodgment. If no details are provided, you will become issuer sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your Holding Statement.

Westpac Banking Corporation ABN 33 007 457 141

# Westpac High Yield Instalments Securityholder Application Form

Send to: Westpac High Yield Instalments  
Structured Investments  
Westpac Banking Corporation  
PO Box A990  
Sydney South NSW 1234  
Facsimile 02 9284 8648

Broker/Adviser Stamp

Adviser's Name

Application Number

The Application Form is for Westpac High Yield Instalments over Securities outlined in the Introduction of the Offering Circular dated 26 May 2003. The Offering Circular contains important information about investing in Westpac High Yield Instalments. Potential Investors should read the attached Offering Circular prior to making an application to invest in Westpac High Yield Instalments. The Expiry Date of the Offering Circular is **10 March 2004**.

A person (including the Issuer) who gives another person access to this Application Form must also give that other person access (at the same time and by the same means) to the Offering Circular and any supplementary document. If the Offering Circular and Application Form have been accessed electronically, the Issuer or the Broker will provide, upon request, a free paper copy of the Offering Circular and any supplementary documents. The Application Form cannot be completed or lodged electronically – it must be downloaded and printed.

## A Applicant's Details

**Name** – (including Trustees); Company Name; or Title (Mr, Mrs, Miss); Given Name(s) & Surname

Applicant 1

Applicant 2

Name of Trust, Business or Other (if applicable)

**Date of Birth**  
Applicant 1

/ /

Applicant 2

/ /

ABN  
(if applicable)

**Address**

State

Postcode

**Contact Details**

Contact Name

Day Phone

Mobile Phone

Email Address

**Tax File Number** Enter your TFN, ABN or TFN exemption category  
(If you are a non-resident for tax purposes, please indicate your status and an exemption number, if applicable)

Applicant 1

Applicant 2

If claiming an exemption, please insert one of the following reasons in the space for the TFN:

- If a pensioner, insert pensioner type, eg age/invalid/service/wife's/carer's/widow's/sole parent/ special parent/rehabilitation pension;
- If tax exempt, insert reason for exemption.

## B Sponsoring Broker's (CHESS) Details – for delivery of Westpac High Yield Instalments

Broker's Name

Broker's Address

State

Postcode

Broker's Phone  
Number

Account Name

PID Number

HIN Number



**C Bank Account Details** – for direct credit payments of distributions

Bank/Institution

Account Name

Branch

BSB

Account Number

Enter your bank account details here for the distribution(s) and, where applicable, the Cash Payment (Loan) to be directly credited into your account. The instructions are only applicable for accounts held with banks, building societies and credit unions within Australia. If no details are provided, a cheque will be mailed to the address appearing in Section A of this Application Form

**D Investment Summary**

ASX Code <i>1</i>	Minimum Number of Shares <i>2</i>	Number of Westpac High Yield Instalments <i>3</i>	Securityholder Invest. Amount per Instalment <i>4</i>	Total Securityholder Invest. Amount <i>5</i>	HIN and PID or SRN Existing Shares <i>6</i>
AMPIWF	500				
ANZIWF	150				
BHPIWF	450				
BILIMF	750				
CBAIWF	100				
CMLIWF	600				
FGLIWF	600				
FXJIWF	900				
HVNIWF	1,100				
LLCIWF	300				
MBLIWF	100				
MIGIWF	900				
NABIWF	100				
NCPIWF	300				
PBLIWF	300				
QANIWF	900				
RIOIWF	100				
SGBIWF	150				
SRPIWF	900				
SUNIWF	300				
TAHIWF	300				
TLSIWF	900				
WOWIWF	300				
WPLIWF	300				
WSFIWF	200				
Total Cash Payment (Loan) per Application A\$					

Write the number of Westpac High Yield Instalments you are applying for in each Series in the column titled "Number of Westpac High Yield Instalments". If your approved financial adviser has obtained a confirmed value for the Securityholder Investment Amount from Westpac, write this value in the column provided otherwise leave it blank. The total Securityholder Investment Amount is determined by multiplying the number of Westpac High Yield Instalments you are applying for by the value obtained from Westpac. Add up the total Securityholder Investment Amounts for each Series of Westpac High Yield Instalments and write this number in the box provided at the bottom of the Investment Summary table, **otherwise** leave it blank and this will be determined by Westpac. Refer to the Summary Tables on pages 6 and 7 of this Offering Circular for the full name of each Listed Entity.

**E Reinvestment of Securityholder Investment Amount**

I/We agree to invest any Securityholder Investment Amount due to me/us in applying for additional Westpac High Yield Instalments. (*tick one*)

Yes ☐ Please fill out Section GNo ☐ Please complete Section F

You can apply to reinvest the Securityholder Investment Amount due to you as a result of the Securityholder Application in application for further Westpac High Yield Instalments. If you wish to reinvest any Securityholder Investment Amount you should tick the "Yes" box in this section of the Securityholder Application Form. You will then need to complete Section G.

If you do not tick either box, you will be deemed to have elected to apply the Securityholder Investment Amount as a Re-Investment Amount for further Westpac High Yield Instalments in that Series.

If you do not want to re-invest the amount you must tick the "No" box **and** complete the Consumer Credit Declaration in Section F of this Application.

Write the number of Westpac High Yield Instalments you are applying for in each Series in the column titled "Number of Westpac High Yield Instalments". If a confirmed First Payment has been obtained from Westpac, by your approved financial adviser, write this amount in the First Payment column and insert the confirmation number in the column provided, otherwise leave these columns blank. If a confirmed First Payment has been obtained, the Investment Amount is determined by multiplying the confirmed First Payment amount by the number of Westpac High Yield Instalments you are applying for. Alternatively, if you are applying for a dollar value of Westpac High Yield Instalments, write the dollar value amount you wish to have applied as the Investment Amount. If re-investing in Series already applied for, there is no minimum application amount. Otherwise, the minimum application is \$2,000 per Westpac High Yield Instalment Series. Add up the Investment Amount for each Series of Westpac High Yield Instalments and write this number in the box provided at the bottom of the Re-investment Summary Table. Refer to the Summary Table on page 6 of this Offering Circular for the full name of each Listed Entity.

Any amount remaining and insufficient to use to apply for a further Westpac High Yield Instalment in the Series that you have applied for will be donated to charity.

## F Declaration of the Purpose for which Credit is provided

\* I/We declare that the credit to be provided to me/us by Westpac Banking Corporation is to be applied wholly or predominantly for business or investment purposes (or for both purposes).

### IMPORTANT

You should **not** sign this declaration unless the Loan is wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code.

Signature Applicant 1

Print Name

Date

Signature Applicant 2

Print Name

Date

\* Delete if applicable

## G Re-investment Summary of Securityholder Investment Amount

If you ticked the "Yes" box in Section E, please set out your Re-investment Summary below.

ASX Code 1	Number of Westpac High Yield Instalments 2	First Payment 3	Investment Amount \$ 4	Instalment Confirmation Number 5
AMPIWF				
ANZIWF				
BHPIWF				
BILIMF				
CBAIWF				
CMLIWF				
FGLIWF				
FXJIWF				
HVNIWF				
LLCIWF				
MBLIWF				
MIGIWF				
NABIWF				
NCPIWF				
PBLIWF				
QANIWF				
RIOIWF				
SGBIWF				
SRPIWF				
SUNIWF				
TAHIWF				
TLSIWF				
WOWIWF				
WPLIWF				
WSFIWF				
Total Re-investment Amount			\$	

## 1 Privacy Consent

I/We agree that Westpac Banking Corporation ("Westpac"), Westpac Broking ("Broking") and any other member of the Westpac Group (the "Parties"), Computershare Investor Services Pty. Ltd. ("Registrar") and Perpetual Trustee Company Limited ("Security Trustee") may exchange with each other any information about me/us including:

- any information provided by me/us in this document;
- anything about my/our credit worthiness, credit standing, credit history or credit capacity which may, under the Privacy Act, lawfully be exchanged if I/we authorise the exchange;
- any other personal information I/we provide to any of them or which they otherwise lawfully obtain about me/us; and
- transaction details or transaction history arising out of my/our arrangements with Westpac or any of them.

If any of the Parties engages anyone (a "Service Provider") to do something on its behalf (for example a mailing house or a data processor) then I/we agree that the Party and the Service Provider may exchange with each other any information referred to above. Any of the Parties might give any information referred to above to entities other than the Parties and the Service Providers where it is required or allowed by law or where I/we have otherwise consented.

I/We agree that any information referred to above can be used by the Parties and any Service Provider to give effect to the issue to me, and to comply with any Terms of Issue, of the Westpac High Yield Instalments the subject of my/our Application, to enable the Parties and any Service Provider to comply with any applicable laws or regulations and for account administration, planning, product development and research purposes.

I/We understand that I/we can access most personal information that members of the Westpac Group and the other Parties hold about me/us (sometimes there will be a reason why that is not possible, in which case I/we will be told why).

I/We understand that if I/we fail to provide any information requested in this form, or do not agree to any of the possible exchanges or uses detailed above, my/our Application may not be accepted by Westpac.

To find out what sort of personal information members of the Westpac Group and the Parties have about you, or to make a request for access, please contact Westpac on 132 032. The Westpac Group means Westpac Banking Corporation and its related bodies corporate which include Westpac General Insurance and Westpac Financial Services Limited.

**Members of the Westpac Group would like to be able to contact you, or send you information, regarding other products and services.**

If you do not wish to receive this information, please:

- call us on 132 032;
- write to us at GPO Box 3433, Sydney, 2001;
- send an e-mail to [acctstats@westpac.com.au](mailto:acctstats@westpac.com.au); or
- call in at any Westpac, Bank of Melbourne or Challenge Bank branch.

You do not need to do this if you have already told us you do not wish to receive information of this sort.

## 2 Power of Attorney

1. For valuable consideration I/we irrevocably appoint any employee of Westpac Banking Corporation whose title includes the words "head of", "associate" or "manager" severally as my/our attorney.
2. An attorney may, in my name:
  - Complete any blanks in the Loan Agreement;
  - Execute the Loan Agreement substantially in the form set out in the Offering Circular manually or by authorising the electronic image of the signature of the attorney (or sub-attorney) to be applied to the Loan Agreement in electronic form;
  - Do anything which I am/we are obliged to do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and Westpac relating to the Loan or any subsequent loan;
  - Do anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in the attached Application Form(s) and appointing any person as sub-attorney to do any of the above); and
  - Do anything in relation to the Securities which I may lawfully do (including selling the Securities) if an event occurs which would make a Mortgage enforceable.
3. For the purposes of this Power of Attorney, Loan Agreement includes any Subsequent Loan Agreement.
4. Subsequent Loan Agreement means any future Loan Agreement relating to an Application by me for a future series of Westpac High Yield Instalments.

The number of Westpac High Yield Instalments you will receive will equal the number of Securities to be tranferred under your Application. Where you have elected to re-invest the Cash, Westpac will issue you with an additional number of Westpac High Yield Instalments determined by your Re-investment Amount. This will be dependent on the First Payment established by Westpac on the day we receive your original Application Form unless you have received a confirmed First Payment through your approved financial adviser.

If the Application Form is signed by an attorney under a power of attorney, a copy of the power of attorney should be provided to Westpac. Applications on behalf of trusts, partnerships, and deceased estates are to be signed by the individual trustees, principals or executors.

3 Investor Declarations

- By lodging the Application Form I/we whose full name(s) and address appear above, hereby acknowledge and confirm my/our Application for the number of Westpac High Yield Instalments on this Application Form to be issued in accordance with the terms of the Offering Circular dated 26 May 2003 issued by Westpac Banking Corporation Limited. I/We acknowledge that in making our Application:
1. I/We have irrevocably appointed Perpetual Trustee Company Limited ("Security Trustee") or its nominee as my/our nominee on the terms of the Terms of Issue in respect of any Securities to which my/our Application relates (**My Securities**) for valuable consideration and to facilitate the granting of the Loan and any Security Interest.
  2. I/We authorise and direct the Security Trustee or its nominee to become the registered holder of **My Securities** and to do anything incidental or necessary to become the registered holder.
  3. I/We declare that before completing this Application Form, I/we have received and was/were given access to an Offering Circular together with this Application Form.
  4. Before completing this Application Form, I/we have read and understood the Offering Circular (which I/we received together with this Application Form, including the Summary of the Terms of Issue), and agree to accept the Westpac High Yield Instalments on the conditions set out in the Offering Circular and agree to be bound by and hold the Westpac High Yield Instalments subject to the rights and obligations set out in the Terms of Issue.
  5. I/We declare that my/our Application is not being made in my/our capacity as the trustee of any estate (other than an excluded trust as defined in section 102UC of the Income Tax Assessment Act 1936).
  6. I/We declare that my/our Application is NOT being made in my/our capacity as the trustee of a superannuation fund.
  7. I/We represent and warrant that:
    - I/We are the sole legal and beneficial\* owner(s) of **My Securities**;
    - **My Securities** are free from any Encumbrances; and
    - I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.

\* Delete the words "and beneficial" if subject to the previous declaration you are acting as a trustee. In this case, you in addition represent and warrant that you have all power, authority and discretion invested as trustee to apply in relation to the securities which are subject of the trust.
  8. I/We instruct my sponsoring broker (or the relevant registrar of an issuer-sponsored sub-register) to deliver **My Securities** to Westpac Broking, PID 1056 as an "Off-Market" transaction.
  9. I/We understand that if I/we:
    - fail to provide any information requested in this Application Form; or
    - do not agree to any of the possible exchanges or disclosures detailed above,
    - my/our application may not be accepted by Westpac.
  10. I/We understand that Westpac may pay to an adviser the fees identified in the Offering Circular to which this Application Form is attached in connection with the issue and holding of Westpac Instalments, and that the adviser may pay all or a portion of these fees to other persons. I/We assent to the payment of these fees.
  11. I/We acknowledge that in making my/our application my/our application is made and addressed to both Westpac and the Security Trustee.

**Non - Capital Guarantee Nature of Westpac High Yield Instalments**  
12. I/We understand and agree that neither the Security Trustee nor Westpac nor any member of the Westpac Banking Corporation Group is guaranteeing any return of capital in respect of Westpac High Yield Instalments, and accordingly that there is a risk that I/we may sustain a partial or complete loss of my/our securities or cash invested in the Westpac High Yield Instalments.

Individual/Joint Application

Signature Applicant 1	Signature Applicant 2
<div></div>	<div></div>
Print Name	Print Name
<div></div>	<div></div>
Witnessed by (print name)	Witnessed by (print name)
<div></div>	<div></div>
Signature of Witness	Signature of Witness
<div></div>	<div></div>
Date	Date
<div>/ /</div>	<div>/ /</div>

Company Applications please sign on the following page.

Company Application

Director/Sole Director Signature

Print Name

Date

/

Director/Secretary Signature

Print Name

Date

/

Company Seal (if applicable)

Company applications must be signed by two directors, a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director. The Application Form can also be signed under the company seal provided that the fixing of the seal is witnessed by two directors or a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director.

**Before you complete this form please read the section titled “Privacy Consent” in Section 1 of this Application Form.**

**Please complete all relevant information on the Application Form.**

**The instructions below are a guide to assist you in completing your Application Form.**

Please insert your Portfolio Number which can be found at the bottom right hand corner of page 2 of your expiry pack.

Please insert the date on which you confirmed the Rollover amount with Westpac.

**Rollover Confirmation Date**

Write the full name you wish to appear on your Holding Statement. This must be the name of the individual or company. Up to 2 joint Applicants may register.

If you are investing as the trustee of a trust, you should also put the name of the trust or fund, where indicated. Westpac will NOT ACCEPT Rollover Applications from superannuation entities investing in Westpac High Yield Instalments under a Rollover Application Form.

Date of Birth assists Westpac in Applicant identification (dd/mm/yyyy).

Enter your postal address where Westpac should send all correspondence and communications as well as your contact details. For joint Applicants, only one address can be inserted. We will direct any correspondence or telephone calls to the person named under "Contact Details".

TFN/Exemption or ABN – Quoting this number is not compulsory, but tax may be taken out of your distribution if you do not quote your number or your exemption. For more information about TFN/ABN rules, contact your local Taxation Office. If you are investing as the trustee of a trust or superannuation fund, you should enter the TFN of the trust or superannuation fund. If the trust or fund does not have its own TFN, enter the TFN of the Trustee or beneficiary. Please Note – An Australian Business Number may only be provided for a business use account.

If you are already a participant in CHESS, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your sponsoring broker for completion prior to lodgment. If no details are provided, you will become issuer sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your Holding Statement.

Westpac Banking Corporation ABN 33 007 457 141

## Westpac High Yield Instalments Rollover Application Form

Send to: Westpac High Yield Instalments (Rollover)

Structured Investments  
Westpac Banking Corporation  
PO Box A990  
Sydney South NSW 1234  
Facsimile 02 9284 8648

Broker/Adviser Stamp

Adviser's Name

Portfolio Number

Application Number

The Application Form is for Westpac High Yield Instalments over Securities outlined in the Introduction of the Offering Circular dated 26 May 2003. The Offering Circular contains important information about investing in Westpac High Yield Instalments. Potential Investors should read the attached Offering Circular prior to making an application to invest in Westpac High Yield Instalments. **Rollover Applications must be lodged no later than 5:00pm Sydney Time on 12 June 2003.**

A person (including the Issuer) who gives another person access to this Application Form must also give that other person access (at the same time and by the same means) to the Offering Circular and any supplementary document. If the Offering Circular and Application Form have been accessed electronically, the Issuer or the Broker will provide, upon request, a free paper copy of the Offering Circular and any supplementary document. The Application Form cannot be completed or lodged electronically – it must be downloaded and printed.

### A Applicant's Details

**Name** – (including Trustees); Company Name; or Title (Mr, Mrs, Miss); Given Name(s) & Surname

Applicant 1

Applicant 2

Name of Trust, Business or Other (if applicable)

**Date of Birth**

Applicant 1

Applicant 2

ABN

(if applicable)

**Address**

State

Postcode

**Contact Details**

Contact Name

Day Phone

Mobile Phone

Email Address

**Tax File Number** Enter your TFN, ABN or TFN exemption category  
(If you are a non-resident for tax purposes, please indicate your status and an exemption number, if applicable)

Applicant 1

Applicant 2

If claiming an exemption, please insert one of the following reasons in the space for the TFN:

- If a pensioner, insert pensioner type, eg age/invalid/service/wife's/carer's/widow's/sole parent/ special parent/rehabilitation pension;
- If tax exempt, insert reason for exemption.

### B Sponsoring Broker's (CHESS) Details – for delivery of Westpac High Yield Instalments

Broker's Name

Broker's Address

State

Postcode

Broker's Phone Number

Account Name

PID Number

HIN Number



**C Bank Account Details** – for direct credit payments of distributions

Bank/Institution

Account Name

Branch

BSB

Account Number

Enter your bank account details here for the distribution(s) and, where applicable, the Rollover Cash-Back Amount to be directly credited into your account. The instructions are only applicable for accounts held with banks, building societies and credit unions within Australia. If no details are provided, a cheque will be mailed to the address appearing in Section A of this Application Form.

**D Investment Summary**

New ASX Code 1	Prior Series High Yield Instalment Code 2	Number of High Yield Instalments Rolled into New Series 3	Rollover Cash-Back per NEW Westpac High Yield Instalments Payable TO Applicant 4	Rollover Cash-Back per NEW Westpac High Yield Instalments Payable BY Applicant 5	Total Rollover Cash-Back/Payment for NEW ASX Code (Receivable/Payable) 6	HIN and PID or SRN Prior Series Standard Instalments 7
AMPIWF	AMPIWB					
ANZIWF	ANZIWB					
BHPIWF	BHPIWB					
BILIMF	BILIWB					
CBAIWF	CBAIWB					
CMLIWF	CMLIWB					
FGLIWF	FGIWB					
FXJIWF	FXJIWB					
LLCIWF	LLCIWB					
NABIWF	NABIWB					
NCPIWF	NCPIWB					
QANIWF	QANIWB					
RIOIWF	RIOIWB					
SGBIWF	SGBIWB					
SRPIWF	SRPIWB					
SUNIWF	SUNIWB					
TAHIWF	TAHIWB					
TLSIWF	TSLIWB					
WOWIWF	WOWIWB					
WPLIWF	WPLIWB					
Total Re-investment Amount					\$	

Write the number of Westpac High Yield Instalments you are applying to roll over in each Series in the column titled “Number of Westpac High Yield Instalments Rolled into New Series”. Contact Westpac to obtain a Rollover Payment or Rollover Cash-Back and write this amount in the column titled “Rollover Cash-Back per NEW Westpac High Yield Instalments Series that is Payable TO Applicant” or Rollover Payment per NEW Westpac High Yield Instalments Series that is Payable BY Applicant” whichever is appropriate. The **Total Rollover Payment or Rollover Cash-Back** is determined by multiplying the **Rollover Payment or Rollover Cash-Back** amount by the number of Westpac High Yield Instalments you are **rolling over** and writing this amount in the column titled “Total Rollover Cash-Back/Payment for New ASX Instalment Code (Receivable/Payable)”. Add up the **amounts in this column** and write this number in the box provided at the bottom of the Investment Summary table. **This amount will be the net \$amount Rollover Cash-Back/Payment per Application.**

**E Reinvestment of Total Rollover Cash-Back per Application**

I/We agree to invest any Total Rollover Cash-Back per Application amount due to me/us in applying for additional Westpac Instalments. *(tick one)*

Yes ☐ Please fill out Section GNo ☐ Please complete Section F

You can apply to reinvest the Total Rollover Cash-Back per Application amount due to you as a result of the Rollover Application in application for further Westpac High Yield Instalments. If you wish to reinvest the Total Rollover Cash-Back amount per Application, you must tick the “Yes” box in this section of the Rollover Application Form. You will then need to complete Section G.

If you do not tick either box, you will be deemed to have elected to re-invest the Total Rollover Cash-Back per Application amount to apply for further Westpac High Yield Instalments in the series.

If you do not want to re-invest the amount you must tick the “No” box and complete the Consumer Credit Declaration in Section F of this Application.

**F Declaration of the Purpose for which Credit is provided**

\* I/We agree to invest the Total Rollover Cash-Back per Application amount, if any, due to me/us in applying for additional Westpac High Yield Instalments. *(tick one)*

**IMPORTANT**

You should not sign this declaration unless the Loan is wholly or predominantly for business or investment purposes. By signing this declaration you may lose your protection under the Consumer Credit Code.

Signature Applicant 1

Signature Applicant 2

Print Name

Print Name

Date

Date

\* Delete if applicable

Write the number of Westpac High Yield Instalments you are applying for in each Series in the column titled "Number of Westpac High Yield Instalments". If a confirmed First Payment has been obtained by your approved financial adviser from Westpac, write this amount in the First Payment column and insert the confirmation number in the column provided, otherwise leave these columns blank. If a confirmed First Payment has been obtained, the Investment Amount is determined by multiplying this amount by the number of Westpac High Yield Instalments you are applying for. Alternatively, if you are applying for a dollar value of Westpac High Yield Instalments write the dollar value amount you wish to have applied as the Investment Amount. If re-investing in Series already applied for, there is no minimum application amount. Otherwise, the minimum application is \$2,000 per Westpac High Yield Instalment Series. Add up the Investment Amount for each Series of Westpac High Yield Instalments and write this number in the box provided at the bottom of the Re-investment Summary table. Refer to the Summary Tables on pages 6 and 7 of this Offering Circular for the full name of each Listed Entity

Any amount remaining and insufficient to use to apply for a further Westpac High Yield Instalment in the Series that you have applied for will be donated to charity.

**Direct Credit** – If you arrange a direct credit, please credit the money to the Account Name, BSB and Account Number specified. So that we can identify your payment, you **MUST** link your application number to your payment: if you fill in a direct credit form or a Westpac deposit slip, **write your application number** in the "Aux serial no." section on that form. If you make an electronic transfer, **please type your application number** in the Description field, which appears on our statement. You **MUST** mail in the original **Application Form**. If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

**BPAY** – You can transfer funds electronically through the BPAY system. **The application number is to be used as the customer reference number. You MUST mail in the original Application Form.** If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

**Cheque** – Please provide details of any cheques that you are attaching and ensure that all cheques equal your total amount payable. Cheques are to be made out to "Westpac Banking Corporation – WARRANTS" and crossed "Not Negotiable". Then simply mail in the Application Form together with the cheque to the address shown on the top of the form.

**G Re-investment Summary of Rollover Cash-Back per Application**

If you ticked the "Yes" box in Section E, please set out your Re-investment Summary below.

ASX Code	Number of Westpac High Yield Instalments	First Payment	Investment Amount \$	Instalment Confirmation Number
AMPIWF				
ANZIWF				
BHPIWF				
BILIMF				
CBAIWF				
CMLIWF				
FGLIWF				
FXJIWF				
LLCIWF				
NABIWF				
NCPIWF				
QANIWF				
RIOIWF				
SGBIWF				
SRPIWF				
SUNIWF				
TAHIWF				
TLSIWF				
WOWIWF				
WPLIWF				
Total Re-investment Amount				

**H Payment Details – Direct Credit**

Please arrange transfer of funds equal to the total amount invested into the following account (you can arrange this through your bank or any Westpac branch). Note generally Direct Credit cannot be confirmed as cleared funds until the day following payment.

Account Name

Westpac Banking Corporation – Warrants

BSB

032 916

Account No

10 0331

Aux Serial No.

Total

\$

Please insert application number found on top of the Application Form.

**I Payment Details – BPAY**

Please arrange transfer of funds equal to the total amount invested. Note generally BPAY cannot be confirmed as cleared funds until the day following payment.

iB

PAY

Biller Code: 47464

Total

\$

The customer reference number to use when paying through BPAY is the application number found on top of the Application Form.

**J Payment Details – Cheque**

Please attach cheque to this application.

Account Name

Bank

Cheque Number

Total

\$

## K Payment Details – Direct Debit – Westpac Account

☐ This option is available for Westpac Customers only. Please fill in your account details and the total amount invested below. We will arrange the transfer once we receive your signed Application Form.

Account Name

BSB

Account No

Total

\$

**Direct Credit** – You can use direct debit if you have a Westpac account. Please complete the account details for Westpac to debit the Total. **You MUST mail in the original Application Form.** If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

## 1 Privacy Consent

I/We agree that Westpac Banking Corporation (“Westpac”), Westpac Broking “Broking”) and any other member of the Westpac Group, Computershare Investor Services Pty.Ltd. (“Registrar”) and Perpetual Trustee Company Limited (“Security Trustee”) (the “Parties”) may exchange with each other any information about me/us including:

- any information provided by me/us in this document;
- anything about my/our credit worthiness, credit standing, credit history or credit capacity which may, under the Privacy Act, lawfully be exchanged if I/we authorise the exchange;
- any other personal information I/we provide to any of them or which they otherwise lawfully obtain about me/us; and
- transaction details or transaction history arising out of my/our arrangements with Westpac or any of them.

If any of the Parties engages anyone (a “Service Provider”) to do something on its behalf (for example a mailing house or a data processor) then I/we agree that the Party and the Service Provider may exchange with each other any information referred to above.

Any of the Parties might give any information referred to above to entities other than the Parties and the Service Providers where it is required or allowed by law or where I/we have otherwise consented.

I/We agree that any information referred to above can be used by the Parties and any Service Provider to give effect to the issue to me, and to comply with any Terms of Issue, of the Westpac Instalments the subject of my/our Application, to enable the Parties and any Service Provider to comply with any applicable laws or regulations and for account administration, planning, product development and research purposes.

I/We understand that I/we can access most personal information that members of the Westpac Group and the Parties hold about me/us (sometimes there will be a reason why that is not possible, in which case I/we will be told why).

I/We understand that if I/we fail to provide any information requested in this form, or do not agree to any of the possible exchanges or uses detailed above, my/our Application may not be accepted by Westpac.

To find out what sort of personal information members of the Westpac Group and the Parties have about you, or to make a request for access, please contact Westpac on 132 032. The Westpac Group means Westpac Banking Corporation and its related bodies corporate which include Westpac General Insurance and Westpac Financial Services Limited.

**Members of the Westpac Group would like to be able to contact you, or send you information, regarding other products and services.**

If you do not wish to receive this information, please:

- call us on 132 032;
- write to us at GPO Box 3433, Sydney, 2001;
- send an e-mail to acctstats@westpac.com.au; or
- call in at any Westpac, Bank of Melbourne or Challenge Bank branch.

You do not need to do this if you have already told us you do not wish to receive information of this sort.

## 2 Power of Attorney

1. For valuable consideration I/we irrevocably appoint any employee of Westpac Banking Corporation whose title includes the words “head of”, “associate” or “manager” severally as my/our attorney.
2. An attorney may, in my name:
  - Complete any blanks in the Loan Agreement;
  - Execute the Loan Agreement substantially in the form set out in the Offering Circular manually or by authorising the electronic image of the signature of the attorney (or sub-attorney) to be applied to the Loan Agreement in electronic form;
  - Do anything which I am/we are obliged to do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and Westpac relating to the Loan or any subsequent loan;
  - Do anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in the attached Application Form(s) and appointing any person as sub-attorney to do any of the above); and
  - Do anything in relation to the Securities which I may lawfully do (including selling the Securities) if an event occurs which would make a Mortgage enforceable.
3. For the purposes of this Power of Attorney, Loan Agreement includes any Subsequent Loan Agreement.
4. Subsequent Loan Agreement means any future Loan Agreement relating to an Application by me for a future series of Westpac Instalments.

The number of Westpac High Yield Instalments you will receive will equal the number of Prior Series Westpac High Yield Instalments to be rolled over unless the Prior Series Second Payment is greater than the Loan Amount (less Interest Amount) for the relevant Series and no Rollover Payment is made. Where you have elected to re-invest the Rollover Cash-Back, Westpac will issue you with an additional number of Westpac High Yield Instalments determined by your Re-investment Amount. This will be dependent on the First Payment established by Westpac on the day we receive your original Application Form unless you have received a confirmed First Payment through your approved financial adviser.

If the Application Form is signed by an attorney under a power of attorney, a copy of the power of attorney should be provided to Westpac. Applications on behalf of trusts, partnerships, and deceased estates are to be signed by the individual trustees, principals or executors.

3

Investor Declarations

By lodging the Application Form I/we, whose full name(s) and address appear above, hereby acknowledge and confirm my/our Application for the number of Westpac Instalments on this Application Form to be issued in accordance with the terms of the Offering Circular dated 26 May 2003 issued by Westpac Banking Corporation Limited. I/We acknowledge that in making our Application:

1. I/We have irrevocably appointed Perpetual Trustee Company Limited ("Security Trustee") or its nominee as my/our nominee on the terms of the Terms of Issue in respect of any Securities to which my/our Application relates (**My Securities**) for valuable consideration and to facilitate the granting of the Loan and any Security Interest.

2. I/We authorise and direct the Security Trustee or its nominee to become or remain the registered Holder of **My Securities** and to do anything incidental or necessary to become or remain the registered Holder.

3. I/We declare that before completing this Application Form, I/we have received and was/were given access to an Offering Circular together with this Application Form.

4. Before completing this Application Form, I/we have read and understood the Offering Circular (which I/we received together with this Application Form, including the Summary of the Terms of Issue), and agree to accept the Westpac Instalments on the condition set out in the Offering Circular and agree to be bound by and hold the Westpac Instalments subject to the rights and obligations set out in the Terms of Issue.

5. I/We declare that my/our Application is not being made in my capacity as the trustee of any estate (other than an excluded trust as defined in section 102UC of the Income Tax Assessment Act 1936).

6. I/We declare that where my/our Application is NOT being made in my/our capacity as the trustee of a superannuation fund.

7. I/We represent and warrant that:

I/We are the sole beneficial\* owner(s) of **My Securities**;

**My Securities** are free from any Encumbrances; and

I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.

\* Delete the words "beneficial" if subject to the previous declaration you are acting as a trustee. In this case, you in addition represent and warrant that you have all power, authority and discretion vested as trustee to apply in relation to the securities which are subject of the trust.

8. I/We understand that if I/we:

fail to provide any information requested in this Application Form; or

do not agree to any of the possible exchanges or disclosures detailed above, my/our application may not be accepted by Westpac.

9. I/We understand that Westpac may pay to an adviser the fees identified in the Offering Circular to which this Application Form is attached in connection with the issue and holding of Westpac Instalments, and that the adviser may pay all or a portion of these fees to other persons. I/We assent to the payment of these fees.

10. I/We acknowledge that in making my/our application, my/our application is made and addressed to both Westpac and the Security Trustee.

Non – Capital Guarantee Nature of Westpac High Yield Instalments

11. I/We understand and agree that neither the Security Trustee nor Westpac nor any member of the Westpac Banking Corporation Group is guaranteeing any return of capital in respect of Westpac High Yield Instalments, and accordingly that there is a risk that I/we may sustain partial or a complete loss of my/our securities or cash invested in the Westpac High Yield Instalments.

Individual/Joint Application

Signature Applicant 1	Signature Applicant 2
Print Name	Print Name
Witnessed by (print name)	Witnessed by (print name)
Signature of Witness	Signature of Witness
Date	Date
/ /	/ /

Company Applications please sign on the following page.

Company Application

Director/Sole Director Signature

Print Name

Date

/

Director/Secretary Signature

Print Name

Date



/

Company Seal (if applicable)

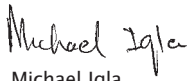
Company applications must be signed by two directors, a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director. The Application Form can also be signed under the company seal provided that the fixing of the seal is witnessed by two directors or a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director.

This Offering Circular is signed by Westpac Banking Corporation.

SIGNED SEALED and DELIVERED )  
on behalf of )  
WESTPAC BANKING CORPORATION )

by  and  )  
Stephen Eakin )  
Head of Structured Products )  
Peter Hill )  
Senior Manager, Legal )

as its attorneys under a Power of Attorney )  
dated 19 July 1991 )  
registered book 3847 No. 427 )  
(who by signing this document warrant that )  
at the time of signing they have no notice )  
of the revocation of such Power of Attorney) )  
in the presence of: )

  
Michael Igla  
Witness



## Directory

### **Issuer**

Westpac Banking Corporation  
Level 5, 255 Elizabeth Street  
SYDNEY NSW 2000  
Australia  
Phone 1800 024 420

### **Registrar**

Computershare Investor Services Pty Ltd  
Level 3, 60 Carrington Street  
SYDNEY NSW 2000  
Australia

### **Application Mailing Details**

Westpac Instalments  
Structured Investments  
Westpac Banking Corporation  
P.O. Box A990  
SYDNEY SOUTH NSW 1234  
Australia

### **Security Trustee**

Perpetual Trustee Company Limited  
Level 8, 9 Castlereagh Street  
SYDNEY NSW 2000  
Australia

### **Issuer's Auditors**

PricewaterhouseCoopers  
Darling Park Tower 2  
201 Sussex Street  
SYDNEY NSW 1171  
Australia

### **Issuer's Solicitors**

Allens Arthur Robinson  
Level 17, The Chifley Tower  
2 Chifley Square  
SYDNEY NSW 2000  
Australia

### **Issuer's Tax Adviser**

PricewaterhouseCoopers Securities Limited  
Darling Park Tower 2  
201 Sussex Street  
SYDNEY NSW 1171  
Australia

### **Broker to the issue**

Westpac Broking  
Level 15, 60 Carrington Street  
SYDNEY NSW 2000  
Australia