

Premium Bill

Supplementary Product Disclosure Statement 29 September 2009

This Supplementary Product Disclosure Statement ('SPDS') is dated 29 September 2009 and is issued by Westpac Banking Corporation (ABN 33 007 457 141 AFSL No. 233714). It supplements the Premium Bill Product Disclosure Statement dated 13 February 2008 ('Original PDS'). This SPDS should be read with the Original PDS – together they make up the Product Disclosure Statement ('PDS'). In particular, terms defined in the Original PDS have the same meaning in the SPDS, unless the context requires otherwise. For further information, please contact the relevant state dealing desk using the contact details listed in the Original PDS or visit www.westpac.com.au

From 29 September 2009 we have made the changes set out below to the Original PDS.

This SPDS amends the Original PDS by replacing the text in certain sections of the Original PDS as set out in the table below:

Relevant page number of the Original PDS	Relevant section title of the Original PDS	Replacement text
9	What to do if you have a problem or dispute	<p>The following text replaces the text under the section titled "What to do if you have a problem or dispute":</p> <p>"Getting your complaint heard</p> <p>Sometimes you may want to talk about problems you are having with us. Fixing these problems is very important to us.</p> <p>We've put in place ways of dealing with your issues quickly and fairly.</p> <p>Please talk to us first</p> <p>We aim to resolve your complaint at your first point of contact with us in a timeframe agreed with you. This is our 'Ask Once' promise. So please raise your complaint with any of the people handling your banking. Alternatively, you can contact us by phone or in writing using the details listed at the back of this PDS.</p> <p>What to do if you are still unhappy</p> <p>If we haven't been able to deal with your issues to your satisfaction, there are a number of other bodies you can go to. Our external dispute resolution provider is the Financial Ombudsman Service, our membership number is 10999 and the contact details are:</p> <p>Financial Ombudsman Service GPO Box 3 Melbourne VIC 3001 Phone 1300 780 808 Fax: (03) 9613 6399 Internet: www.fos.org.au Email: info@fos.org.au</p> <p>You can also contact the Australian Securities & Investments Commission (ASIC) to make a complaint and to obtain further information about your rights. They have a freecall Infoline on 1300 300 630 and e-mail contact address at infoline@asic.gov.au"</p>
10	Financial Crimes Monitoring	<p>The following text replaces the text under the section titled "Financial Crimes Monitoring":</p> <p>"Please be advised that in order for Westpac to meet its regulatory and compliance obligations relating to anti-money laundering and counter terrorism financing, we will be increasing the levels of control and monitoring we perform.</p> <p>You should be aware that:</p> <ul style="list-style-type: none">• transactions may be delayed, blocked or refused where we have reasonable grounds to believe that they breach Australian law or the law of any other country;• where legally obliged to do so, we may disclose the information gathered to regulatory

		<p>and/or law enforcement agencies.</p> <p>Upon entering into any Premium Bill with Westpac, you agree:</p> <ul style="list-style-type: none">• you are not and will not enter into any agreement with Westpac under an assumed name;• any funds used by you to enter into an agreement with Westpac have not been derived from or related to any criminal activities;• any payments received from Westpac will not be used in relation to any criminal activities;• if we ask, you will provide us with additional information we reasonably require from you; and• we may obtain information about you or any beneficial owner of an interest in an agreement with Westpac from third parties if we believe this is necessary to comply.”
--	--	---

Premium Bill

Product Disclosure Statement

Issued by:

Westpac Banking Corporation ABN 33 007 457 141
Australian Financial Services Licence Number: 233714
Dated 13 February 2008



Westpac
Institutional Bank

Contents

- Important information about this Product Disclosure Statement (PDS) 3
- Premium Bill Summary 4
- What is a Premium Bill? 5
- How does a Premium Bill work? 5
- What are the costs? 5
- What are the significant benefits of a Premium Bill? 5
- What are the significant disadvantages of a Premium Bill? 5
- What are the significant risks of a Premium Bill? 5
- What happens on a Reset Date? 6
- Can I terminate a Premium Bill before maturity? 6
- What will be the value of a Premium Bill on early termination? 6
- What happens if I accept termination? 6
- What documentation is required? 6
- What about confirmations? 6
- Examples 7
- Taxation 8
- Telephone conversations 8
- Factors that may influence our advice 8
- Communications with you 8
- Code of Banking Practice Compliance 8
- Privacy and confidentiality compliance 9
- What to do if you have a problem or dispute 9
- Financial Crimes Monitoring 10
- Glossary 11
- Contact Details 12

Important information about this Product Disclosure Statement (PDS)

A PDS is an information document. Its purpose is to provide you with enough information so that you can decide if the product will meet your needs. A PDS is also a tool for comparing the features of other products you may be considering. This PDS relates to a Premium Bill and sets out the terms applying to a Premium Bill. These terms form the contract between you and us and will be binding on you in your dealings with us.

You should read and consider all sections of this PDS carefully before making a decision about the suitability of this product for you. You may also wish to obtain independent expert advice about this. If you have any questions about this product, please contact us on any of the numbers listed at the back of this PDS.

If you decide to enter into a Premium Bill, you should keep a copy of this PDS and any associated documentation. You should also promptly tell us if at any time you experience any financial difficulty.

The information set out in this PDS is general in nature. It has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should consider its appropriateness having regard to your objectives, financial situation and needs. By providing this PDS, Westpac does not intend to provide financial advice or any financial recommendations.

The information in this PDS is subject to change. Westpac will provide updated information by issuing a supplementary or replacement PDS (if this were required, such as if the change were materially adverse to you) or by posting the information on our web site. You can get a paper copy of any updated information without charge by calling us.

This PDS is intended for retail clients in Australia only. Distribution of it in jurisdictions outside Australia may be restricted by law and persons who come into possession of it, who are not in Australia, should seek advice. If you are in Australia and have received it electronically, we will give you a paper copy on request, without charge. To obtain a copy, refer to the contact details listed on the back page of this PDS.

Premium Bill Summary

Overview	A Premium Bill is designed to give you the ability to earn a higher floating rate return, subject to a Pre-agreed Capped Rate.
Costs	There are no up-front out of pocket costs with a Premium Bill. See “What are the costs?” on page 5.
Significant Benefits	Provided that the Westpac bank bill rate remains lower than the Pre-agreed Capped Rate, a Premium Bill provides you with an enhanced floating return and allows you to benefit from increases in rising interest rates below the Pre-agreed Capped Rate. See “What are the significant benefits of a Premium Bill?” on page 5.
Significant Disadvantages	If the Westpac bank bill rate is equal to or greater than the Pre-agreed Capped Rate, you will not receive the benefit of interest rate increases above the Pre-agreed Capped Rate. Your return on the floating investment is capped at the sum of the Pre-agreed Capped Rate and the Margin. See “What are the significant disadvantages of a Premium Bill?” on page 5. See also “What are the significant risks of a Premium Bill?” on page 6.
Minimum Transaction Amount	Australian Dollars \$100,000
Term	1-10 years or as otherwise agreed between you and us.
Early Termination	You can terminate a Premium Bill early but there may be a cost to you if you do. See “Can I terminate a Premium Bill before maturity?” on page 6.

What is a Premium Bill?

Overview

A Premium Bill is a product which pays you an enhanced floating rate, subject to a Pre-agreed Capped Rate, on any variable rate bank bill purchased from Westpac. It is a fixed term investment that is comprised of a series of underlying bank bills where the tenor of each variable bank bill may be 30, 60, 90 or 180 days but will usually be a 90 day variable bank bill.

The rate payable by you to purchase the bank bill is determined on each Reset Date. In return for receiving an enhanced return which is equal to aggregate of the WBBB or the Pre-agreed Capped Rate (as the case may be) and the Margin you agree to limit the maximum interest rate that can be earned during the term of the investment.

A Premium Bill allows you to obtain the benefit of a margin payable on top of the WBBB or the Pre-agreed Capped Rate (as the case may be).

A Premium Bill may only be used in conjunction with a variable bank bill investment by you with Westpac.

How does a Premium Bill work?

Under a Premium Bill you agree to buy from Westpac a specified amount of bills of exchange on pre-determined dates (**Reset Dates**) at the Purchase Price. At the time you enter into a Premium Bill, you nominate the amount of bills to be bought and we agree a Pre-agreed Capped Rate. The Pre-Agreed Capped Rate represents the maximum interest which you may earn on your investment during the life of your Premium Bill before applying the Margin. You also set a series of reset dates that match the scheduled roll over dates for the bank bills. You will buy the bank bills from Westpac at either:

- (a) if the WBBB is lower than the Pre-agreed Capped Rate, the sum of the prevailing WBBB and the Margin; or
- (b) if the WBBB is equal to or higher than the Pre-agreed Capped Rate, the sum of the Pre-Agreed Capped Rate and the Margin.

On each Reset Date and the Maturity Date, we will pay to you the face value of the bank bills. The difference between the Face Value and the Purchase Price is the interest on your investment.

What are the costs?

There are no up-front out of pocket costs with a Premium Bill. You will, however, be responsible for payment of the Purchase Price.

While there are no direct fees associated with a Premium Bill, Westpac still derives a financial benefit. Westpac obtains that benefit by incorporating a Westpac margin into Pre-agreed Capped Rate and the Margin. In effect, you pay for the Premium Bill by accepting the Pre-agreed Capped Rate and Margin quoted by Westpac.

What are the significant benefits of a Premium Bill?

- A Premium Bill provides you with the ability to participate in favourable interest rate movements up to the Pre-agreed Capped Rate at an enhanced floating rate.
- You will earn an enhanced rate of return. The enhanced return is equivalent to the Margin. You will receive the Margin for the life of the investment irrespective of the WBBB.
- A Premium Bill is flexible and can be tailored to meet your individual needs.

What are the significant disadvantages of a Premium Bill?

- You will forego any favourable interest rate movements above the Pre-Agreed Capped Rate.
- If the WBBB is equal to or greater than the Pre-Agreed Capped Rate, your return on your investment is effectively capped at the sum of the Pre-agreed Capped Rate and the Margin.

What are the significant risks of a Premium Bill?

As is the case with most financial markets products we enter into, we have performance obligations under a Premium Bill. If we are unable to perform our obligations under your Premium Bill, you would be exposed to market fluctuations as if you had not entered into a Premium Bill and would not receive the enhanced floating rate.

Our ability to fulfil our obligations is linked to our financial wellbeing and to the effectiveness of our internal systems, processes and procedures. The first type of risk (our financial wellbeing) is commonly referred to as **credit or counterparty risk**. The second type of risk (the effectiveness of

our internal systems, processes and procedures) is commonly referred to as **operational risk**.

You must make your own assessment of our ability to meet our obligations. However, as a regulated Australian bank we are subject to prudential regulation which is intended to reduce the risk of us failing to perform our obligations.

What happens on a Reset Date?

On a Reset Date, you must buy your bank bills from us at the Purchase Price. Refer "How does a Premium Bill Work" on page 5.

Can I terminate a Premium Bill before maturity?

You may ask us to terminate a Premium Bill at any time prior to the maturity date. We will then provide you with a quote for cancelling the Premium Bill.

What will be the value of a Premium Bill on early termination?

Our quote will incorporate some variables (the Pre-Agreed Capped Rate, WBBB, amount and term) used when pricing the original Premium Bill. These will be adjusted for the prevailing market rates over the remaining term of the Premium Bill. We will also need to consider the cost of reversing or offsetting your original transaction. When doing this we take into account the current market rates that apply to any offsetting transactions.

What happens if I accept the Termination?

If you accept the termination quote, we will cancel the Premium Bill. You should appreciate that there may be a cost to you if you terminate early.

What documentation is required?

The commercial terms of a particular Premium Bill are agreed verbally over the phone. Once we reach an agreement, both you and Westpac are bound by those terms. You will also be bound by the terms set out in this PDS and in the confirmation that will be sent to you shortly after entering into the Premium Bill. That confirmation will include the commercial terms as well as other general terms and conditions, and will be in substantially the same form as the one attached to this document. We strongly suggest you fully consider the attached confirmation before entering into any transaction.

What about confirmations?

Shortly after entering into a Premium Bill, Westpac will send you a **confirmation** outlining the commercial terms of the transaction. You will need to sign this confirmation and return it to Westpac.

This confirmation will include:

- the agreed notional amount on which calculations will be based.
- the basis for determining the floating reference price
- the Pre-Agreed Capped Rate
- the maturity date – this is the date on which the Face Value is payable to you
- the Reset Dates

It is extremely important that you check the confirmation to make sure that it accurately records the terms of the transaction. If there is a discrepancy between your understanding and the confirmation, you will need to raise it with your Westpac representative as a matter of urgency.

Example

The example below is indicative only and uses rates and figures that we have selected to demonstrate how the product works. In order to assess the merits of any particular Premium Bill, you would need to use the actual rates and figures quoted to you at the time. The interest rates used below are percentage per annum rates.

Scenario

You are an investor and want to invest \$1,000,000 today in Bank Bills for 2 years but you would like to earn a floating rate of return on your investment. You have a neutral view on the investment rate environment over the term of the investment and you would like to earn a higher floating rate of return if your view is correct.

How will a Premium Bill work?

Assume you enter into a 2 year Premium Bill with a Pre-Agreed Capped Rate of 7.0% and quarterly Reset Dates. For the purpose of this example we have used a WBBB of 6.00%. You also agree with Westpac that the Margin payable in relation to this transaction will be 0.15%, being the enhanced rate of return.

If, on any Reset Date, the WBBB is less than the 7.0% Pre-agreed Capped Rate, you would acquire bills of exchange from Westpac for a price calculated as follows:

$$\begin{aligned}\text{Purchase Price} &= \frac{\text{Face Value} \times 36500}{[36500 + (\text{interest rate} \times \text{no of days to the next Reset Date})]} \\ &= \frac{\$1,000,000 \times 36500}{[36500 + (\text{WBBB} + \text{Margin}) \times 90]} \\ &= \frac{1,000,000 \times 36500}{[36500 + (6.00 + 0.15) \times 90]} \\ &= \frac{36,500,000,000}{36500 + 553.50} \\ &= \$985,062.14 \text{ (rounded to two decimal places)}\end{aligned}$$

You will pay \$985,062.14 to Westpac to buy the bank bills. On each Reset Date you will receive \$1,000,000. Therefore the return you receive on your investment is \$14,937.90 for the relevant quarter being the difference between \$1,000,000 and the price you paid for the bills.

If, on any Reset Date, the WBBB is equal to or greater than the 7.0% Pre-agreed Capped Rate, you would acquire bills of exchange from Westpac for a price calculated as follows:

$$\begin{aligned}\text{Purchase Price} &= \frac{\text{Face Value} \times 36500}{[36500 + (\text{interest rate} \times \text{no of days to the next Reset Date})]} \\ &= \frac{\$1,000,000 \times 36500}{[36500 + (\text{Pre-agreed Capped Rate} + \text{Margin}) \times 90]} \\ &= \frac{1,000,000 \times 36500}{[36500 + (7.0 + 0.15) \times 90]} \\ &= \frac{36,500,000,000}{36500 + 643.50} \\ &= \$982,675.30 \text{ (rounded to two decimal places)}\end{aligned}$$

You will pay \$982,675.30 to Westpac to buy the bank bills. On each Reset Date you will receive \$1,000,000. Therefore the return you receive on your investment is \$17,324.70 for the relevant quarter, being the difference between \$1,000,000 and the price you paid for the bills and will not exceed this rate of return for the life of your investment.

In this example, if:

- (a) the WBBB is less than the 7.0% Capped Rate, then you will earn a rate of return equivalent to the aggregate of the WBBB and the 0.15% Margin;
- (b) the WBBB is equal to or greater than 7.0% Capped Rate, then you will earn a rate of return equivalent to the aggregate of the 7.0% Capped Rate and the 0.15% Margin. Your rate of return on this investment cannot exceed this rate.

Other things you should know

Taxation

Taxation law is complex and its application to this product will depend on your particular circumstances. We make no claim that this product will provide a beneficial or appropriate tax outcome for you. When determining whether this product is suitable for you, you should consider the impact it will have on your own taxation position and seek professional advice if needed. We note that the Australian government is currently looking at reforming the taxation treatment of financial arrangements and the taxation implications of this product may change for you in the future.

Telephone conversations

The terms of a Premium Bill are agreed verbally over the telephone. Once we have reached an agreement, both you and Westpac are bound by the terms of the Premium Bill.

Conversations with our dealing room and settlement departments are taped. This is standard market practice. We do this to make sure that we have complete records of the details of all transactions. Taped conversations are retained for a limited period and are usually used where there is a dispute and for staff training and monitoring purposes.

You will need to advise our dealer if you do not wish to be recorded. However, we will not enter into any transaction over the telephone unless the conversation is recorded.

Factors that may influence our advice

This document has been designed to help you choose the right product for your needs. When you ask for a recommendation, please be assured that our staff members will always explain your choices and suggest a suitable product.

Sometimes our staff may be eligible for incentives, including cash incentives, for achieving or exceeding sales targets.

Communications with you

From time to time, members of the Westpac Group may contact you with or send you information about other Westpac products and services that we feel might be of relevance or benefit. (Westpac Group refers to Westpac Banking Corporation and its related bodies corporate).

Although we encourage you to receive this information, it is not compulsory. If you do not wish to receive it, please advise us in one of these three ways:

- call Telephone Banking on 1 32 032;
- write to us at GPO Box 3433, Sydney NSW 2001; or
- visit any of our branches.

You don't need to do this if you have already told us you do not want to receive this sort of information.

Code of Banking Practice Compliance

The Code of Banking Practice is a self regulatory Code adopted by us and other banks. Its purpose is to set standards of good banking practice for banks to follow when dealing with persons who are, or who may become, individual and small business customers and their guarantors.

If you are an individual or small business customer, each relevant provision of the Code applies to the product described in this PDS. The general descriptive information referred to in the Code (other than information in relation to bank cheques and account opening procedures) is set out in this PDS. This includes information about:

- our obligations regarding the confidentiality of your information
- complaint handling procedures
- the advisability of you informing us promptly when you are in financial difficulty, and
- the advisability of you reading the terms and conditions applying to a Premium Bill.

If you would like to discuss whether or not the Code will apply to you, please contact us on the numbers set out at the back of this document.

Privacy and confidentiality compliance

Westpac's Privacy Policy explains our commitment to the protection of your personal information. You may obtain a copy of our Privacy Policy by:

- calling Telephone Banking (on 132 032)
- contacting any of our branches
- visiting our web site at www.westpac.com.au

In addition to Westpac's duties under legislation, it has a general duty of confidentiality towards you, except:

- where disclosure is compelled by law
- where there is a duty to the public to disclose
- where the interests of Westpac require disclosure
- where disclosure is made with your express or implied consent

What to do if you have a problem or dispute

Getting your complaint heard

Sometimes you may want to talk about problems you are having with us. Fixing these problems is very important to us.

We've put in place ways of dealing with your issues quickly and fairly.

Please talk to us first

We aim to resolve your complaint at your first point of contact with us in a timeframe agreed with you. This is our 'Ask Once' promise. So please raise your complaint with any of the people handling your banking.

You can contact us 24 hours a day, 7 days a week from anywhere in Australia, by:

Phone: 1300 130 467

Email: Go to our website - www.westpac.com.au and click on 'Contact Us'

Fax: 02 9220 4177

Mail: GPO Box 5265, Sydney NSW 2001.

Contact our National Customer Relations Unit

If we can't resolve your complaint at your first point of contact with us, we will escalate it to our National Customer Relations Unit. They will aim to resolve your complaint in a timeframe agreed with you.

You can also contact our National Customer Relations Unit:

Telephone: 1300 130 206

Email: Go to our website - www.westpac.com.au and click on 'Contact Us' and then click on 'Complaints and Compliments'

Fax: 02 9220 4177

Mail: NCRU, GPO Box 5265, Sydney NSW 2001.

Contact our Customer Advocate

If you feel we did not act fairly in the way we handled your complaint or in the way we resolved your complaint, you can ask our Customer Advocate to review the matter for you.

The Customer Advocate's role is to act as independently as possible to make sure that Westpac has treated you fairly.

You can contact our Customer Advocate on:

Telephone: 1300 301 977

Mail: Customer Advocate,
GPO Box 5265
Sydney NSW 2001

What to do if you are still unhappy

If we haven't been able to deal with your issues to your satisfaction, there are a number of other bodies you can go to. You may be able to refer your complaint to either of the external organisations listed below:

Financial Industry Complaints Service Limited
PO Box 579
Collins Street West
Melbourne VIC 8007
Phone 1300 780 808
Fax: (03) 9621 2291
Internet: www.fics.asn.au

Banking and Financial Services Ombudsman Limited
GPO Box 3, Melbourne VIC 3001.
Phone: 1300 780 808
Fax: (03) 9613 7345
Internet: www.bfso.org.au

You can also contact the Australian Securities & Investments Commission (ASIC) to make a complaint and to obtain further information about your rights. They also have a freecall Infoline - 1300 300 630 and e-mail contact address - infoline@asic.gov.au

Financial Crimes Monitoring

Please be advised that in order for Westpac to meet its regulatory and compliance obligations relating to anti-money laundering and counter financing of terrorism, we will be increasing the levels of control and monitoring we perform.

You should be aware that:

- transactions may be delayed, blocked or refused where we have reasonable grounds to believe that they breach Australian law or the law of any other country;
- we may from time to time require additional information from you to assist us in the above compliance process;
- where legally obliged to do so, we may disclose the information gathered to regulatory and/or law enforcement agencies.

You must not initiate or conduct a transaction that may be in breach of Australian law or the law of any other country.

Glossary

To help you to understand this PDS, the meanings of some words used in this PDS are set out below.

AUD means Australian dollars.

Bills means bills of exchange acquired from Westpac.

Code means the Code of Banking Practice adopted by us and other banks.

confirmation means a letter confirming the terms of a particular Premium Bill.

Face Value means the face value of the bank bills purchased by you from Westpac before applying any discount.

Margin means the rate per annum determined by Westpac being equal to the enhanced floating rate of return for the duration of your investment.

Pre-agreed Capped Rate means the pre-agreed maximum interest rate applicable to your Premium Bill before applying the Margin.

Premium Bill means the product, the subject of this PDS.

Purchase Price means the amount payable by you to buy bank bills from Westpac after application of the relevant discount amount.

WBBD or Westpac bank bill rate means the rate determined by Westpac based on the bank bill swap rate published on Reuters Information Service.

Westpac, we or us means Westpac Banking Corporation.

Westpac margin means any margin determined by Westpac on which Westpac applies to any sale by it of bank bills to you.

You, your means the customer entering into a Premium Bill.

Zero cost structure means a structure where the relevant interest rates are set so that no up-front out of pocket costs are payable by you. The cost is effectively embedded in the Pre-agreed Capped Rate applicable to the Premium Bill.

Contact Details

Queensland and Northern Territory:

Level 14, 260 Queen Street
Brisbane QLD 4000
Telephone (07) 3227 2155

Western Australia:

Level 16, 109 St Georges Terrace
Perth WA 6000
Telephone (08) 9426 2522

New South Wales and ACT:

Level 2, 275 Kent Street
Sydney NSW 2000
Telephone (02) 8204 2822

Victoria, South Australia and Tasmania:

Level 9, 360 Collins Street
Melbourne VIC 3000
Telephone (03) 9608 3950

PROFORMA CONFIRMATION

A division of Westpac Banking Corporation
ABN 33 007 457 141

Level 2, Westpac Place
275 Kent Street
Sydney, NSW 2000
T: +61 2 8254 9000
F: +61 2 8254 9100
www.westpac.com.au

[Date]

[Customer]

[Address]

ATTENTION: [Contact name]

Premium Bill Confirmation

The purpose of this letter is to confirm the terms and conditions of the Premium Bill transaction entered into between Westpac Banking Corporation (**Westpac**) and (customer) on the Trade Date specified below.

The Customer will, on the terms set out below, purchase Bank Accepted Bills of Exchange from Westpac on specified dates (**Reset Dates**) at either a pre-determined interest rate (**Pre-agreed Capped Rate**) or at the prevailing Westpac Variable Bank Bill Drawdown Rate (**WBBD**).

1. The details of the Premium Bill transaction to which this Confirmation relates are as follows:

Trade Date:	[*]
Face Value of Bills:	[*]
Term:	[insert details]
Reset Dates:	See attached Schedule
Pre-Agreed Capped Rate:	[*]
Purchase Price:	[*]
Margin:	[*]

2. The terms on which the Customer will buy Bills from Westpac under this Premium Bill transaction are as follows:

- (a) If, on a Reset Date, the WBBD is lower than the Pre-agreed Capped Rate the Customer will buy the Bills from Westpac at the aggregate of the prevailing WBBD and the Margin.
- (b) If, on the Reset Date, the WBBD is equal to or higher than the Pre-agreed Capped Rate, then the Customer will buy the Bills from Westpac at the aggregate of the Pre-agreed Capped Rate and the Margin.

The prevailing WBBD and the Margin will be determined by Westpac in good faith in its sole discretion.

3. The Customer may at any time ask Westpac to provide details of the conditions on which it would be prepared to terminate this transaction prior to maturity. If those conditions are accepted by the Customer and early termination occurs, Westpac and the Customer will be released from any further obligation under the terms of this transaction.

4. The Customer represents and warrants to Westpac:

- (a) that it has full power and authority to enter into this Premium Bill transaction and to exercise its rights and perform its obligations under this Confirmation, and has obtained all necessary authorisations and consents for it to do so; and

PROFORMA CONFIRMATION

- (b) that the obligations expressed to be assumed by it under this Confirmation are legal and valid obligations binding on it in accordance with their terms.

The above representations and warranties are made on the date of acceptance of this letter and shall be repeated on each Reset Date.

5. The occurrence of any one or more of the following in respect of the Customer shall be an Event of Default.

- (a) The Customer is unable to pay its debts as they fall due;
- (b) An order is made, or a resolution is passed or proposed in a notice of meeting for the winding up or administration of the Customer (or any analogous process) or for an arrangement or composition with its creditors or a class of them, or any applicable bankruptcy proceedings are commenced against the Customer, or a receiver, receiver and manager, administrator or similar officer is appointed over any assets of the Customer;
- (c) Any representation or warranty given by the Customer under clause 5 of this Confirmation is or is proved to have been materially false or misleading;

6. On the occurrence of an Event of Default:

- (a) Westpac may, at its discretion, terminate and/or complete any and all transactions between Westpac and the Customer;
- (b) the Customer will indemnify Westpac against any liability, loss, cost, damage or expense (including legal costs on a full indemnity basis) it incurs in or as a result of an Event of Default, including without limitation, any expenses, losses and/or costs to Westpac in making alternative arrangements in regards to any transactions which Westpac may have entered into in respect of the purchase of Bills from the Customer. The certificate of Westpac as to the amount of any such expenses, losses and/or costs shall be conclusive in the absence of manifest error.

7. This letter is governed by New South Wales law. The Customer accepts the non-exclusive jurisdiction of the courts having jurisdiction there.

Please acknowledge your acceptance of the above terms and conditions by signing and returning the attached duplicate of this letter.

For and on behalf of WESTPAC BANKING CORPORATION

.....

Name: Name:

Title: Title:

We accept the terms and conditions set out in this letter.

Signed for and on behalf of: [Insert Customer name]:

.....

Name: Name:

Title: Title: