

15 May 2014

Market Announcements Platform  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

Attached is a letter to Westpac SPS II holders eligible to participate in the Westpac Capital Notes 2 Reinvestment Offer announced on 7 May 2014 and the form of the Reinvestment Form, expected to be mailed on 19 May 2014.

Yours sincerely,



**Timothy Hartin**  
Group Company Secretary  
Westpac Banking Corporation

15 May 2014

Dear Westpac SPS II Investor,

### **WESTPAC SPS II REINVESTMENT OFFER**

As a holder of Westpac Stapled Preferred Securities II ("**Westpac SPS II**"), I am writing to inform you of an opportunity to realise your investment in Westpac SPS II early and invest in a new Westpac security called Westpac Capital Notes 2 ("**Reinvestment Offer**").

Westpac Banking Corporation ("**Westpac**") announced the offer of Westpac Capital Notes 2 ("**Notes**") on 7 May 2014. Full details of the Notes, including the Reinvestment Offer, are contained in the Prospectus<sup>1</sup> accompanying this letter.

The Reinvestment Offer is not a simple rollover into a similar investment. Westpac Capital Notes 2 and Westpac SPS II have different benefits and risks, which must be evaluated separately.

### **Eligibility and participation in the Reinvestment Offer**

You are eligible to participate in the Reinvestment Offer as you were registered as a Westpac SPS II holder at 7.00pm (Sydney time) on 30 April 2014 and were shown on our register as having an Australian address.

If you wish to participate in the Reinvestment Offer you may:

1. apply to reinvest all of your Westpac SPS II;
2. apply to reinvest some of your Westpac SPS II; or
3. apply to reinvest all of your Westpac SPS II and apply for additional Notes.

Applications received under the Reinvestment Offer will be given priority.

### **What happens if you elect to participate in the Reinvestment Offer?**

If you elect to participate in the Reinvestment Offer, your participating Westpac SPS II will be sold on-market on your behalf by a broker appointed by Westpac and the sale proceeds will be automatically reinvested in Westpac Capital Notes 2. You will receive one Note for each Westpac SPS II sold, as both have a face value of \$100. There are no transaction costs payable by you to participate in the Reinvestment Offer.

You will also receive a Pro-Rata Distribution on 30 June 2014 of \$1.0396 per Reinvested Westpac SPS II for the period from (but excluding) 31 March 2014 to (and including) the Issue Date for Notes, expected to be 23 June 2014, provided the distribution payment test in the Westpac SPS II terms is satisfied. This will be the last distribution you will receive on Reinvested Westpac SPS II.

### **How to apply in the Reinvestment Offer**

You should read the Prospectus in full before deciding whether to apply for Notes.

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<sup>1</sup> Unless otherwise defined, capitalised expressions used in this letter have the meanings given to them in the Prospectus.

Please see section 4 of the enclosed Prospectus and the personalised Reinvestment Form for full details on how to apply. Eligible Westpac SPS II Holders are encouraged to apply online at [www.westpac.com.au/westpaccapnotes2](http://www.westpac.com.au/westpaccapnotes2).

Key dates for the Westpac Capital Notes 2 Offer and the Reinvestment Offer are set out on pages 3 and 4 of the Prospectus. The Closing Date for the Reinvestment Offer is **5.00pm Sydney time on 10 June 2014** and if you wish to apply, your completed Reinvestment Form or online Application must be received by this date.

If you are a client of a broker and wish to reinvest your Westpac SPS II, contact your broker to apply under the Reinvestment Offer.

### **What happens if you do not elect to participate in the Reinvestment Offer**

Participation in the Reinvestment Offer is not compulsory. Eligible Westpac SPS II Holders may continue to hold their Westpac SPS II or sell their Westpac SPS II on market on or before 17 September 2014, which is expected to be the last day of trading in Westpac SPS II on the ASX.

If you do not participate in the Reinvestment Offer and continue to hold Westpac SPS II on the record date of 20 June 2014, you will receive the scheduled Full Distribution of \$1.1262 per Non-Participating Westpac SPS II on 30 June 2014 (provided the distribution payment test in the Westpac SPS II terms is satisfied).

Westpac intends that any Westpac SPS II not sold through the Reinvestment Offer will be transferred to a nominated party on 30 September 2014. On that date, holders will receive \$100 per Non-Participating Westpac SPS II, plus a Final Distribution (provided the distribution payment test in the Westpac SPS II terms is satisfied). A separate transfer notice is expected to be lodged on ASX in due course in accordance with the Westpac SPS II terms.

### **Amendments to Westpac SPS II terms**

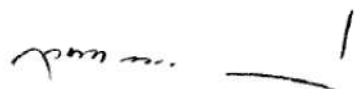
Westpac has amended the Westpac SPS II terms to facilitate the Reinvestment Offer and transfer on 30 September 2014. The amended Westpac SPS II terms are available on our website at [www.westpac.com.au/westpacsps2](http://www.westpac.com.au/westpacsps2).

### **Further information**

For more information about the Reinvestment Offer or the Westpac Capital Notes 2, please visit the Westpac website at [www.westpac.com.au/westpaccapnotes2](http://www.westpac.com.au/westpaccapnotes2) or call the Information Line (Monday to Friday, 8.30am to 5.30pm, Sydney time) on **1300 551 547** (local call cost within Australia).

Finally, I would like to take this opportunity to thank you for your investment and support of Westpac.

Yours faithfully,



**Lindsay Maxsted**  
Chairman

Broker code

Broker stamp

Adviser code

## REINVESTMENT FORM

This Reinvestment Form requires your prompt attention should you wish to reinvest your existing Westpac SPS II in Westpac Capital Notes 2 (Notes).

SRN/HIN.  
 Entitlement Number.



**A** Number and value of Westpac SPS II you held as at 7.00pm (Sydney time) on 30 April 2014

at

=

This Reinvestment Form relates to your holding of Westpac SPS II, further detail about which is set out in the Prospectus dated 15 May 2014 issued by Westpac. The Prospectus contains important information about the Reinvestment Offer and Westpac Capital Notes 2 ("Notes") and you should read the Prospectus in full before completing and returning this Reinvestment Form. If you wish to sell all or some of your existing Westpac SPS II through the On-Market Buy-Back Facility and reinvest the proceeds in Notes you must complete this form. You may also apply for additional Notes in Section C. Alternatively, you may apply online by visiting [www.westpac.com.au/westpaccapnotes2](http://www.westpac.com.au/westpaccapnotes2) and completing an online Reinvestment Form. If you do not complete and return this form or apply online, your Westpac SPS II will not be sold through the On-Market Buy-Back Facility and you will not be able to participate in the Reinvestment Offer. Capitalised words used in this Reinvestment Form have the meanings given to them in the Prospectus.

## B REINVESTMENT OPTION

Choose **ONE** box only.

**FULL REINVESTMENT (to reinvest the proceeds from the sale of ALL of your existing Westpac SPS II in Notes)**  
 Mark this box with an 'X' to apply to have the proceeds from the sale of all of your Westpac SPS II reinvested in Notes. If you select this option you will be taken to have applied to sell all of your Westpac SPS II indicated in Section A through the On-Market Buy-Back Facility, with the proceeds reinvested in Notes. To apply for additional Notes, refer to Section C below.

**PARTIAL REINVESTMENT (to reinvest the proceeds from the sale of SOME of your existing Westpac SPS II in Notes)**  
 Mark this box with an 'X' to apply to have the proceeds from the sale of the number and value of your Westpac SPS II specified below reinvested in Notes. If you select this option you will be taken to have applied to sell the number of Westpac SPS II indicated in the box below (up to the maximum number and value set out in Section A), with the proceeds reinvested in Notes. Any Westpac SPS II you held at 7.00pm (Sydney time) on 30 April 2014 that are not elected to be reinvested in Notes will not be sold through the On-Market Buy-Back Facility. If you do not specify a number or value, or you specify a number of Westpac SPS II greater than the number set out in Section A, you will be taken to have elected to sell all of your Westpac SPS II held at 7.00pm (Sydney time) on 30 April 2014 and reinvest the proceeds in Notes.

Number of Westpac SPS II to reinvest in Notes  at  =

This should be the dollar amount you wish to reinvest

(Do not send a cheque for this amount)

## C APPLICATION FOR ADDITIONAL NOTES

**ADDITIONAL NOTES (If you have selected the full reinvestment option in Section B, you may mark this box with an 'X' to apply for additional Notes)**  
 If this option is selected, you apply for the number of additional Notes you have indicated in the box below and this Reinvestment Form must be accompanied by cheque(s) equal to the Application Payment, being the number of Notes indicated below multiplied by the Issue Price (A\$100).

Number of additional Notes  at  =

This should be the dollar amount of additional Notes you wish to apply for and is the amount of the Application Payment

(minimum 50 Notes (A\$5,000), thereafter in multiples of 10 Notes (A\$1,000))

**CHEQUE DETAILS** – Cheque(s) must be made payable to "Westpac Capital Notes 2 Offer" in Australian dollars drawn on an Australian branch of a financial institution and crossed "not negotiable". Cash payments and bank cheques will not be accepted. If you wish to pay by BPAY®, you must apply online.

Cheque Number  BSB Number  Account Number  Amount of Cheque

## D CONTACT DETAILS – Please provide your telephone number, contact name and email address in case we need to contact you about this Application.

Telephone number – during business hours  Telephone number – after business hours or mobile  Contact name  Email address

You must return this form to Link Market Services Limited at the address at the end of this Reinvestment Form, or return this form to your Syndicate Broker, by the Closing Date for the Reinvestment Offer, which is expected to be 5.00pm (Sydney time) on 10 June 2014.

Note, if you are a client of a Syndicate Broker (or any other broker, financial planner or other financial adviser) and have been contacted by them regarding the Reinvestment Offer, you should contact your Syndicate Broker (or any other broker, financial planner or other financial adviser) for information about how and when to lodge this Reinvestment Form. Generally, you must lodge this Reinvestment Form with your Syndicate Broker (or any other broker, financial planner or other financial adviser) in accordance with their instructions.

**PLEASE ENSURE THAT YOU COMPLETE ALL DETAILS UNDER SECTION E "OTHER IMPORTANT APPLICANT DETAILS" OTHERWISE YOUR APPLICATION MAY NOT BE ACCEPTED.**

The information provided by you in this Reinvestment Form is required to process your Application and to ensure compliance with relevant Anti-Money Laundering (AML) obligations. You may also be contacted by Link Market Services Limited requesting additional information to ensure compliance with relevant AML obligations. **If you do not provide all of the information required in this Reinvestment Form or such additional information requested by Link Market Services Limited, your Application may not be accepted.** Please note that the address(es) provided in this Section E **will not** be used to amend the details on your holding. All future correspondence will continue to be mailed to the address printed on the front page of this Reinvestment Form.

Please complete details below of each Securityholder in the order that the names are currently registered.

**Securityholder #1**

If you are an individual Securityholder or a joint Securityholder, you must enter in your date of birth and middle name (if applicable and not part of your registered holding name). If you are a company, complete your Australian Business Number (ABN) or Australian Company Number (ACN).

Date of birth	Middle name	ABN/ACN (if applicable)
<input type="text"/>	<input type="text"/>	<input type="text"/>

A residential street address or registered office street address (do not use a PO Box or c/- address).

Unit number/Level	Street number	Street name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Suburb/City or Town	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>

**Joint Securityholder #2**

If you are an individual Securityholder or a joint Securityholder, you must enter in your date of birth and middle name (if applicable and not part of your registered holding name). If you are a company, complete your Australian Business Number (ABN) or Australian Company Number (ACN).

Date of birth	Middle name	ABN/ACN (if applicable)
<input type="text"/>	<input type="text"/>	<input type="text"/>

A residential street address or registered office street address (do not use a PO Box or c/- address).

Unit number/Level	Street number	Street name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Suburb/City or Town	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>

**Joint Securityholder #3**

If you are an individual Securityholder or a joint Securityholder, you must enter in your date of birth and middle name (if applicable and not part of your registered holding name). If you are a company, complete your Australian Business Number (ABN) or Australian Company Number (ACN).

Date of birth	Middle name	ABN/ACN (if applicable)
<input type="text"/>	<input type="text"/>	<input type="text"/>

A residential street address or registered office street address (do not use a PO Box or c/- address).

Unit number/Level	Street number	Street name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Suburb/City or Town	State	Postcode
<input type="text"/>	<input type="text"/>	<input type="text"/>

## GUIDE TO THE REINVESTMENT FORM

This form must be returned to the Registrar, direct or via a broker, by the Closing Date for the Reinvestment Offer, which is expected to be 5.00pm (Sydney time) on 10 June 2014.

Eligible Westpac SPS II Holders who wish to sell all or some of their existing Westpac SPS II through the On-Market Buy-Back Facility and reinvest the proceeds in Notes must complete a Reinvestment Form. If you do not complete and return this Reinvestment Form or apply online, your Westpac SPS II will not be sold through the On-Market Buy-Back Facility and you will not be able to participate in the Reinvestment Offer. The Prospectus contains important information about investing in Notes and you should read the Prospectus in full before applying for Notes. This Reinvestment Form should be read in conjunction with the Prospectus. This Reinvestment Form is important. **If you are in any doubt as to how to deal with it, please contact your professional adviser without delay.**

**A** This is the number and value of Westpac SPS II you held at 7.00pm (Sydney time) on 30 April 2014. If you choose to apply to sell all or some of these Westpac SPS II through the On-Market Buy-Back Facility and reinvest the proceeds in Notes it is your responsibility not to dispose of any Westpac SPS II you have elected to reinvest in Notes. If you do so, you may not be Allocated the Notes you applied for.

### **B Full reinvestment**

Mark the first box to apply to have all of your existing Westpac SPS II indicated in Section A sold through the On-Market Buy-Back Facility and the proceeds applied for reinvestment in Notes.

### **Partial reinvestment**

Mark the second box to apply to have a specified number of your existing Westpac SPS II sold through the On-Market Buy-Back Facility and the proceeds applied for reinvestment in Notes. Any Westpac SPS II you held at 7.00pm (Sydney time) on 30 April 2014 that are not elected for reinvestment in Notes will not be sold through the On-Market Buy-Back Facility. If you select the partial reinvestment option please ensure that you mark the box and enter the number and value of Westpac SPS II (up to the maximum number and value indicated in Section A) that you wish to be reinvested in Notes. If you do not specify a number or value, or you specify a number or value of Westpac SPS II greater than the number or value indicated in Section A, you will be taken to have elected to reinvest all of your Westpac SPS II held at 7.00pm (Sydney time) on 30 April 2014.

If you marked both boxes, Westpac will treat your election as being to apply to have all of your existing Westpac SPS II indicated in Section A sold through the On-Market Buy-Back Facility and the proceeds applied for reinvestment in Notes.

### **C Application for additional Notes**

Select this option to apply for additional Notes. Applications for additional Notes are in addition to the maximum number of Westpac SPS II elected for reinvestment in Notes and must be a minimum of 50 Notes (A\$5,000), and thereafter in multiples of 10 Notes (A\$1,000). All Applications for additional Notes must be accompanied by your Application Payment, except where you apply online.

### **D Contact details**

Enter your telephone number, contact name, and email address. This will assist us if we need to contact you about your Application.

### **E Other important Applicant details**

If you are an individual Securityholder or a joint Securityholder, you must enter your date of birth, middle name and a residential street address (do not use a PO Box or c/- address) of each Securityholder in the order that the names are currently registered.

If you are a company, you must enter your Australian Business Number (ABN) or Australian Company Number (ACN) and registered office street address (do not use a PO Box or c/- address).

## ACCEPTANCE OF THE OFFER

By returning this Reinvestment Form and Application Payment for any additional Notes I/we:

- declare that I am/we are an Eligible Westpac SPS II Holder(s) and that I am/we are an Australian resident;
- acknowledge having personally received a printed or electronic copy of the full Prospectus (and any supplementary or replacement document) accompanying this Reinvestment Form and declare that I/we have read them all in full;
- agree to be registered as a holder of Notes and to be bound by the terms of the Offer, the Prospectus, the Westpac Capital Notes 2 Terms and the Notes Deed Poll;
- declare that all details and statements in this Reinvestment Form are complete and accurate;
- declare that each Applicant, if a natural person, is over 18 years of age;
- acknowledge and declare that I/we consent to the use and disclosure of my/our personal information by Westpac and members of the Westpac Group (and their agents, including the Registrar on their behalf) in the manner set out in Section 9.10 of the Prospectus;
- acknowledge that once I/we submit this Reinvestment Form I/we may not modify or withdraw subject to applicable law;
- apply for the number of Notes shown on the front of this Reinvestment Form, calculated as the number of Notes equal to the number of Westpac SPS II elected to be reinvested plus the number (if any) of additional Notes indicated in Section C;
- agree to being Allocated the number of Notes that I/we apply for, or a lower number Allocated in a way described in the Prospectus, or no Notes at all;
- authorise Westpac and the Joint Lead Managers and their respective officers or agents, to do anything on my/our behalf necessary for Notes to be Allocated to me/us, including to act on instructions received by the Registrar upon using the contact details in Section D;
- acknowledge that the information contained in the Prospectus (and any supplementary or replacement document) is not financial product or investment advice or a recommendation that Notes are suitable for me/us, given my/our investment objectives, financial situation or particular needs;
- represent and warrant that I am/we are not acting for the account or benefit of any person to whom it would not be lawful to make the Offer under applicable securities law;
- represent and warrant that I am/we are not in a jurisdiction in which it would not be lawful for the Offer to be made to me/us, and that I am/we are not in the United States and I am/we are not a US Person (and not acting for the account or benefit of a US Person), and I/we will not offer, sell, deliver or transfer Notes in the United States or to, or for the account or benefit of, any US Person;
- acknowledge that Notes are not deposit liabilities or protected accounts of Westpac for the purposes of the Banking Act 1959 (Cth) or Financial Claims Scheme, are not subject to the depositor protection provisions of Australian banking legislation, and are not guaranteed or insured by any Australian government, government agency, compensation scheme of Australia or any other jurisdiction, or any other person;
- acknowledge that an investment in Notes is subject to investment risk, including possible delays in payment and loss of income and principal invested, and that neither Westpac nor any member of the Westpac Group guarantees the capital value or performance of Notes or any particular rate of return;
- acknowledge that investments in the Notes are an investment in Westpac and may be affected by the ongoing performance, financial position and solvency of Westpac;
- agree to become a member of Westpac and to be bound by the terms of Westpac's

Constitution, if issued Ordinary Shares on Conversion;

- acknowledge that Westpac may reject an Application without giving any reason, including where this Reinvestment Form is not properly completed or where, in relation to an Application for additional Notes, a cheque submitted with this Reinvestment Form is dishonoured;
- hereby authorise Pacific Custodians Pty Limited (as the On-Market Sale Agent), Link Market Services Limited and the Joint Lead Managers (or any person acting on their behalf) to complete and execute any documents and take any other actions necessary to effect the sale of the Westpac SPS II elected for reinvestment through the On-Market Buy-Back Facility, the application of the proceeds from the sale for reinvestment in Notes and the Allocation of Notes;
- hereby authorise, agree and consent to having a holding lock placed on those Westpac SPS II elected for reinvestment, pending completion of the Reinvestment Offer, and acknowledge that I/we will not be able to successfully deal with those Westpac SPS II unless those Westpac SPS II are released from the holding lock;
- hereby authorise and provide consent for the Westpac SPS II elected for reinvestment to be placed in a CHESS subposition at the time of processing this Reinvestment Form and to be transferred to Pacific Custodians Pty Limited (on a pooled basis) following the close of the Reinvestment Offer, to act as legal custodian in respect of the elected Westpac SPS II as a preparatory step to facilitate the sale of the elected Westpac SPS II through the On-Market Buy-Back Facility (on the basis that I/we will retain beneficial ownership of those Westpac SPS II prior to the sale of the elected Westpac SPS II through the On-Market Buy-Back Facility);
- hereby acknowledge and agree that if I/we have specified a number or value of Westpac SPS II greater than the number or value indicated in Section A, I/we will be taken to have elected to reinvest all of my/our Westpac SPS II held at 7.00pm (Sydney time) on 30 April 2014;
- hereby acknowledge and agree that if I/we hold a lesser number of Westpac SPS II than elected to be reinvested in Section B, I/we will be taken to have applied for reinvestment of the lower of the number of Westpac SPS II I/we held at 7.00pm (Sydney time) on 30 April 2014 and the number of Westpac SPS II registered in my/our name on the Closing Date for the Reinvestment Offer;
- hereby authorise and provide consent for the Westpac SPS II elected for reinvestment to be sold by Goldman Sachs Australia Pty Ltd (an ASX market participant) on the instructions of Pacific Custodians Pty Limited, through the On-Market Buy-Back Facility at not less than A\$100 per Westpac SPS II, with the proceeds to be reinvested in the maximum number of Notes as may be acquired with those proceeds;
- hereby authorise, provide consent and direct my/our broker sponsored controlling participant (if the Westpac SPS II are held on the CHESS subregister) or my/our financial planner or other financial adviser (if applicable) to provide Westpac and Pacific Custodians Pty Limited (if requested) any materials or information that I/we provided to my/our broker, financial planner or other financial adviser (as applicable) in order to complete Know Your Client (KYC) checks; and
- acknowledge that I/we will not receive any excess sale proceeds over \$100 per Westpac SPS II if that excess is less than \$0.01 per Westpac SPS II.

## LODGEMENT INSTRUCTIONS

Please return your completed Reinvestment Form and Application Payment for any additional Notes to the Registrar at either of the addresses below.

**Mailing address:** Westpac Capital Notes 2 Offer, Link Market Services Limited, Reply Paid 3560, Sydney NSW 2001, Australia

**Hand delivery address:** Westpac Capital Notes 2 Offer, Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138, Australia **(Please do not use this address for express post mailing)**

**If you have any questions regarding your Application, please contact the Westpac Capital Notes 2 Information Line (Monday to Friday, 8.30am to 5.30pm, Sydney time) on 1300 551 547 (local call cost within Australia).**

**Personal Information Collection Notification Statement:** Westpac advises that once you become a holder of Notes, personal information about you will be held on the public register in accordance with Chapter 2C of the Corporations Act 2001. The personal information submitted on the Notes application form will be collected, used and disclosed as set out in the acknowledgment and privacy statement in Section 9.10 of the Prospectus. If some or all of the information is not collected then it might not be possible to process your application or administer your holding. For details about the personal information handling practices of the Registry, including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit the Link Market Services Limited ("Link") website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the Link Group condensed privacy statement, or contact Link by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of Link's complete privacy policy. For more information about how your personal information will be collected, used and disclosed by Westpac, please see Westpac's privacy policy, which is available on Westpac's website at [www.westpac.com.au/privacy](http://www.westpac.com.au/privacy).