

Dear Shareholder

## Westpac 2012 Annual General Meeting

It is my pleasure to invite you to attend our Annual General Meeting (**AGM**) on Thursday, 13 December 2012.

The AGM will be held in the **Grand Ballroom at the Hilton Sydney, 488 George Street, Sydney** beginning at 10:00 am (Sydney time). Shareholder registration will begin at 9:00 am (Sydney time). In addition to the Grand Ballroom, we will also have an additional meeting room available for shareholders in the event the Grand Ballroom is filled to capacity. Video and other electronic technology will be used to facilitate the connection to and participation with the Grand Ballroom. A map and instructions on how to get to the AGM are set out in the attached Notice of Meeting.

We will provide sign language and hearing loop facilities for shareholders with hearing difficulties. We will also webcast the AGM live on our website at [www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre) for shareholders who are not able to attend in person.

I enclose your Notice of Meeting, together with a Proxy Form for holders of our ordinary shares. You can appoint a Proxy to vote on your behalf if you are not able to attend the AGM. Proxies can be appointed online at the Westpac Share Registry website at [vote.linkmarketservices.com/WBC](http://vote.linkmarketservices.com/WBC) or by using an enabled mobile device to scan the enclosed QR code, as explained in the Proxy Form. Alternatively, you can complete and return the hard copy of your Proxy Form by post in the envelope provided, by facsimile, or by hand to the Link Market Services Limited office - refer to the Proxy Form for details.

Holders of Westpac hybrid securities - Westpac SPS, Westpac SPS II and Westpac CPS - are also invited to attend the AGM but, in accordance with the terms of those securities, are not able to vote at the AGM.

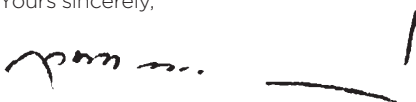
Shareholders and holders of our hybrid securities can submit questions they would like raised at the AGM using the internet at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or via the form at the back of the Notice of Meeting.

Our Managing Director & Chief Executive Officer, Gail Kelly, and I will both speak to the AGM, and our speeches will be available on our website soon after the AGM.

I also invite you to join the Board and our senior executives for light refreshments after the AGM.

I look forward to welcoming you to the AGM.

Yours sincerely,



**Lindsay Maxsted**

Chairman

13 November 2012

# Notice of Annual General Meeting

The Annual General Meeting of Westpac Banking Corporation (ABN 33 007 457 141) (**Westpac**) will be held in the Grand Ballroom at the Hilton Sydney, 488 George Street, Sydney, NSW 2000, on Thursday, 13 December 2012, beginning at 10:00 am (Sydney time).

## ITEMS OF BUSINESS

### 1. ANNUAL REPORTS

To receive and consider the Financial Report and the Reports of the Directors and Auditor for the year ended 30 September 2012.

### 2. REMUNERATION REPORT

To adopt the Remuneration Report for the year ended 30 September 2012.

### 3. ELECTION OF DIRECTORS

To elect Directors:

- (a) Gordon Cairns who retires in accordance with the Constitution and, being eligible, offers himself for re-election.
- (b) Robert Elstone as a Director, in accordance with the Constitution.


### 4(A). CHANGES TO THE WESTPAC CONSTITUTION RELATING TO PREFERENCE SHARES

To pass a special resolution that the Westpac Constitution be amended, with effect from the close of the Meeting, as described in the explanatory notes for this resolution in this Notice of Meeting. The amendments are set out in the marked-up copy of the Constitution that will be tabled at the Meeting and signed by the Chairman of the Meeting for the purposes of identification.

### 4(B). OTHER CHANGES TO THE WESTPAC CONSTITUTION

To pass a special resolution that the Westpac Constitution be amended, with effect from the close of the Meeting, as described in the explanatory notes for this resolution in this Notice of Meeting. The amendments are set out in the marked-up copy of the Constitution that will be tabled at the Meeting and signed by the Chairman of the Meeting for the purposes of identification.

By order of the Board of Directors



**Timothy Hartin**

Company Secretary

13 November 2012

# Notes

## 1. VOTING EXCLUSION STATEMENT

Item 2 is a resolution that is directly or indirectly related to the remuneration of a member of the Key Management Personnel (**KMP**) of Westpac. The Corporations Act 2001 (Cth) (**Corporations Act**) restricts KMP and their closely related parties from voting in their own right and/or as Proxies or in any other capacity in certain circumstances in respect of such resolutions.

A “closely related party” is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

In accordance with the requirements of the Corporations Act, Westpac will disregard any votes cast on Item 2 by or on behalf of a member of the KMP named in Westpac’s Remuneration Report or that KMP’s closely related parties, or any votes cast on Item 2 as Proxy by any other member of the KMP at the date of the AGM or that KMP’s closely related parties, unless the vote is cast:

- by a person as Proxy for a person entitled to vote in accordance with a direction on the Proxy Form; or
- by the Chairman of the AGM as Proxy for a person entitled to vote in accordance with an express authority to vote undirected proxies as the Chairman sees fit.

Please see in particular section 3 below in relation to the appointment of a Proxy.

## 2. RIGHT TO ATTEND, SPEAK AND VOTE AT THE AGM

Investor	Right to attend and speak	Right to vote at the 2012 AGM
Holders of ordinary shares	✓	✓
Holders of Westpac Stapled Preferred Securities ( <b>SPS</b> )	✓	✗
Holders of Westpac ( <b>SPS II</b> )	✓	✗
Holders of Westpac Convertible Preference Shares ( <b>CPS</b> )	✓	✗

We use the term ‘securityholder’ throughout this Notice of Meeting to collectively refer to our ordinary shareholders, as well as holders of our hybrid securities, SPS, SPS II and CPS.

For the purposes of the AGM, securities will be taken to be held by the persons who are registered as the holders of those securities at 7:00 pm (Sydney time) on Tuesday, 11 December 2012.

## 3. APPOINTING A PROXY

- Ordinary shareholders are entitled to appoint up to two Proxies to act generally at the AGM on their behalf, and to vote in accordance with their instructions on the Proxy Form.
- A Proxy need not be a shareholder of Westpac.
- Where two Proxies are appointed, each Proxy can be appointed to represent a specified proportion or number of the votes of the shareholder. If no number or proportion of votes is specified, each Proxy may exercise half of the shareholder’s votes.
- Completed Proxy Forms (together with any authority under which the Proxy Form was signed, or a certified copy of the authority) must be returned by 10:00 am (Sydney time) on Tuesday, 11 December 2012:

- **online** at [vote.linkmarketservices.com/WBC](http://vote.linkmarketservices.com/WBC) or via your mobile device. Please follow the prompts and have your SRN or HIN available;
  - **by post** to Link Market Services Limited, Locked Bag A6015, Sydney South, NSW 1234, using the enclosed return envelope;
  - **personally** to Link Market Services Limited at Level 12, 680 George Street, Sydney, NSW 2000;
  - **by email** to [vote@linkmarketservices.com.au](mailto:vote@linkmarketservices.com.au); or
  - **by facsimile** to (+ 61 2) 9287 0309.
- If a Proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf, and on a poll or on a show of hands, the shares that are the subject of the Proxy appointment will not be counted in calculating the required majority.
  - If you appoint someone other than the Chairman of the AGM as your Proxy and give them voting instructions, the Chairman of the AGM must cast on a poll those Proxy votes on your behalf if your nominated Proxy does not do so.
  - If you appoint the Chairman of the AGM as your Proxy (or if he is appointed by default), and no direction is provided in relation to an item of business, you will be expressly authorising the Chairman to exercise your Proxy as the Chairman sees fit in relation to that item, including the Remuneration Report (Item 2), even though Item 2 is connected directly or indirectly with the remuneration of a member of Westpac's KMP. If you wish to appoint the Chairman as Proxy with a direction how to vote on an item of business, including Item 2, you should specify this by completing the "For," "Against" or "Abstain" boxes on the Proxy Form.
  - If you wish to appoint a Director (other than the Chairman) or other member of the KMP of Westpac or their closely related parties as your Proxy, you must specify how they should vote on Item 2 by completing the "For," "Against" or "Abstain" boxes on the Proxy Form. If you do not do that, your Proxy will not be able to exercise your vote on your behalf for that resolution.
  - Shareholders are encouraged to consider how they wish to direct their Proxies to vote. Other than a member of the KMP of Westpac or their closely related parties voting as a Proxy on Item 2, if a Proxy is not directed how to vote on an item of business, the Proxy may vote, or abstain from voting, as they think fit. Should any resolution, other than those specified in this Notice, be proposed at the AGM, a Proxy may vote on that resolution as they think fit.
  - Further instructions are on the reverse of the Proxy Form.

#### 4. UNDIRECTED PROXIES

The Chairman of the AGM intends to vote all available proxies in favour of all items of business.

#### 5. CORPORATE REPRESENTATIVES

A corporation which is a shareholder, or which has been appointed a Proxy, may appoint an individual to act as a representative to vote at the AGM. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the AGM evidence of his or her appointment unless it has previously been provided to Link Market Services Limited.

#### 6. VOTING BY POLL

The voting on the items of business at the AGM will be conducted by Poll. Shareholders will be provided with all required information regarding the voting at the AGM.

# Conduct of our AGM

## OUR AGM IS INTENDED TO GIVE OUR SECURITYHOLDERS THE OPPORTUNITY TO:

- hear from the Chairman and the CEO about the performance and operations of Westpac;
- consider and vote on the resolutions before the AGM, including a non-binding resolution on the adoption of the Remuneration Report; and
- ask questions of the Board, senior executives and the Auditor. The Chairman and the CEO will generally answer questions on behalf of the Board and the management team. If questions cannot be answered at the AGM, we will seek to provide a response to the securityholder as soon as possible after the AGM.

## TO DO THIS, WE WILL:

- give securityholders the chance to raise questions before the AGM using the form included with this Notice or via the internet at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au);
- give securityholders a reasonable opportunity to ask questions of the Board, senior executives and the Auditor about the performance, operations and management of Westpac;
- inform securityholders of the proxy position on the resolutions to be considered by the AGM and the manner in which the Chairman of the AGM will vote available proxies;
- webcast the AGM for the benefit of those securityholders who are not able to attend in person. Please see our website at [www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre);
- provide sign language and hearing loop facilities;
- provide assistance for people with vision impairment; and
- provide level access for people with mobility impairment.

## TO ASSIST US TO ACHIEVE ALL THIS, WE ASK THAT SECURITYHOLDERS:

- are courteous and respectful to all securityholders and others attending the AGM, including those assisting in the running of the AGM;
- keep their questions to a reasonable length to allow as many securityholders as possible to participate;
- confine their questions to matters being considered at the AGM and which are relevant to securityholders as a whole. Questions relating to a securityholder's individual circumstances can be raised with Westpac or Link Market Services representatives who will be available outside the AGM;
- not photograph, videotape or record the AGM; and
- not repeat questions already raised and answered.

# Explanatory Notes

## ITEM 1. FINANCIAL REPORT AND REPORTS OF THE DIRECTORS AND AUDITOR

In accordance with the Corporations Act, the Financial Report, Directors' Report and Auditor's Report for the year ended 30 September 2012 will be put before the AGM. These Reports are in our 2012 Annual Report and can be accessed on our website at [www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre).

This item does not require a formal resolution and, accordingly, no vote will be held on this item. Securityholders will, however, be given a reasonable opportunity to ask questions on these Reports and make comments on our performance and operations during discussion on this item.

## ITEM 2. REMUNERATION REPORT (NON-BINDING ADVISORY VOTE)

Holders of ordinary shares (**Shareholders**) are asked to adopt our Remuneration Report for the year ended 30 September 2012. The Remuneration Report is in the Directors' Report in the 2012 Annual Report and is also available on our website at [www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre).

We trust that this year's Remuneration Report assists your understanding of our remuneration strategy and objectives. Our underlying remuneration strategy is to attract and retain talented Executives and employees by rewarding them for achieving high performance and delivering superior long term results for our customers and our securityholders, while adhering to sound risk management and governance principles.

Our remuneration strategy for Non-executive Directors is to remunerate them appropriately for their time, expertise and insight into strategic and governance issues, and to ensure we are able to attract and retain experienced and qualified Directors.

Under the Corporations Act, the vote on this resolution is advisory only and does not bind the Board or Westpac. However, the Board and our Board Remuneration Committee will take the outcome of the vote into account when considering future remuneration policy for Non-executive Directors and Executives.

A voting exclusion applies to this item of business, as set out in the Notice of Meeting.

**The Board unanimously recommends that Shareholders vote in favour of the adoption of the Remuneration Report.**

**The Chairman of the AGM intends to vote all available proxies in favour of this item of business.**

## ITEM 3. ELECTION OF DIRECTORS

Mr Peter Wilson is retiring from the Board in accordance with the Constitution and is not seeking re-election.

Mr Gordon Cairns is retiring by rotation at this meeting in accordance with the Constitution and is offering himself for re-election.

On 21 December 2011, Westpac announced the appointment of Mr Robert Elstone as a Director with effect from 1 February 2012 and the election of Mr Elstone will be put to the meeting.

The Board undertakes an annual review of its performance, policies and practices. The Board has considered the results of this review in determining its endorsement of the Directors standing for election and re-election at the AGM.

## **Gordon Cairns**

MA, (Hons.), Age 62



Mr Cairns has been an independent Non-executive Director of Westpac since July 2004.

Mr Cairns is a Director of each of Origin Energy Limited and World Education Australia Limited. Mr Cairns is also a Senior Adviser to McKinsey & Company and Greenhill Caliburn.

Mr Cairns has extensive Australian and international experience as a senior executive, most recently as Chief Executive Officer of Lion Nathan Limited. He has also held a wide range of senior management positions in marketing and finance with Pepsico, Cadbury Schweppes and Nestlé (Spillers).

Mr Cairns does not have a relationship with Westpac, other than as a Director, a customer and a shareholder, and does not have a relationship with any other Director.

Mr Cairns is member of each of the Board Remuneration Committee and Board Risk Management Committee.

**Following a peer review, the Board (other than Mr Cairns) unanimously recommends that Shareholders vote in favour of the re-election of Mr Cairns to the Board.**

**The Chairman of the AGM intends to vote all available proxies in favour of this item of business.**

## **Robert Elstone**

BA (Hons.), MA (Econ.), MCom, Age 59



Mr Elstone has been a Director of Westpac since 1 February 2012. Mr Elstone has over 30 years experience in senior management roles spanning investment banking, corporate finance, wholesale financial markets and risk management. Most recently, he was Managing Director and CEO of the Australian Securities Exchange (2006 - 2011), prior to which he was Managing Director and CEO of the Sydney Futures Exchange (2000-2006) and, before that, was Finance Director of Pioneer International (1995-2000). Mr Elstone was a Non-executive Director of the National Australia Bank (2004-2006), an inaugural member of the Board of Guardians of the Future Fund (2006) and was Chairman of the Financial Sector Advisory Council

to the Federal Treasurer between 2007-2009. He is an Adjunct Professor in the School of Business at the University of Sydney.

Mr Elstone does not have a relationship with Westpac, other than as a Director, a customer and a shareholder, and does not have a relationship with any other Director.

Mr Elstone is a member of each of the Board Audit Committee, the Board Risk Management Committee and the Board Technology Committee.

If elected Mr Elstone would be an independent Non-executive Director.

**Following a peer review, the Board (other than Mr Elstone) unanimously recommends that Shareholders vote in favour of the election of Mr Elstone to the Board.**

**The Chairman of the AGM intends to vote all available proxies in favour of this item of business.**

## ITEM 4(A). CHANGES TO WESTPAC CONSTITUTION RELATING TO PREFERENCE SHARES

Two main changes are proposed to the Westpac Constitution to:

1. facilitate the issue of preference shares with rights that do not rank ahead of ordinary shares on a winding up of Westpac or a redemption of the preference shares. This change only impacts potential future issues of preference shares and will have no impact on the existing terms of Westpac SPS, Westpac SPS II or Westpac CPS; and
2. remove references to the 1999 Series 1 Preference Shares, which relate to a hybrid capital issue that was redeemed in 2004 and are no longer relevant.

### WHY DOES THE CONSTITUTION REQUIRE AMENDMENT?

The first change is proposed to ensure Westpac can effectively and efficiently manage its regulatory capital base following recent changes to the prudential standards governing authorised deposit taking institutions (**ADIs**) subject to regulation by the Australian Prudential Regulation Authority (**APRA**).

To ensure Westpac maintains an efficient capital base, Westpac may from time to time wish to issue preference shares or subordinated notes that will add to and strengthen Westpac's capital base. Westpac will need to meet APRA's regulatory requirements such that the instruments qualify as regulatory capital.

APRA has recently changed its prudential standards governing, among other things, the criteria for new capital instruments, such as subordinated notes or preference shares, to qualify as regulatory capital. These changes take effect on 1 January 2013.

In particular, to qualify as Additional Tier 1 Capital, new capital instruments must include a provision that permits those instruments to be written-off in certain circumstances (**Write-Off Provision**) or to be immediately converted into ordinary shares. Additional Tier 1 Capital is one of the tiers of capital used for supervisory purposes under the new prudential standards.

Westpac's Constitution does not presently permit preference shares issued by Westpac to include a Write-Off Provision or the flexibility for preference shares to be treated equally or junior to ordinary shares. The Corporations Act requires a company's constitution to set out the rights of preference shares relating to (among other things) repayment of capital, otherwise the rights attaching to the preference shares must be approved by a special resolution of the company's Shareholders.

Westpac's Constitution (at clause 4(b)(ii)(B) of Schedule 3), requires that on a winding-up of Westpac or a redemption of preference shares, preference shareholders have a right to any amounts paid on those shares that ranks ahead of ordinary shares and, unless the Board determines otherwise under the terms of issue, equally with other classes of preference shares.

Under the new prudential standards, if conversion of preference shares into ordinary shares is not capable of being undertaken following the occurrence of certain adverse events relating to Westpac's capital or viability, then the amount of the instrument must immediately be written-off in the accounts and result in an addition to Common Equity Tier 1 Capital. In these circumstances, the full amount paid on the preference shares may not be recoverable or the preference shares may no longer have the same priority in a winding up or redemption that they had prior to the adverse event.

Accordingly, it is proposed that the Constitution be amended by way of a special resolution to address these issues. The Board already has express power to issue preference shares. The proposed change would allow the Board, when approving the issue of new preference shares, to determine the rights of preference shares on a winding up of Westpac or redemption of the preference shares so that those rights do not need to rank ahead of ordinary shares.

The proposed amendments to the Constitution will not alter the terms of Westpac preference shares currently on issue (being Westpac SPS, Westpac SPS II and Westpac CPS) or preference shares approved for issue in connection with other Westpac hybrid capital issues (being Westpac TPS 2003, Westpac TPS 2004 and Westpac TPS 2006).



If Shareholder approval for this amendment is not obtained at the AGM, Westpac's ability to flexibly manage its capital structure may be reduced in the future.

The second change to the Constitution related to this item is proposed to simply remove historical references in the Constitution to the 1999 Series 1 Preference Shares, which relate to a hybrid capital issue that was redeemed in 2004.

**The Board unanimously recommends that Shareholders vote in favour of the proposed changes to the Constitution in relation to preference shares as they provide Westpac with the flexibility required to comply with prudential capital requirements and manage its regulatory capital in the future.**

**The Chairman of the AGM intends to vote all available proxies in favour of this item of business.**

#### **ITEM 4(B). OTHER CHANGES TO THE WESTPAC CONSTITUTION**

It is proposed that Westpac also take this opportunity to update and amend its Constitution for a limited number of administrative or relatively minor matters. These additional amendments are proposed in light of developments in the use of technology, changes in regulatory requirements and trends in corporate governance practices among other major ASX listed companies since the Constitution was originally adopted in 2002 and last amended in 2007. The proposed amendments are summarised below.

##### **a. General Meeting**

- To allow the Directors to change the place or places for a general meeting convened by the Directors (article 7.5).
- To allow Westpac to notify Shareholders of the postponement, cancellation or change of place of a general meeting by making an announcement to the ASX rather than sending notice to individual Shareholders. Westpac will no longer be required to give the same amount of notice of a postponed meeting as of a general meeting itself, although reasonable notice will still be required (articles 7.6 and 7.8).

##### **b. Meetings of Directors**

- If the number of Directors passing a circular resolution would have been sufficient to form a quorum at a Directors' meeting, to align the position with Directors' meetings by allowing a majority of all Directors to pass the circular resolution (rather than all of them) (article 11.14).

##### **c. Other matters**

- To clarify in the Constitution that Westpac can elect, in the context of its dividend reinvestment plan, to deliver existing shares that it has sourced by way of on-market purchase or off-market transfer in addition to issuing new shares (articles 15.10 and 15.11).
- To allow Westpac to give notice to Shareholders who are not contactable at any address known to Westpac, by exhibiting the notice at its Registered Office for two business days (new article 17.5).
- Following the changes to the ASX Listing Rules in 2011, to align the Constitution with the ASX Listing Rules to allow Westpac to charge a reasonable fee for processing off-market paper-based transfers and other similar paper-based documents (article 4.4).

There are also other proposed minor and consequential amendments.

A copy of Westpac's existing Constitution, and a version of the Constitution with the proposed modifications (relating both to Item 4(a) and Item 4(b)) marked-up, are also available on Westpac's website at: [www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre) or copies can be obtained from Link Market Services Limited on + 61 2 8280 7070. A copy of the Constitution incorporating the proposed modifications will also be available at the AGM.

**The Board unanimously recommends that Shareholders vote in favour of the proposed other changes to the Constitution.**

**The Chairman of the AGM intends to vote all available proxies in favour of this item of business.**

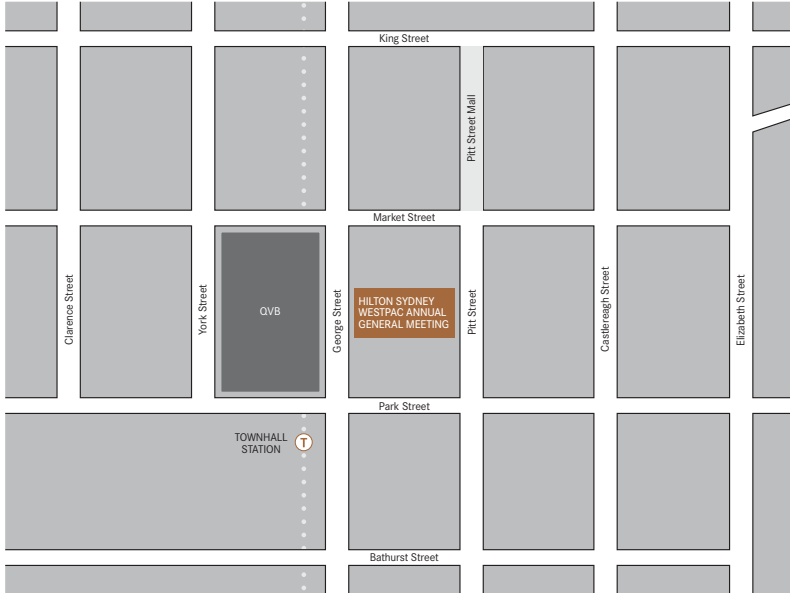
#### **FURTHER INFORMATION**

**For further information regarding our AGM, please contact our Registrar, Link Market Services Limited on 1800 804 255 (toll free within Australia), or from outside Australia on + 61 2 8280 7070.**

# How to get to the AGM

**Location** Hilton Sydney  
Grand Ballroom, Level 3  
488 George Street, Sydney 2000  
New South Wales

The Hilton Sydney is centrally located in Sydney, in the city block bounded by George, Park, Pitt and Market Streets. It can be accessed via entrances on either George Street or Pitt Street. Access to the Grand Ballroom on Level 3 is via the escalators or the lifts from the ground floor reception area.



## TRANSPORT

### By car

The Hilton Sydney is approximately 30 minutes from the International and Domestic Airports. Access to the hotel vehicular forecourt is via Pitt Street, approximately 50 metres north of Park Street.

Car parking for a fee is available at the Hilton Sydney and at public car parks in and around the CBD area, subject to availability. Contact Hilton Sydney either on their website [www.hilton.com/sydney](http://www.hilton.com/sydney) or by telephone on +61 2 9266 2000 for more details.

Due to one way road systems, please note that car access is via Pitt Street only.

### By train

The nearest train station is Town Hall and, from there, it is approximately 100 metres (or a five minute walk) to the George Street entrance to the hotel.

For online train timetables, please see the following website <http://www.cityrail.info/>

### By bus

For bus services in the CBD area, along Elizabeth, George or Park Streets, alight at the stop nearest either Park or Market Streets and then proceed to the entrances at 488 George Street or 259 Pitt Street.

For online bus timetables, please see the following website <http://www.sydneybuses.info/>

