

# Westpac Banking Corporation

(A.B.N. 33 007 457 141)

(AFSL 233714)

(incorporated with limited liability in Australia and registered in the State of New South Wales)

## Programme for the Issuance of Debt Instruments

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This base prospectus has been approved by the United Kingdom Financial Services Authority (the “FSA”), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the “Prospectus Directive”) and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Instruments under the Programme during the period of twelve months after the date hereof (the “Base Prospectus”). Application will be made to the London Stock Exchange plc (the “London Stock Exchange”) for such Instruments to be admitted to trading on the London Stock Exchange’s Regulated Market. The London Stock Exchange’s Regulated Market is a regulated market for the purposes of Directive 2004/39/EC (the “Markets in Financial Instruments Directive”). Application has also been made to the Singapore Exchange Securities Trading Limited (the “Singapore Exchange”) for quotation of Instruments and permission to deal in any Instruments which are agreed at the time of issue to be listed on the Singapore Exchange.

Instruments may also be issued under the Programme on the basis that they will be admitted to listing and/or trading by such other or further listing authority and/or stock exchange as may be agreed between Westpac Banking Corporation (the “Issuer” or “Westpac”) and the relevant Dealer.

This Base Prospectus supersedes any previous Base Prospectus, Information Memorandum or Information Memorandum Addendum describing the Programme. Any Instruments issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein. This does not affect any Instruments issued before the date of this Base Prospectus.

Factors which could be material for the purpose of assessing the risks associated with the Instruments issued under the Programme are set out on pages 10 to 17 of this Base Prospectus.

Any person (an “Investor”) intending to acquire or acquiring any securities from any person (an “Offeror”) should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000 (“FSMA”), the Issuer may be responsible to the Investor for the Base Prospectus under section 90 of the FSMA, only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Base Prospectus for the purposes of section 90 of the FSMA in the context of an offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents, it should take legal advice. **Where information relating to the terms of the relevant offer required pursuant to the Prospectus Directive is not contained in the Base Prospectus, it will be the responsibility of the relevant Offeror at the time of such offer to provide the Investor with such information.**

The Instruments have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or any state securities laws, and are being offered only to qualified institutional buyers (within the meaning of Rule 144A under the Securities Act) or in other transactions exempt from registration in accordance with Regulation S under the Securities Act and, in each case, in compliance with applicable securities laws.

*Arranger for the Programme*

**UBS Investment Bank**

*Dealers*

**Banc of America Securities Limited  
Barclays Capital  
Citi  
Deutsche Bank  
Goldman Sachs International  
The Hongkong and Shanghai Banking  
Corporation**

**HSBC  
J.P. Morgan  
Morgan Stanley  
Nomura International  
UBS Investment Bank  
Westpac Banking Corporation**

7 November 2008

An Investor intending to acquire or acquiring any Instruments from an Offeror will do so, and offers and sales of the Instruments to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Instruments and, accordingly, this Base Prospectus and any Final Terms will not contain such information and an Investor must obtain such information from the Offeror.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in the Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The previous paragraph should be read in conjunction with the fifth paragraph on the cover page of the Base Prospectus.

References herein to the “Programme Date” are to the date specified on the cover of the Base Prospectus.

The Base Prospectus should be read and construed with any amendment or supplement thereto and, unless the context otherwise requires, be deemed to include any other documents incorporated by reference herein and, in relation to any Series (as defined herein) of Instruments, should be read and construed together with the relevant Final Terms (as defined herein).

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with the Base Prospectus or any other document entered into in relation to the Programme or any additional written information supplied by the Issuer or such other information as has been published in the public domain by the Issuer and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer (as defined in “Subscription and Sale”).

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus nor any Final Terms nor the offering, sale or delivery of any Instrument shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date thereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with this Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Singapore Exchange assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Base Prospectus. Admission to the Official List of the Singapore Exchange is not to be taken as an indication of the merits of the Issuer or the Instruments.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Instruments, see the “Subscription and Sale” section in this Base Prospectus. In particular, the Instruments have not been and will not be registered under the Securities Act and may include Instruments in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to, or for the account of, U.S. persons. Neither this Base Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

In The Netherlands, the Issuer is not authorised to pursue business as a bank and is not registered as such in the Dutch public register pursuant to 1:107 paragraph 2 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as amended, restated, or re-enacted at any time, hereinafter the “Wtk”, including any successor legislation replacing the Wtk).

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by the Issuer or the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Instruments. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

All references in this Base Prospectus to a “Member State” are references to a Member State of the European Economic Area, references to “U.S.\$”, “U.S. dollars” or “U.S. cents” are to the lawful currency of the United States of America, all references to “A\$” and “cents” are to the lawful currency of Australia, all references to “NZ\$” and “NZ cents” are to the lawful currency of New Zealand and all references to “£”, “Sterling” and “GBP” are to the lawful currency of the United Kingdom. References to “€”, “Eur”, “euro” or, as the context may require, cents are to the currency, introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty on European Union of those member states of the European Union which are participating in the European economic and monetary union (the “Euro-zone”). References to “Australia” are to the Commonwealth of Australia, its territories and possessions.

In connection with the issue of any Tranche (as defined herein) of Instruments under the Programme, the Dealer or Dealers (if any) specified as the stabilising dealers (the “Stabilising Dealer(s)”) (or persons acting on behalf of any Stabilising Dealer(s)) in the applicable Final Terms may over allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Dealer(s) (or persons acting on behalf of a Stabilising Dealer) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Instruments is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Instruments and 60 days after the date of the allotment of the relevant Tranche of Instruments. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Dealer(s) (or person(s) acting on behalf of any Stabilising Dealer(s)) in accordance with all applicable laws and rules.

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## SUMMARY AND KEY FEATURES OF THE PROGRAMME

*This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Instruments should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area, no civil liability attaches to the persons responsible for this Summary in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.*

*Words and expressions defined in the “Terms and Conditions of the Instruments” below or elsewhere in this Base Prospectus have the same meanings in this summary.*

*This Programme has been established by the Issuer to allow for the issue of Instruments from time to time to investors. Details of the types of Instruments that may be issued and the terms and conditions which may apply to those Instruments are set out below.*

Issuer: Westpac Banking Corporation, acting through its head office or through any of its branches as specified in the relevant Final Terms.

Dealers: Banc of America Securities Limited, Barclays Bank PLC, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, The Hongkong and Shanghai Banking Corporation Limited, HSBC Bank plc, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International plc, Nomura International plc, UBS Limited, Westpac Banking Corporation and any other dealer appointed from time to time by the Issuer generally in respect of the Programme or by the Issuer in relation to a particular Tranche of Instruments.

Fiscal Agent and Principal Registrar: The Bank of New York Mellon

Programme Amount: The maximum aggregate principal amount of Instruments permitted to be outstanding at any one time under the Programme is U.S.\$30,000,000,000 (and, for this purpose, any Instruments denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Instruments using the spot rate of exchange for the purchase of such currency against payment of U.S. dollars being quoted by the Fiscal Agent on the date on which the relevant agreement in respect of the relevant Tranche was made or such other rate as the Issuer and the relevant Dealer may agree). The maximum aggregate principal amount of Instruments which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement (as defined under the “Subscription and Sale” section of this Base Prospectus).

Essential characteristics of the Issuer: The Issuer was registered on 23 August 2002 as a public company limited by shares under the Australian Corporations Act 2001. The Issuer and its controlled entities (the “Westpac Group”) form one of the four major banking organisations in Australia and, through their New Zealand operations one of the largest banking organisations in New Zealand. The Westpac Group provides a broad range of banking and financial services in these markets, including retail, commercial and institutional banking and wealth management services.

As at 30 September 2008, the number of ordinary shares in the Issuer on issue was 1,894,285,984.

The Issuer's business is organised into four key customer-facing divisions, serving around 6.9 million customers.<sup>1</sup> These businesses are:

- Westpac Retail and Business Banking – responsible for sales, marketing and customer service for all consumer and small-to-medium enterprise customers within Australia;
- BT Financial Group Australia – Westpac's Wealth management business;
- Westpac Institutional Bank – provides financial services to corporate, institutional and government customers; and
- New Zealand Banking – provides retail and commercial services to customers throughout New Zealand.

These customer facing divisions are supported by a number of corporate level functions and divisions, including Product and Operations, and Technology.

Risk Factors:

Investing in the Instruments involves certain risks, some of which have been identified by the Issuer and are set out in more detail below in the "Risk Factors" section of this Base Prospectus. Risk factors identified include general business risk factors which may affect the Issuer's ability to fulfil its obligations under the Instruments issued under the Programme and include: (i) adverse credit and capital market conditions may affect the Issuer's ability to meet liquidity needs, access to markets and cost of funding; (ii) declining asset markets could affect the Issuer's operations and profitability; (iii) economic conditions in Australia and New Zealand may impact the Issuer's financial performance and condition; (iv) the Issuer could face increased defaults in its loan portfolio; (v) the Issuer faces intense competition which may adversely affect its business; (vi) the Issuer could suffer losses due to market volatility and operational risks; (vii) the Issuer's business could be adversely affected by changes in regulation; (viii) reputational damage could harm the Issuer's business and prospects; (ix) the Issuer's failure to maintain its current credit ratings could affect its ability to meet liquidity needs, access to markets and cost of funding; and (x) the Issuer could suffer losses if it fails to sell down underwritten equities.

In addition, as a result of the Issuer's proposed merger with St.George Bank Limited ("St.George"), there are risks associated with the completion of the proposed merger and integration of the two businesses if the merger proceeds.

Other risk factors identified by the Issuer are specific to the Instruments and include: (i) the possibility that there may be no secondary market for the Instruments; (ii) exchange rate risk may exist and exchange controls may be imposed on payments in certain currencies; (iii) the Instruments are subject to redemption for tax and regulatory reasons; (iv) the Terms and Conditions of the Instruments may be amended by certain majorities of investors and are governed by the laws of England and Australia (with respect to the subordination of Subordinated Instruments), which could be impacted by changes in those laws or by judicial decisions in those jurisdictions; (v) the Issuer may issue structured Instruments under the Programme which may have particular associated risks; (vi) the Banking Act 1959 of Australia gives priority over the Issuer's Australian assets to Australian depositors, meaning that secured creditors will rank after the Issuer's Australian depositors; (vii) the Issuer may issue Term Subordinated Instruments or Undated Subordinated Instruments which, on a Winding-Up of the Issuer, will be subordinated to other claims; (viii) Subordinated Instruments may be subject to redemption for loss of tax deductibility of interest or regulatory reasons; and (ix) in certain circumstances, Holders may not receive Definitive Instruments in respect of their entire holding, and in these circumstances, the Definitive Instruments may be illiquid and difficult to trade.

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<sup>1</sup> All customers, primary and secondary, with an active relationship (excludes channel only and potential relationships).

Issuance in Series:	Instruments will be issued in series (each a “Series”). Each Series may comprise one or more tranches (“Tranches” and each, a “Tranche”) issued on different issue dates. The Instruments of each Series will all be subject to identical terms except that the issue date and/or the amount of the first payment of interest and/or the issue price may be different in respect of different Tranches and a Series may comprise Instruments in more than one denomination. The Instruments of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Instruments of different denominations.
Form of Instruments:	Instruments may be issued in bearer form or in registered form. In respect of each Tranche of Instruments issued in bearer form, the Issuer will deliver a temporary global Instrument or (if so specified in the relevant Final Terms in respect of Instruments to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the “TEFRA C Rules”) applies (as so specified in such Final Terms)) a permanent global Instrument. Such global Instrument will be either (i) deposited on or before the relevant issue date therefor with a depositary or a common depositary for Euroclear Bank SA/NV (“Euroclear”) and/or Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) and/or any other relevant clearing system or (ii) lodged on or before the relevant issue date thereof with a sub-custodian in Hong Kong for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “CMU Service”). Each temporary global Instrument will be exchangeable for a permanent global Instrument or, if so specified in the relevant Final Terms, for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Final Terms) registered form in accordance with its terms. Each permanent global Instrument will be exchangeable for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Final Terms) registered form in accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, either have interest coupons (“Coupons”) attached and, if appropriate, a talon (“Talon”) for further Coupons and will, if the principal thereof is repayable by instalments have a grid for recording the payment of principal endorsed thereon or, if so specified in the relevant Final Terms, have payment receipts (“Receipts”) attached. Instruments in bearer form are exchangeable in accordance with the terms thereof for Instruments in registered form. Instruments in registered form may not be exchanged for Instruments in bearer form.
Currencies:	Instruments may be denominated in any currency or currencies subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Instruments may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which such Instruments are denominated.
Status of the Instruments:	Instruments may be issued on a subordinated or unsubordinated basis, as specified in the relevant Final Terms. The unsubordinated Instruments will rank at least <i>pari passu</i> with all unsecured and unsubordinated obligations of the Issuer (other than those preferred by law). Subordinated Instruments may be either Term Subordinated Instruments or Undated Subordinated Instruments which will rank as described in Conditions 4B, 4C and 4D respectively – see “Terms and Conditions of the Instruments – Status of the Instruments”.
Issue Price:	Instruments may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms.
Maturities:	Any maturity of not less than one month or with no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Redemption:	Instruments may be redeemable at par or at such other Redemption Amount (detailed in a formula or otherwise) as may be specified in the relevant Final Terms.
Early Redemption:	<p>Early redemption will be permitted for taxation reasons as mentioned in “Terms and Conditions of the Instruments – Redemption and Purchase – Redemption for tax reasons” or, in the case of Subordinated Instruments only, for loss of deductibility reasons as mentioned in “Terms and Conditions of the Instruments – Redemption and Purchase – Redemption for loss of deductibility reasons”, or (if specified as applicable in the relevant Final Terms) for regulatory reasons as mentioned in “Terms and Conditions of the Instruments – Redemption and Purchase – Redemption for regulatory reasons” but will otherwise be permitted only to the extent specified in the relevant Final Terms.</p> <p>The Issuer’s right to exercise any option to repay, purchase or otherwise redeem Subordinated Instruments (prior to the stated maturity thereof, if any) is subject to the prior written approval of the Australian Prudential Regulation Authority, and investors should not assume that such approval will be automatic.</p>
Interest:	Instruments may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed or floating rate and may vary during the lifetime of the relevant Series.
Denominations:	<p>Instruments will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p>In the case of Instruments which have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, so long as the Instruments are represented by a temporary global Instrument or permanent global Instrument and the relevant clearing system(s) so permit, the Instruments will be tradeable only in the minimum denomination and higher integral multiples of another smaller amount, notwithstanding that no definitive Instruments will be issued over a certain denomination (as specified in the Final Terms).</p>
Taxation:	Payments in respect of Instruments or Coupons will be made without withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Australia or the jurisdiction, country or territory in which the branch specified in the relevant Final Terms is located or any political subdivision or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to customary exceptions) pay such additional amounts as will result in the holders of Instruments or Coupons receiving such amounts as they would have received in respect of such Instruments or Coupons had no such withholding or deduction been required.
Governing Law:	Save as provided below, the Instruments and all related contractual documentation will be governed by, and construed in accordance with, English law. Any matter, claim or dispute arising out of or in connection with the Instruments and all related contractual documentation, whether contractual or non-contractual, will be governed by, and determined in accordance with, English law. The subordination provisions of Condition 4 ( <i>Status of Instruments</i> ) applicable to Subordinated Instruments will be governed by, and construed in accordance with, the laws of New South Wales, Australia.



Listing:	Each Series may be admitted to the Official List of the UK Listing Authority and admitted to trading by the London Stock Exchange's Regulated Market and/or listed on the Singapore Exchange and/or admitted to listing and/or trading on or by any other competent listing authority and/or stock exchange as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Final Terms or may be issued on the basis that they will not be admitted to listing and/or trading by any listing authorities and/or stock exchange.
Terms and Conditions:	A Final Terms will be prepared in respect of each Tranche of Instruments a copy of which will, in the case of Instruments to be listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's Regulated Market, be delivered to the UK Listing Authority and to the London Stock Exchange's Regulated Market as soon as practicable and, in any event, on or before the closing date for such Instruments. The terms and conditions applicable to each Tranche will be those set out herein under "Terms and Conditions of the Instruments" as supplemented, modified or replaced by the relevant Final Terms.
Enforcement of Instruments in Global Form:	In the case of Instruments in global form, individual investors' rights will be governed by a Deed of Covenant dated 7 November 2008, a copy of which will be available for inspection at the office of the Fiscal Agent specified on page 103 of this Base Prospectus.
Clearing Systems:	Euroclear, Clearstream, Luxembourg, the CMU Service and/or, in relation to any Instruments, any other clearing system as may be specified in the relevant Final Terms.
Selling Restrictions:	For a description of certain restrictions on offers, invitations, purchases, sales and deliveries of Instruments and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Australia, Hong Kong, Japan, the Republic of France, Italy, The Netherlands, New Zealand and Singapore, see the "Subscription and Sale" section in this Base Prospectus.
Cross default:	None.

## RISK FACTORS

Westpac believes that the following material factors may adversely affect its ability to fulfil its obligations under Instruments issued under the Programme. These factors are contingencies that may or may not occur and Westpac is not in a position to express a view on the likelihood of any such contingency occurring. In addition the inability of Westpac to pay interest, principal or other amounts on or in connection with any Instruments may occur for other reasons.

*Prospective investors should consult their own financial and legal advisers about risks associated with an investment in such Instruments and the suitability of investing in such Instruments in light of their particular circumstances.*

*Factors which could be material for the purpose of assessing the market risks associated with Instruments issued under the Programme are described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Words and expressions defined in the “Terms and Conditions of the Instruments” below or elsewhere in this Base Prospectus have the same meanings in this section, unless otherwise stated.*

### **Risks relating to Westpac’s business**

*Adverse credit and capital market conditions may significantly affect Westpac’s ability to meet liquidity needs, adversely affect its access to international capital markets and increase its cost of funding*

Global credit and capital markets have experienced extreme volatility, disruption and decreased liquidity for more than 12 months, reaching unprecedented levels of disruption in September and October 2008. Westpac relies on credit and capital markets to fund its business. As of 30 September 2008, Westpac obtained approximately 48% of its funding from wholesale domestic and international markets. Westpac recently experienced higher funding costs and accessing wholesale markets, particularly in relation to longer-term securities, was more difficult as a result of the current adverse global capital market conditions. Continued instability in these market conditions may limit Westpac’s ability to replace, in a timely manner, maturing liabilities and access the capital necessary to fund and grow its business.

In the event that Westpac’s current sources of funding prove to be insufficient, it may be forced to seek alternative financing. The availability of such alternative financing will depend on a variety of factors, including prevailing market conditions, the availability of credit, Westpac’s credit ratings and credit capacity. The cost of these alternatives may be more expensive or on unfavourable terms, which could adversely affect Westpac’s results of operations, liquidity, capital resources and financial condition.

If Westpac is unable to source appropriate funding, it may be forced to reduce its lending or begin to sell liquid securities. There is no assurance that Westpac can obtain favourable prices on some or all of the securities it offers for sale. The credit and capital market conditions could limit its ability to refinance maturing liabilities. Such actions could adversely impact Westpac’s business, results of operations, liquidity, capital resources and financial condition.

*Declining asset markets could adversely affect Westpac’s operations or profitability*

A continuation of the recent declines in global asset markets, including equity, property and other asset markets could impact Westpac’s operations and profitability.

Declining asset prices impact Westpac’s wealth management business and other asset holdings. In relation to its wealth management business, Westpac’s earnings are in part dependant on asset values, such as the value of securities held, and a decline in asset prices could negatively impact the business viability of the division. Declining asset prices could also impact customers and the security Westpac holds against loans which may impact its returns if customers were to default.

*Westpac’s business is substantially dependent on the Australian and New Zealand economies and it can give no assurance as to the likely future state of such economies*

Westpac’s revenues and earnings are dependent on economic activity and the level of financial services its customers require. In particular, lending is dependent on customer and investor confidence, the state of the economy, the home lending market and prevailing market interest rates in the countries in which Westpac operates.

Westpac currently conducts most of its business in Australia and New Zealand. Consequently, its performance is influenced by the level and cyclical nature of business and home lending activity in these countries. These factors are in turn impacted by both domestic and international economic and political events. Recent dislocation in capital markets has impacted global economic activity including the economies of Australia and New Zealand. This disruption has already led to a decrease in credit growth and a reduction in consumer and business confidence. A material downturn in the Australian and New Zealand

economies could adversely impact Westpac's results of operations, liquidity, capital resources and financial condition. The economic conditions of other regions in which Westpac conducts operations can also affect its future performance and have shown signs of deterioration.

*An increase in defaults under Westpac's loan portfolio could adversely affect its results of operations, liquidity, capital resources and financial condition*

Credit risk is a significant risk and arises primarily from Westpac's lending activities. The risk arises from the likelihood that a customer is unable to honour their obligations to Westpac, including the repayment of loans and interest. Credit exposures also include Westpac's dealings with, and holdings of, debt securities issued by other banks and financial institutions whose conditions may be impacted to varying degrees by continuing turmoil in the global financial markets.

Westpac holds collective and individually assessed provisions for impairment charges. If the current global financial markets turmoil and the economic downturn severely deteriorate, some customers could experience higher levels of financial stress and Westpac may incur increased defaults and write-offs, and be required to increase its level of provisioning. Such actions could diminish available capital and could adversely affect Westpac's results of operations, liquidity, capital resources and financial condition.

*There can be no assurance that actions of the Australian, New Zealand, United States and other foreign governments and other governmental and regulatory bodies to stabilise financial markets will achieve the intended effect*

In response to the recent financial crises affecting the banking system and financial markets generally and deteriorating global financial conditions, on 12 October 2008, the Australian government announced that it will guarantee deposits and certain wholesale term funding of eligible Australian financial institutions. Similar stabilising actions have been announced by governments and regulatory bodies in New Zealand, the United States, United Kingdom, Europe and other jurisdictions.

The proposed Australian government guarantee of deposits and wholesale term funding has yet to be fully implemented and it is not possible to determine the extent to which the guarantee will apply to existing or future wholesale term funding issued by Westpac. Similarly, the stabilisation packages announced by governments and regulators in New Zealand, the United States, United Kingdom, Europe and other jurisdictions are in many cases equally uncertain. There can be no assurance as to what impact such regulatory actions will have on financial markets, consumer and investor confidence, or the extreme levels of volatility currently being experienced. Further declines in consumer and investor confidence and continued uncertainty and volatility could materially adversely affect Westpac's business, financial condition and results of operations.

*Westpac faces intense competition in all aspects of its business*

Westpac competes, both domestically and internationally, with asset managers, retail and commercial banks, investment banking firms, brokerage firms, and other investment service firms. In addition, the trend toward consolidation in the global financial services industry is creating competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power. In recent years, competition has also increased as large insurance and banking industry participants have sought to establish themselves in markets that are perceived to offer higher growth potential and as local institutions have become more sophisticated and competitive and have sought alliances, mergers or strategic relationships. Westpac expects these trends to continue. If Westpac is unable to compete effectively in its various businesses and markets, its business, results of operations and financial condition may be adversely affected.

*Westpac could suffer losses due to market volatility*

Westpac is exposed to market risk as a consequence of its trading activities in financial markets and through the asset and liability management of its overall financial position. In its financial markets trading business, Westpac is exposed to losses arising from adverse movements in levels and volatility of interest rates, foreign exchange rates and commodity and equity prices. The recent levels of market volatility increased Westpac's estimated earnings at risk as measured by Value at Risk (VaR). If Westpac were to suffer substantial losses due to any such market volatility, including the volatility brought about by the current global credit crisis, it would adversely affect its results of operations, liquidity, capital resources and financial condition.

*Westpac could suffer losses due to operational risks*

As a financial services organisation, Westpac is exposed to a variety of other risks including those resulting from process error, fraud, system failure, security and physical protection, customer services, staff skills and performance and product development and maintenance. Operational risks can directly impact Westpac's reputation and result in financial losses which could adversely affect its financial performance or financial condition.

*Westpac's businesses are highly regulated and it could be adversely affected by changes in regulations and regulatory policy*

Compliance risk arises from the regulatory standards that apply to Westpac as an institution. All of Westpac's businesses are highly regulated in the jurisdictions in which it does business. Westpac is responsible for ensuring that it complies with all applicable legal and regulatory requirements (including changes to accounting standards) and industry codes of practice, as well as meeting its ethical standards. The nature and impact of future changes in such policies are not predictable and are beyond Westpac's control. It is likely that the recent global financial crisis will lead to changes in regulation in most markets in which Westpac operates, particularly for financial companies. Changes in regulations or regulatory policy could adversely affect one or more of Westpac's businesses and could require it to incur substantial costs to comply. The failure to comply with applicable regulations could result in fines and penalties or limitations on Westpac's ability to do business. These costs, expenses and limitations could have a material adverse effect on Westpac's business, financial performance or financial condition.

*Reputational damage could harm Westpac's business and prospects*

Various issues may give rise to reputational risk and cause harm to Westpac's business and its prospects. These issues include appropriately dealing with potential conflicts of interest, legal and regulatory requirements, ethical issues, money laundering laws, trade sanctions legislation, privacy laws, information security policies, sales and trading practices and conduct by companies in which Westpac holds strategic investments. Failure to address these issues appropriately could also give rise to additional legal risk, subject Westpac to regulatory enforcement actions, fines and penalties, or harm its reputation among its customers and investors in the marketplace.

*Failure to maintain its credit ratings could adversely affect Westpac's cost of funds, liquidity, competitive position and access to capital markets*

The credit ratings assigned to Westpac by rating agencies are based on an evaluation of a number of factors, including its financial strength. In light of the difficulties in the banking sector and financial markets, the rating agencies have indicated they are watching global developments closely and if conditions continue to deteriorate, they have indicated that they may adjust the rating outlook of some Australian banks. In addition, a credit rating downgrade could be driven by the occurrence of one or more of the other risks discussed in this Base Prospectus or by other events. If Westpac fails to maintain its current corporate credit ratings, this could adversely affect its cost of funds and related margins, liquidity, competitive position and access to capital markets.

*Westpac could suffer losses if it fails to syndicate or sell down underwritten equities*

As a financial intermediary Westpac underwrites listed and unlisted equities. Equity underwriting activities include developing solutions for corporate and institutional customers who have a demand for equity capital and investor customers who have an appetite for equity-based investment products. Westpac may guarantee the pricing and placement of these facilities and could suffer losses if it fails to syndicate or sell down its risk to other market participants.

*Other risks*

Other risks that can impact Westpac's performance include insurance risk, model risk, business risk and contagion risk.

### **Risks relating to completion of the proposed merger with St.George**

*Completion of the proposed merger with St.George is subject to certain conditions. There can be no assurance that these conditions will be satisfied, that the merger will be approved by St.George shareholders or that Westpac will complete the merger*

The merger and certain amendments to the constitution of St.George are required to be approved by the requisite majorities of the shareholders of St.George. In addition to the approvals, the conditions to the completion of the merger include: the absence of specified material adverse changes in respect of the consolidated net assets, cash profits or loan impairments expense of St.George or Westpac; the absence of events that have a material adverse effect on the ability of St.George or Westpac to perform its obligations under the merger implementation agreement between Westpac and St.George (Merger Implementation Agreement); the absence of certain prescribed actions on the part of St.George or Westpac; and the absence of injunctions or other restrictions on the completion of the merger.

There can be no assurance that any or all of these approvals and conditions will be satisfied, and that the merger will be completed. If the merger has not been completed by 31 December 2008, each of Westpac and St.George has a termination right under the Merger Implementation Agreement, and Westpac cannot be certain that such a right will not be exercised.

*Westpac may be unable to complete the merger if St.George receives a merger proposal from another party before the merger is completed*

St.George may receive a merger proposal from another party before the merger is completed. While the Merger Implementation Agreement contains certain exclusivity provisions, those provisions do not prevent another party from making a competing merger proposal for St.George. If any competing proposal is superior to Westpac's proposal, the board of directors of St.George may choose to recommend the competing proposal, in which case Westpac may terminate the Merger Implementation Agreement and the merger would not proceed. If such circumstance eventuated, Westpac would not realise the anticipated benefits of the merger and would not be able to recover any costs associated with the merger, except that St.George has agreed to reimburse Westpac A\$100 million for its costs in certain circumstances.

#### **Other risks relating to the proposed merger and integration**

*Westpac may fail to realise the business growth opportunities, cost savings and other benefits anticipated from, or may incur unanticipated costs associated with, the merger and its results of operations, financial condition and the price of its securities may suffer*

As a result of the merger with St.George, Westpac expects to increase its sales and reduce operating expenses of the combined business. In order to achieve these synergies Westpac estimates it will incur approximately A\$700 million in integration costs.

There is no assurance that Westpac will be able to achieve the business growth opportunities, cost savings and other benefits it anticipates from the merger with St.George. This may be because the assumptions upon which Westpac assessed the merger, including the anticipated benefits and the factors it used to determine the merger consideration, may prove to be incorrect.

Unanticipated delays in the completion of the merger and the integration of operations may impact Westpac's assumptions regarding the benefits it expects to derive from the merger and may delay such benefits. In addition, Westpac may incur greater costs than it has estimated in connection with the integration.

If Westpac fails to achieve the business growth, cost-savings and other benefits it anticipates from the merger, or it incurs greater integration costs than it has estimated, its results of operations, financial condition and the price of its securities may be adversely affected.

*Westpac may become subject to unknown liabilities of St.George, which may have an adverse effect on its financial condition and results of operations*

In determining the terms and conditions of the merger, Westpac used publicly available information relating to St.George. This information has not been subject to verification by Westpac or its directors. In addition, Westpac was able to carry out only a limited due diligence exercise in respect of the business of St.George. As a result, after the completion of the merger, Westpac may be subject to unknown liabilities of St.George, which may have an adverse effect on its financial condition and results of operations.

*The integration of Westpac's operations and those of St.George following the merger presents significant challenges that could delay or diminish the anticipated benefits of the merger*

There are risks associated with the integration of two organisations of the size of Westpac and St.George. Particular areas of risk include: difficulties or unexpected costs relating to the integration of technology platforms, financial and accounting systems, risk management systems and management systems of two organisations; difficulties or unexpected costs in realising synergies from the consolidation of head office and back office functions; higher than expected levels of customer attrition or market share loss arising as a result of the proposed merger; unexpected losses of key personnel during or following the integration of the two businesses; possible conflict in the culture of the two organisations and decrease in employee morale; and potential damage to the reputation of brands due to actions from competitors, media and lobby groups in relation to the proposed merger.

In addition, senior management of Westpac may be required to devote significant time to the process of integrating Westpac and St.George, which may decrease the time they have to manage the combined business. If any of these risks should occur, or if there are unexpected delays in the integration process, the anticipated benefits of the merger may be delayed, achieved only in part, or not at all or at greater cost, which could have an adverse affect on Westpac's results of operations or financial condition.

*The proposed merger may result in additional concentration risk in the lending books of the combined business*

The lending books of each of Westpac and St.George have exposures to a range of clients, assets, industries and geographies which when combined could result in additional concentration risk.

*Continued implementation of changes to Westpac's organisational structure may adversely impact the financial performance of the combined business*

In July 2008, Westpac announced changes to its organisational structure. These changes align Westpac's structure with the proposed operating model for the combined business and their continued implementation will be appropriately sequenced with the merger as part of an overall transformation plan. These changes are significant, both in scale and investment requirements, and are likely to continue to be implemented at the same time as integrating St. George's business. The continuing implementation of these changes will require the attention of senior management. As a result, there may be some diversion of senior management and this may lead to lower sales productivity and additional customer attrition, potentially impacting the financial performance of the combined business.

### **Risks related to the market generally**

#### *The secondary market generally*

Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments would generally have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Instruments.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Instruments in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Instruments, (ii) the Investor's Currency-equivalent value of the principal payable on the Instruments and (iii) the Investor's Currency-equivalent market value of the Instruments.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Credit or corporate ratings may not reflect all risks*

One or more independent rating agencies may assign ratings to the Instruments and/or the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Instruments or the standing of the Issuer. A credit rating and/or a corporate rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### **Factors which are material for the purpose of assessing the market risks associated with Instruments issued under the Programme**

Each potential investor in the Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including Instruments with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential Investor's Currency;
- (iv) understand thoroughly the terms of the Instruments and be familiar with the behaviour of any relevant indices and financial markets; and

- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Instruments are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Instruments which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of the Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

### **Risks related to Instruments generally**

#### *Instruments subject to redemption for tax reasons*

In the event that the Issuer has or will be obliged to increase the amounts payable in respect of any Instruments due to any withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Australia and/or of the jurisdiction, country or territory in which the branch through which the Issuer is acting (as specified in the relevant Final Terms) is located or any political subdivision thereof or any authority therein or thereof having power to tax, as a result of a change in laws or regulations (or the application or official interpretation thereof) or filings of the relevant jurisdiction, the Issuer may redeem all outstanding Instruments in accordance with the Terms and Conditions of the Instruments.

#### *Modification and waiver*

The Terms and Conditions of the Instruments contain provisions for convening meetings of Holders of Instruments (or Holders passing written resolutions) to consider any matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

#### *Change of law*

The Terms and Conditions of the Instruments are governed by the laws of England which shall be in effect as at the date of this Base Prospectus, except that, in the case of Instruments described in the Final Terms as being subordinated, the provisions of Condition 4 (*Status of Instruments*) as it applies to such Instruments shall be governed by and construed in accordance with the laws of New South Wales, Australia in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or Australia, as the case may be, or administrative practice after the date of this Base Prospectus.

### **Risks related to the structure of a particular issue of Instruments**

A wide range of Instruments may be issued under the Programme. A number of these Instruments may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features:

#### *Instruments subject to optional redemption by the Issuer*

Where the Final Terms specify Redemption at the option of the Issuer (Call) as being applicable, the Instruments may be redeemed at the Issuer's option in certain circumstances and accordingly the Issuer may choose to redeem the Instruments at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Instruments.

An optional redemption feature of Instruments is likely to limit their market value. During any period when the Issuer may elect to redeem Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

#### *Index-linked Instruments and Dual Currency Instruments*

The Issuer may issue Instruments with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "Relevant Factor"). In addition, the Issuer may issue Instruments with principal or interest payable in one or more currencies which may be different from the currency in which the Instruments are denominated.

Potential investors should be aware that:

- (i) the market price of such Instruments may be very volatile;

- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency from what was expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Instruments in conjunction with a multiplier greater than one or that contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

#### *Partly-paid Instruments*

The Issuer may issue Instruments where the subscription money is payable in more than one instalment. Failure to pay any subsequent instalment will entitle the Issuer to forfeit the Instruments with effect from the date previously notified to the investor by the Issuer and could result in an investor losing all of its investment.

#### *Fixed/Floating Rate Instruments*

Fixed/Floating Rate Instruments may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on its other Instruments.

#### *Unsubordinated Instruments*

Unsubordinated Instruments will rank at least *pari passu* with all unsecured and unsubordinated obligations of the Issuer (save for certain mandatory exceptions provided by law, including, but not limited to, the exceptions set out in the Banking Act 1959 of Australia).

The Banking Act 1959 of Australia gives priority over the Issuer's Australian assets to Australian depositors. Accordingly, other unsecured creditors, including non-Australian depositors, will rank after the Issuer's Australian depositors in relation to claims against the Issuer's Australian assets.

#### *Term Subordinated Instruments*

Term Subordinated Instruments constitute direct and unsecured subordinated obligations of the Issuer. Prior to the commencement of a Winding-Up of the Issuer, the obligations of the Issuer to make payments under the Term Subordinated Instruments are conditional upon the Issuer being solvent at the time and no payments payable under the Term Subordinated Instruments shall be made except to the extent that the Issuer may make such payment and still be solvent immediately afterwards.

On a Winding-Up of the Issuer, it will be required to pay the Senior Creditors and the secured creditors (if any) in full and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of subordinated debt) before it can make any payments on the Term Subordinated Instruments. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under the Term Subordinated Instruments.

#### *Undated Subordinated Instruments*

The Issuer can also issue Undated Subordinated Instruments, which are subordinated and have no fixed date for redemption. The Issuer shall only be obliged to make payments of interest accrued on Undated Subordinated Instruments if, during the twelve month period preceding the due date of payment, any dividend has been declared or paid on any class of share capital of the Issuer. On a Winding-Up of the Issuer, the claims of the Holders of the Undated Subordinated Instruments are subordinated to the claims of the Senior Creditors, the secured creditors (if any) and the Holders of the Term Subordinated Instruments. The Issuer may not have enough assets remaining after these payments to pay amounts due under the Undated Subordinated Instruments.

#### *Instruments subject to redemption for loss of deductibility reasons*

The Issuer may issue Subordinated Instruments which include a call right allowing the Issuer to redeem the Subordinated Instruments early where the Issuer determines (supported by an opinion from tax advisers of



recognised standing in Australia) that interest payable on the Subordinated Instruments may not be allowed as a deduction for Australian income tax purposes. Exercise of the call right will trigger repayment of outstanding principal and interest in accordance with the provisions of the relevant Final Terms.

The Australian Taxation Office (ATO) has previously expressed doubts that certain subordinated debt instruments are debt for taxation purposes because of solvency clauses which make the payment of benefits contingent on the solvency of the issuer.

In response to these comments from the ATO, the Australian Government has announced that it will make new tax regulations to clarify the tax treatment of certain term subordinated instruments which contain solvency clauses. The regulation will provide that solvency clauses, which allow the issuer to defer payment if the payment would cause insolvency, will not preclude the instrument from being debt for Australian tax purposes. As the regulations have not yet been released and will apply to all issuers, the exact manner in which the Australian Government intends to implement its announcement is not known at this time.

The Issuer believes that such Subordinated Instruments should be treated as debt for taxation purposes and that the regulations made pursuant to the Australian Government announcement will support that treatment. However, should the Issuer determine that the Subordinated Instruments are not, or may not be, treated as debt for taxation purposes, the Subordinated Instruments may be redeemed by the Issuer (subject to the prior approval of the Australian Prudential Regulation Authority).

#### *Instruments subject to redemption for regulatory reasons*

The Issuer may issue Subordinated Instruments which may include a call right allowing the Issuer to redeem the Subordinated Instruments early where the Issuer determines (supported by an opinion from advisers of recognised standing in Australia) that the Subordinated Instruments have ceased or will cease to qualify as Tier 2 capital under the standards and guidelines published by the Australian Prudential Regulation Authority. Exercise of the call right will trigger repayment of outstanding principal and interest in accordance with the provisions of the relevant Final Terms.

#### *Denominations*

In relation to any issue of Instruments which have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Instruments may be traded in amounts in excess of the minimum denomination that are not integral multiples of the minimum denomination. In such a case a Holder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Instrument in respect of such holding (should Definitive Instruments be printed) and would need to purchase an additional principal amount of Instruments such that its holding amounts to the minimum denomination.

If Definitive Instruments are issued, Holders should be aware that Definitive Instruments which have a denomination that is not an integral multiple of the minimum denomination might be illiquid and difficult to trade.

## DOCUMENTS INCORPORATED BY REFERENCE

The consolidated audited annual financial statements (including the directors' remuneration report, auditors' report thereon and the notes thereto) appearing on pages 44 to 60 (inclusive), pages 119 to 270 (inclusive) and pages 272 to 273 (inclusive) of the Issuer's 2008 Annual Report in respect of the year ended 30 September 2008 and the consolidated audited annual financial statements (including the directors' remuneration report, auditors' report thereon and the notes thereto) appearing on pages 39 to 54 (inclusive), pages 101 to 228 (inclusive) and page 230 of the Issuer's 2007 Annual Report in respect of the year ended 30 September 2007, shall be deemed to be incorporated in, and to form part of, this Base Prospectus.

Information contained in the documents incorporated by reference, other than the information specified above, is for information only.

The Issuer has undertaken, in connection with the listing of the Instruments on the London Stock Exchange's Regulated Market or on any other listing authority or stock exchange in a Member State, that upon becoming aware that there has been a significant change affecting any matter contained in this Base Prospectus or a significant new factor or matter has arisen, the inclusion of information in respect of which would have been required to be in this Base Prospectus if it had arisen before this Base Prospectus was issued, or if a material mistake or inaccuracy relating to the information in this Base Prospectus capable of affecting the assessment of the Instruments has arisen between the Programme Date and the time when trading of any Tranche of Instruments begins on a regulated market, the Issuer will publish a supplementary prospectus.

For as long as the Programme remains in effect or any Instruments are outstanding, copies of the documents incorporated by reference herein may be inspected during the normal business hours at the office of the Fiscal Agent and Principal Registrar (or the other office(s) of the Paying Agent(s) in the United Kingdom) specified on page 103 of this Base Prospectus and from the registered head office of Westpac Banking Corporation.

## TERMS AND CONDITIONS OF THE INSTRUMENTS

*The following are the Terms and Conditions of the Instruments which, as supplemented, modified or replaced in relation to any Instruments by the relevant Final Terms, will be applicable to each Series of Instruments:*

The debt instruments (the “Instruments”) are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement (as amended, supplemented or replaced, the “Issue and Paying Agency Agreement”) dated 7 November 2008 and made between Westpac Banking Corporation (the “Issuer”), The Bank of New York Mellon in its capacities as fiscal agent (the “Fiscal Agent”, which expression shall include any successor to The Bank of New York Mellon in its capacity as such) and as principal registrar (the “Principal Registrar”, which expression shall include any successor to The Bank of New York Mellon in its capacity as such), The Bank of New York (Luxembourg) S.A. in its capacities as first alternative registrar and Luxembourg paying agent (the “First Alternative Registrar” and the “Luxembourg Paying Agent”, which expressions shall include any successor to The Bank of New York (Luxembourg) S.A. in its capacities as such), The Bank of New York Mellon, New York Branch in its capacity as second alternative registrar (the “Second Alternative Registrar”, which expression shall include any successor to The Bank of New York Mellon, New York Branch in its capacity as such), The Bank of New York Mellon, Hong Kong Branch in its capacities as Hong Kong paying agent and as lodging agent (the “Hong Kong Paying Agent” and the “Lodging Agent”, which expressions shall include any successors to The Bank of New York Mellon, Hong Kong Branch in its capacities as such) and the other paying agents named therein (together with the Hong Kong Paying Agent, the “Paying Agents”, which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement).

The applicable Final Terms will specify whether the Issuer is acting in relation to the Instruments through its principal office or one of its branches.

The Instruments have the benefit of a deed of covenant (as amended, supplemented or replaced, the “Deed of Covenant”) dated 7 November 2008 executed by the Issuer in relation to the Instruments. Copies of the Issue and Paying Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the Specified Office of each of the Paying Agents, the Principal Registrar, the First Alternative Registrar and the Second Alternative Registrar. All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement and the Deed of Covenant insofar as they relate to the relevant Instruments.

The Instruments are issued in series (each, a “Series”), and each Series may comprise one or more tranches (“Tranches” and each, a “Tranche”) of Instruments. Each Tranche will be the subject of the final terms (each, the “Final Terms”), a copy of which will be available for inspection during normal business hours at the Specified Office of the Fiscal Agent and/or, as the case may be, the Registrar (as defined in Condition 3.2). In the case of a Tranche of Instruments in relation to which application has not been made for listing and/or trading on or by any competent listing authority and/or stock exchange, copies of the Final Terms will only be available for inspection by a Holder (as defined in Condition 3.1 or Condition 3.2, as applicable) of or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant) in respect of, such Instruments.

References in these Terms and Conditions to Instruments are to Instruments of the relevant Series only and any references to Coupons (as defined in Condition 2.6) and Receipts (as defined in Condition 2.7) are to Coupons and Receipts relating to Instruments of the relevant Series.

References in these Terms and Conditions to the Final Terms are to the Final Terms prepared in relation to the Instruments of the relevant Tranche or Series and enforced on or attached to such Instruments.

In respect of any Instruments, references herein to these Terms and Conditions are to these terms and conditions as supplemented or modified or (to the extent thereof) replaced by the Final Terms.

### **1. Interpretation**

1.1 *Definitions:* In these Conditions the following expressions have the following meanings:

“Accrual Feature” means the result of the fraction of which the numerator is the number of days in the relevant Interest Accrual Period on which interest will be deemed to have accrued by reference to the circumstances or formula described in the relevant Final Terms and the denominator is the number of days in the relevant Interest Accrual Period, in each case as further described in the Final Terms;

“Accrual Yield” has the meaning given in the relevant Final Terms;

“Additional Business Centre(s)” means the city or cities specified as such in the relevant Final Terms;

“Automatic Redemption Date” has the meaning given in the Final Terms;

“Automatic Redemption Option” has the meaning given in the relevant Final Terms;

“Broken Amount” has the meaning given in the relevant Final Terms;

“Business Day” means:

- (i) for the purposes of Condition 7A.6 (*Payments on business days*) only, a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; or
- (ii) in relation to any sum payable, either:
  - 1) where such sum is payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, in the Principal Financial Centre of the country of the relevant currency (if other than London) and any Additional Business Centre(s) specified in the applicable Final Terms which, if the relevant currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively; or
  - 2) where such sum is payable in euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each (if any) Additional Business Centre(s) specified in the applicable Final Terms and a TARGET Settlement Day; or
- (iii) for all other purposes, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre(s) specified in the applicable Final Terms;

“Business Day Convention”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) “Following Business Day Convention” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) “Modified Following Business Day Convention” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) “Preceding Business Day Convention” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) “FRN Convention”, “Floating Rate Convention” or “Eurodollar Convention” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
  - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) “No Adjustment” means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“Calculation Agent” means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Interest Rate(s) and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

“Coupon Sheet” means, in respect of an Instrument, a coupon sheet relating to the Instrument;

“Coupon Switch Option” has the meaning given in the relevant Final Terms;

“Coupon Switch Option Date” has the meaning given in the relevant Final Terms;

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the “Calculation Period”), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if “Actual/Actual (ICMA)” is so specified, means:
  - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (ii) if “Actual/365” or “Actual/Actual (ISDA)” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if “Actual/365 (Fixed)” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if “Actual/360” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if “30/360” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y^2 - Y^1)] + [30 \times (M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:

“Y<sup>1</sup>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sup>2</sup>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sup>1</sup>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sup>2</sup>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sup>1</sup>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sup>1</sup> will be 30; and

“D<sup>2</sup>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sup>1</sup> is greater than 29, in which case D<sup>2</sup> will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y^2 - Y^1)] + [30 \times (M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:

“Y<sup>1</sup>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sup>2</sup>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sup>1</sup>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sup>2</sup>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sup>1</sup>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sup>1</sup> will be 30; and

“D<sup>2</sup>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sup>2</sup> will be 30;

- (vii) if “30E/360 (ISDA)” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y^2 - Y^1)] + [30 \times (M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:

“Y<sup>1</sup>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sup>2</sup>” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“M<sup>1</sup>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sup>2</sup>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“D<sup>1</sup>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sup>1</sup> will be 30; and

“D<sup>2</sup>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sup>2</sup> will be 30.

“Denomination” has the meaning given in the relevant Final Terms;

“Early Redemption Automatic Trigger” means such trigger as may be specified in, or determined in accordance with, the relevant Final Terms;

“Early Redemption Amount (Automatic)” means such amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Early Redemption Amount (Loss of Deductibility)” means, in respect of any Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Early Redemption Amount (Regulatory Reasons)” means, in respect of any Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Early Redemption Amount (Tax)” means, in respect of any Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Extraordinary Resolution” has the meaning given in the Issue and Paying Agency Agreement;

“Final Redemption Amount” means, in respect of any Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Fixed Coupon Amount” has the meaning given in the relevant Final Terms;

“Interest Accrual Period” means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided always that the first Interest Accrual Period shall commence on and include the Interest Commencement Date and the final Interest Accrual Period shall end on but exclude the date of redemption of the Instruments;

“Interest Amount” means, in relation to an Instrument and an Interest Period, the amount of interest payable in respect of that Instrument for that Interest Period;

“Interest Commencement Date” means the Issue Date of the Instruments or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

“Interest Determination Date” has the meaning given in the relevant Final Terms;

“Interest Payment Date” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“Interest Period” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“Interest Period End Date” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention or, if the Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the relevant Final Terms as the Interest Accrual Period, such dates as may occur in accordance with the FRN Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the relevant Final Terms, means the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Instruments;

“Interest Rate” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Instruments specified in relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms and, in respect of any Instrument to which Condition 5.3 (*Floating Rate Instrument and Index-Linked Instrument Provisions*) applies, and where so indicated in the Final Terms, may be any interpolated rate calculated in accordance with the Final Terms;

“ISDA Definitions” means the 2006 ISDA Definitions as amended and updated as at the date of issue of the first Tranche of the Instruments of the relevant Series (as specified in the relevant Final Terms) and as published by the International Swaps and Derivatives Association, Inc.;

“Issue Date” has the meaning given in the relevant Final Terms;

“local banking day” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Instrument or, as the case may be, Coupon;

“Maximum Redemption Amount” has the meaning given in the relevant Final Terms;

“Margin” has the meaning given in the relevant Final Terms;

“Maturity Date” means the date specified as such in, or determined in accordance with, the provisions of the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention;

“Maximum Interest Rate” has the meaning given in the relevant Final Terms;

“Minimum Interest Rate” has the meaning given in the relevant Final Terms;

“Minimum Redemption Amount” has the meaning given in the relevant Final Terms;

“Optional Redemption Amount (Call)” means, in respect of any Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Optional Redemption Amount (Put)” means, in respect of any Instrument, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Optional Redemption Date (Call)” has the meaning given in the relevant Final Terms;

“Optional Redemption Date (Put)” has the meaning given in the relevant Final Terms;

“Ordinary Resolution” has the meaning given in the Issue and Paying Agency Agreement;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“Put Option Notice” means a notice which must be delivered to a Paying Agent by any Holder wanting to exercise a right to redeem an Instrument at the option of the Holder;

“Put Option Receipt” means a receipt issued by a Paying Agent to a depositing Holder upon deposit of an Instrument with such Paying Agent by any Holder wanting to exercise a right to redeem an Instrument at the option of the Holder;

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Early Redemption Amount (Loss of Deductibility), the Early Redemption Amount (Regulatory Reasons), the Early Redemption Amount (Automatic), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount, the final Instalment Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

“Reference Banks” has the meaning given in the relevant Final Terms or, if none are specified, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

“Reference Price” has the meaning given in the relevant Final Terms;

“Reference Rate” has the meaning given in the relevant Final Terms;

“Regular Period” means:

- (i) in the case of Instruments where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Instruments where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Instruments where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

“Relevant Date” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders;

“Relevant Financial Centre” has the meaning given in the relevant Final Terms;



“Relevant Screen Page” means the page, section or other part of a particular information service (including, without limitation, the Reuter Monitor Money Rates Service) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“Relevant Time” has the meaning given in the relevant Final Terms;

“Security Interest” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

“Solvent Reconstruction” has the meaning given in Condition 9A.1 (iv);

“Specified Currency” has the meaning given in the relevant Final Terms;

“Specified Office” has the meaning given in the Issue and Paying Agency Agreement;

“Specified Period” has the meaning given in the relevant Final Terms;

“Subsidiary” means, in relation to any Person (the “first Person”) at any particular time, any other Person (the “second Person”):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“Talon” means a talon for further Coupons;

“TARGET2” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on 19 November 2007;

“TARGET Settlement Day” means any day on which TARGET2 is operating credit or transfer instructions in respect of euro;

“Winding-Up” has the meaning given in Condition 4B.3; and

“Zero Coupon Instrument” means an Instrument specified as such in the relevant Final Terms.

## 1.2 *Interpretation:* In these Conditions:

- (i) if the Instruments are Zero Coupon Instruments, references to Coupons are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Instruments at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Instruments at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*), any premium payable in respect of an Instrument and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Instruments being “outstanding” shall be construed in accordance with the Issue and Paying Agency Agreement; and
- (vii) if an expression is stated in Condition 1.1 (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Instruments.

## 2. Form and Denomination

- 2.1 Instruments are issued in bearer form (“Bearer Instruments”) or in registered form (“Registered Instruments”), as specified in the Final Terms and are serially numbered. Registered Instruments will not be exchangeable for Bearer Instruments.

### *Bearer Instruments*

- 2.2 The Final Terms shall specify whether U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (the “TEFRA D Rules”) or U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the “TEFRA C Rules”) shall apply. Each Tranche of Bearer Instruments is represented upon issue by a temporary global Instrument (a “Temporary Global Instrument”), unless the Final Terms specifies otherwise and the TEFRA C Rules apply.

Where the Final Terms applicable to a Tranche of Bearer Instruments specifies that the TEFRA C Rules apply, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a Permanent Global Instrument.

Interests in the Temporary Global Instrument may be exchanged for:

- (i) interests in a permanent global Instrument (a “Permanent Global Instrument”); or
- (ii) if so specified in the Final Terms, definitive instruments in bearer form (“Definitive Instruments”) and/or (in the case of a Series comprising both Bearer Instruments and Registered Instruments and if so specified in the Final Terms) Registered Instruments.

Exchanges of interests in a Temporary Global Instrument for Definitive Instruments or, as the case may be, a Permanent Global Instrument will be made only on or after the Exchange Date (as specified in the Final Terms) and (unless the Final Terms specifies that the TEFRA C Rules are applicable to the Instruments) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received. An exchange for Registered Instruments will be made at any time or from such date as may be specified in the Final Terms, in each case, without any requirement for certification.

- 2.3 The bearer of any Temporary Global Instrument shall not (unless, upon due presentation of such Temporary Global Instrument for exchange (in whole but not in part only) for a Permanent Global Instrument or for delivery of Definitive Instruments and/or Registered Instruments, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Instruments represented by such Temporary Global Instrument which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.
- 2.4 Unless the Final Terms specifies that the TEFRA C Rules are applicable to the Instruments and subject to Condition 2.3 above, if any date on which a payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by a Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by the Hong Kong Paying Agent (in the case of a Temporary Global Instrument lodged with a sub-custodian for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “CMU Service”)) or (in any other case) by Euroclear Bank SA/NV (“Euroclear”) or Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”) or any other relevant clearing system. Payments of interest due in respect of a Permanent Global Instrument will be made through Euroclear or Clearstream, Luxembourg or the CMU Service or any other relevant clearing system without any requirement for certification.
- 2.5 Interests in a Permanent Global Instrument will be exchanged by the Issuer in whole but not in part only at the option of the Holder of such Permanent Global Instrument, for Definitive Instruments and/or (in the case of a Series comprising both Bearer and Registered Instruments and if so specified in the Final Terms) Registered Instruments, (a) if an Event of Default (as defined below) occurs in respect of any Instrument of the relevant Series; or (b) if Euroclear or Clearstream, Luxembourg or the CMU Service or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so; or (c) if so specified in the Final Terms, at the option of the Holder of such Permanent Global Instrument upon such Holder’s request, in all cases at the cost and expense of the Issuer. In order to exercise the option contained in paragraph (c) of the preceding sentence the Holder must, not less than forty-five days before the date upon which the delivery of such Definitive

Instruments and/or Registered Instruments is required, deposit the relevant Permanent Global Instrument with the Fiscal Agent at its Specified Office with the form of exchange notice endorsed thereon duly completed. If the Issuer does not make the required delivery of Definitive Instruments and/or Registered Instruments by 6.00 p.m. (London time) on the day on which the relevant notice period expires or, as the case may be, the thirtieth day after the day on which such Permanent Global Instrument becomes due to be exchanged and, in the case of (a) above, such Instrument is not duly redeemed (or the funds required for such redemption are not available to the Fiscal Agent for the purposes of effecting such redemption and remain available for such purpose) by 6.00 p.m. (London time) on the thirtieth day after the day on which such Instrument became immediately redeemable such Permanent Global Instrument will become void in accordance with its terms but without prejudice to the rights conferred by the Deed of Covenant.

- 2.6 Interest-bearing Definitive Instruments have attached thereto at the time of their initial delivery coupons (“Coupons”), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. Interest-bearing Definitive Instruments, if so specified in the Final Terms, have attached thereto, at the time of their initial delivery, a talon (“Talon”) for further coupons and the expression “Coupons” shall, where the context so requires, include Talons.
- 2.7 Instruments, the principal amount of which is repayable by instalments (“Instalment Instruments”) which are Definitive Instruments, have endorsed thereon a grid for recording the repayment of principal or, if so specified in the Final Terms, have attached thereto, at the time of their initial delivery, payment receipts (“Receipts”) in respect of the instalments of principal.

#### *Denomination*

##### *Denomination of Bearer Instruments*

- 2.8 Bearer Instruments are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. Bearer Instruments of one denomination may not be exchanged for Bearer Instruments of any other denomination.

##### *Denomination of Registered Instruments*

- 2.9 Registered Instruments are in the minimum denomination specified in the Final Terms or integral multiples thereof.

#### *Currency of Instruments*

- 2.10 The Instruments are denominated in such currency as may be specified in the Final Terms (the “Specified Currency”). Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

#### *Partly Paid Instruments*

- 2.11 Instruments may be issued on a partly paid basis (“Partly Paid Instruments”) if so specified in the Final Terms. The subscription moneys therefor shall be paid in such number of instalments (“Partly Paid Instalments”), in such amounts, on such dates and in such manner as may be specified in the Final Terms. The first such instalment shall be due and payable on the date of issue of the Instruments. For the purposes of these Terms and Conditions, in respect of any Partly Paid Instrument, Paid Up Amount means the aggregate amount of all Partly Paid Instalments in respect thereof as shall have fallen due and been paid up in full in accordance with these Terms and Conditions.

Not less than 14 days nor more than 30 days prior to the due date for payment of any Partly Paid Instalment (other than the first such instalment) the Issuer shall publish a notice in accordance with Condition 14 (*Notices*) stating the due date for payment thereof and stating that failure to pay any such Partly Paid Instalment on or prior to such date will entitle the Issuer to forfeit the Instruments with effect from such date (“Forfeiture Date”) as may be specified in such notice (not being less than 14 days after the due date for payment of such Partly Paid Instalment), unless the relevant Partly Paid Instalment together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any Partly Paid Instalments paid in respect of any Instruments subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the persons entitled thereto. The Issuer shall not be liable for any interest on any Partly Paid Instalment so returned.

Interest shall accrue on any Partly Paid Instalment which is not paid on or prior to the due date for payment thereof at the Interest Rate (or, in the case of Zero Coupon Instruments, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Instruments for the period from and including the due date for payment of the relevant Partly Paid Instalment up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any Partly Paid Instalment made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day).

Unless an Event of Default shall have occurred and be continuing, on the Forfeiture Date, the Issuer shall forfeit all of the Instruments in respect of which any Partly Paid Instalment shall not have been duly paid, whereupon the Issuer shall be entitled to retain all Partly Paid Instalments previously paid in respect of such Instruments and shall be discharged from any obligation to repay such amount or to pay interest thereon, or (where such Instruments are represented by a Temporary Global Instrument or a Permanent Global Instrument) to exchange any Interests in such Instrument for interests in a Permanent Global Instrument or to deliver Definitive Instruments or Registered Instruments in respect thereof, but shall have no other rights against any Person entitled to the Instruments which have been so forfeited.

Without prejudice to the right of the Issuer to forfeit any Instruments, for so long as any Partly Paid Instalment remains due but unpaid and, except in the case where an Event of Default shall have occurred and be continuing (a) no interests in a Temporary Global Instrument may be exchanged for interests in a Permanent Global Instrument and (b) no transfers of Registered Instruments or exchanges of Bearer Instruments for Registered Instruments may be requested or effected.

Until such time as all the subscription moneys in respect of Partly Paid Instruments shall have been paid in full and except in the case where an Event of Default shall have occurred and be continuing or if any of Euroclear or Clearstream, Luxembourg or the CMU Service or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so, no interests in a Temporary Global Instrument or a Permanent Global Instrument may be exchanged for Definitive Instruments or Registered Instruments.

### **3. Title and Transfer**

- 3.1 Title to Bearer Instruments, Receipts and Coupons passes by delivery. References herein to the "Holders" of Bearer Instruments or of Receipts or Coupons are to the bearers of such Bearer Instruments or such Receipts or Coupons, as the case may be.
- 3.2 Title to Registered Instruments passes by transfer and registration in the register which the Issuer shall procure to be kept by the Registrar. For the purposes of these Terms and Conditions, "Registrar" means, in relation to any Series comprising Registered Instruments, the Principal Registrar, the First Alternative Registrar or, as the case may be, the Second Alternative Registrar, as specified in the Final Terms. References herein to the "Holders" of Registered Instruments are to the persons in whose names such Registered Instruments are so registered in the relevant register.
- 3.3 The Holder of any Bearer Instrument, Coupon or Registered Instrument will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

#### *Transfer of Registered Instruments and exchange of Bearer Instruments for Registered Instruments*

- 3.4 A Registered Instrument may, upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the Final Terms) upon the surrender of the Registered Instrument to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the Registrar. A new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.
- 3.5 If so specified in the Final Terms, the Holder of Bearer Instruments may exchange the same for the same aggregate principal amount of Registered Instruments upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement. In order to exchange a Bearer Instrument for a Registered Instrument, the Holder thereof shall surrender such Bearer Instrument at the Specified Office outside the United States of the Fiscal Agent or of the Registrar together with a written request for the exchange. Each Bearer instrument so surrendered must be accompanied by all unmatured Receipts and Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined in Condition 3.6) where the exchange date would, but for the provisions of Condition 3.6, occur between the Record Date (as defined in Condition 7B.3) for such payment of interest and the date on which such payment of interest falls due.
- 3.6 Each new Registered Instrument to be issued upon the transfer of a Registered Instrument or the exchange of a Bearer Instrument for a Registered Instrument will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for collection by each

relevant Holder at the Specified Office of the Registrar or, at the option of the Holder requesting such exchange or transfer, be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer or request for exchange received by the Registrar or the Fiscal Agent after the Record Date in respect of any payment due in respect of Registered Instruments shall be deemed not to be effectively received by the Registrar or the Fiscal Agent until the day following the due date for such payment.

For the purposes of these Terms and Conditions:

- (i) “Relevant Banking Day” means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the Specified Office of the Registrar is located and, in the case only of an exchange of a Bearer Instrument for a Registered Instrument where such request for exchange is made to the Fiscal Agent, in the place where the Specified Office of the Fiscal Agent is located;
- (ii) the “exchange date” shall be the Relevant Banking Day following the day on which the relevant Bearer Instrument shall have been surrendered for exchange in accordance with Condition 3.5; and
- (iii) the “transfer date” shall be the Relevant Banking Day following the day on which the relevant Registered Instrument shall have been surrendered for transfer in accordance with Condition 3.4.

3.7 The issue of new Registered Instruments on transfer or on the exchange of Bearer Instruments for Registered Instruments will be effected without charge by or on behalf of the Issuer, the Fiscal Agent or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Fiscal Agent or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

3.8 Upon the transfer, exchange or replacement of Registered Instruments bearing the restrictive legend (the “Restrictive Legend”) set forth in the form of Registered Instrument scheduled to the Issue and Paying Agency Agreement, the Registrar shall deliver only Registered Instruments that also bear such legend unless either (i) the transferor is not and has not been an affiliate of the Issuer during the preceding three months and such transfer, exchange or replacement occurs two or more years after the later of (1) the original issue date of such Instruments or (2) the last date on which the Issuer or any affiliates (as defined below) of the Issuer as notified to the Registrar by the Issuer as provided in the following sentence, was the beneficial owner of such Instrument (or any predecessor of such Instrument) or (ii) there is delivered to the Registrar an opinion reasonably satisfactory to the Issuer of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws. The Issuer covenants and agrees that it will not acquire any beneficial interest, and will cause its “affiliates” (as defined in paragraph (a)(1) of Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”)) not to acquire any beneficial interest, in any Registered Instrument bearing the Restrictive Legend unless it notifies the Registrar of such acquisition. The Registrar and all Holders shall be entitled to rely without further investigation on any such notification (or lack thereof).

3.9 For so long as any of the Registered Instruments bearing the Restrictive Legend remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer covenants and agrees that it shall, during any period in which it is not subject to Section 13 or Section 15(d) under the United States Securities Exchange Act of 1934 nor exempt from reporting pursuant to Rule 12g3-2(b) under such Act, make available to any Relevant Account Holder (as defined in the Deed of Covenant) in connection with any sale thereof and any prospective purchaser of such Instruments from such Relevant Account Holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

#### **4. Status of the Instruments**

##### **4A. Status — Unsubordinated Instruments**

4A.1 This Condition 4A is applicable in relation to Instruments specified in the Final Terms as being unsubordinated or not specified as being subordinated (“Unsubordinated Instruments”).

4A.2 The Instruments constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (save for certain mandatory exceptions provided by law including, but not limited to Section 13A of the Banking Act 1959 of Australia).

4B. *Status and Subordination — Term Subordinated Instruments*

4B.1 This Condition 4B is applicable in relation to Instruments which are specified in the Final Terms as being subordinated and having a specified maturity date (“Term Subordinated Instruments”).

4B.2 Term Subordinated Instruments constitute direct and unsecured subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and, in a Winding-Up (as defined below) of the Issuer, at least *pari passu* with all other unsecured Subordinated Indebtedness (as defined below) of the Issuer having a fixed maturity date (save for certain mandatory exceptions provided by law including, but not limited to, Section 13A of the Banking Act 1959 of Australia).

Term Subordinated Instruments are not protected accounts for the purposes of the financial claims scheme established by amendments to the Banking Act 1959 of Australia and are not deposit liabilities of the Issuer in Australia for the purposes of the Banking Act 1959 of Australia. See Condition 4E (*General*).

4B.3 The rights and claims of Holders of the Term Subordinated Instruments are, in a Winding-Up (as defined below) of the Issuer, subordinated to the claims of Senior Creditors (as defined below) of the Issuer and prior to the commencement of a Winding-Up of the Issuer:

- (i) the obligations of the Issuer to make payments of the principal, redemption amount, interest or other amounts in respect of the Term Subordinated Instruments and all other amounts owing in relation to the Term Subordinated Instruments shall be conditional upon the Issuer being solvent at the time the payments and other amounts owing fall due; and
- (ii) no payment of principal, redemption amount, interest or any other amount shall be made in respect of the Term Subordinated Instruments except to the extent that the Issuer may make such payment and still be solvent immediately thereafter.

For the purposes of this Condition 4B.3 the Issuer shall be considered solvent if:

- (a) it is able to pay its debts as they fall due; and
- (b) its Assets exceed its Liabilities.

A certificate as to whether the Issuer is solvent signed by two authorised signatories of the Issuer or, if the Issuer is being wound up, its liquidator, shall be *prima facie* evidence of the information contained therein. In the absence of such a certificate a Holder of Term Subordinated Instruments shall be entitled to assume (unless the contrary is proved) that the Issuer is and will after any payment aforesaid be solvent.

In this Condition 4B and in Conditions 4C (*Status and Subordination – Undated Subordinated Instruments*) and 4D (*Status – Subordinated Instruments – Winding-Up – Contingency*) below, the following terms shall have the following meanings:

“Assets” means the total consolidated gross assets of the Issuer as shown by the latest published audited accounts of the Issuer but adjusted for events subsequent to the date of such accounts in such manner and to such extent as the directors, the auditors to the Issuer or, as the case may be, the liquidator of the Issuer may determine to be appropriate;

“Liabilities” means the total consolidated gross liabilities of the Issuer as shown by the latest published audited accounts of the Issuer but adjusted for events subsequent to the date of such accounts in such manner and to such extent as the directors, the auditors to the Issuer or, as the case may be, the liquidator of the Issuer may determine to be appropriate;

“Senior Creditors” means all depositors and other creditors (present and future) of the Issuer:

- (i) whose claims are admitted in the Winding-Up of the Issuer; and
- (ii) who are not the holders of indebtedness, the right to repayment of which by its terms is, or is expressed to be, subordinated in a Winding-Up of the Issuer to the claims of all unsubordinated creditors of the Issuer;

“Subordinated Indebtedness” means any indebtedness (present and future) of the Issuer which by its terms is, or is expressed to be, subordinated in a Winding-Up of the Issuer to the claims of its Senior Creditors; and

“Winding-Up” shall mean any procedure whereby the Issuer may be wound-up, dissolved, liquidated, sequestered or cease to exist as a body corporate whether brought or instigated by a Holder or any other person, other than under or in connection with a Solvent Reconstruction.

*The obligation of the Issuer prior to the commencement of a Winding-Up of the Issuer to make payments when due in respect of the Term Subordinated Instruments is conditional upon the Issuer being solvent immediately before and after payment by the Issuer.*

4C. *Status and Subordination — Undated Subordinated Instruments*

4C.1 This Condition 4C is applicable in relation to Instruments specified in the Final Terms as being subordinated and have no fixed date for redemption (“Undated Subordinated Instruments” and, together with Term Subordinated Instruments, “Subordinated Instruments”).

4C.2 The Undated Subordinated Instruments constitute direct and unsecured subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and, in a Winding-Up (as defined above) of the Issuer, at least *pari passu* with all other unsecured Subordinated Indebtedness (as defined above) of the Issuer having no fixed date for redemption (save for certain mandatory exceptions provided by law including, but not limited to, Section 13A of the Banking Act 1959 of Australia).

Undated Subordinated Instruments are not protected accounts for the purposes of the financial claims scheme established by amendments to the Banking Act 1959 of Australia and are not deposit liabilities in Australia of the Issuer for the purposes of the Banking Act 1959 of Australia. See Condition 4E (*General*).

4C.3 The rights and claims of Holders of the Undated Subordinated Instruments are, in a Winding-Up (as defined above) of the Issuer, subordinated to the claims of Senior Creditors (as defined above) of the Issuer and of subordinated creditors of the Issuer in respect of Subordinated Indebtedness (as defined above) having a fixed maturity and prior to the commencement of a Winding-Up of the Issuer:

- (i) the obligations of the Issuer to make payments of the principal, redemption amount, interest or other amounts in respect of the Undated Subordinated Instruments and all other amounts owing in relation to the Undated Subordinated Instruments shall be conditional upon the Issuer being solvent at the time the payments and other amounts owing fall due; and
- (ii) no payment of principal, redemption amount or interest shall be made in respect of the Undated Subordinated Instruments except to the extent that the Issuer may make such payment and still be solvent immediately thereafter.

For the purposes of this Condition 4C.3 the Issuer shall be considered solvent if:

- (a) it is able to pay its debts as they fall due; and
- (b) its Assets exceed its Liabilities (as each term is defined above).

A certificate as to whether the Issuer is solvent signed by two authorised signatories of the Issuer or, if the Issuer is being wound-up, its liquidator shall be *prima facie* evidence of the information contained therein. In the absence of such a certificate, a Holder of Undated Subordinated Instruments shall be entitled to assume (unless the contrary is proved) that the Issuer is and will after any payment as aforesaid be solvent.

*The obligation of the Issuer prior to the commencement of a Winding-Up of the Issuer to make payments when due in respect of the Undated Subordinated Instruments is conditional upon the Issuer being solvent immediately before and after payment by the Issuer. If this Condition is not satisfied, any amounts which might otherwise have been allocated in or towards payment of principal, redemption amount, interest or other amounts in respect of the Instruments may be used to absorb losses without the Issuer being obliged to cease trading. The relevant Final Terms will provide for the means of achieving this in accordance with the Australian Prudential Regulation Authority’s current guidelines for treatment of instruments such as the Undated Subordinated Instruments as Upper Tier 2 capital.*

4C.4 Without prejudice to the provisions of Condition 4C.3 the Issuer shall only be obliged to make payment of interest accrued on Undated Subordinated Instruments in respect of any period on the due date for payment thereof if, during the twelve month period immediately preceding that date, any dividend (whether interim or final) has been declared or paid on any class of share capital of the Issuer (a “Compulsory Interest Payment Date” and any Interest Payment Date which is not a Compulsory Interest Payment Date shall be referred to herein as an “Optional Interest Payment Date”).

On any Optional Interest Payment Date there may be paid (if the Issuer so elects), but subject to Condition 4C.3 and the Issuer having received prior written approval from the Australian Prudential Regulation Authority to pay interest on any such date in accordance with Condition 7 (*Payments*), the interest accrued in the Interest Period ending on the day immediately preceding such date but the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default

by the Issuer for any purpose. Any interest not paid on an Optional or Compulsory Interest Payment Date shall so long as the same remains unpaid constitute "Arrears of Interest". Arrears of Interest may at the option of the Issuer be paid in whole or in part at any time upon the expiration of not less than seven days' notice to such effect to the Holders of Undated Subordinated Instruments in accordance with Condition 14 (*Notices*) but all Arrears of Interest on all Undated Subordinated Instruments outstanding shall (subject to Condition 4C.3) become due in full on whichever is the earliest of:

- (i) the date upon which a dividend is next paid on any class of share capital of the Issuer;
- (ii) the date set for any repayment of principal pursuant to Conditions 6 (*Redemption and Purchase*) and 7 (*Payments*); or
- (iii) the date of commencement of a Winding-Up (as defined above) of the Issuer whether voluntary or otherwise.

If notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall, subject to Condition 4C.3 and having received the prior written approval from the Australian Prudential Regulation Authority, be obliged to do so upon the expiration of such notice. If there is outstanding more than one Series of Undated Subordinated Instruments, then the Issuer may not pay all or any part of the Arrears of Interest unless it pays all or (as near as practicable) an equivalent proportion of the Arrears of Interest in respect of each other Series of Undated Subordinated Instruments then outstanding.

#### 4D. *Status — Subordinated Instruments — Winding-Up Contingency*

4D.1 On the Winding-Up (as defined above) of the Issuer the rights of the Holders of Term Subordinated Instruments against the Issuer to recover any sums payable in respect of such Term Subordinated Instruments:

- (a) shall be subordinate and junior in right of payment to the obligations of the Issuer to Senior Creditors, to the intent that all such obligations to Senior Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Term Subordinated Instruments; and
- (b) shall rank *pari passu* and rateably (as to its due proportion only) with other subordinated creditors of the Issuer in respect of Subordinated Indebtedness having a fixed maturity.

4D.2 On the Winding-Up of the Issuer the rights of the Holders of Undated Subordinated Instruments against the Issuer to recover any sum payable in respect of such Undated Subordinated Instruments:

- (a) shall be subordinate and junior in right of payment to the obligations of the Issuer to Senior Creditors, and to the Holders of Term Subordinated Instruments, to the intent that all such obligations to Senior Creditors and to the Holders of Term Subordinated Instruments shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Undated Subordinated Instruments; and
- (b) shall rank *pari passu* and rateably (as to its due proportion only) with other subordinated creditors of the Issuer in respect of Subordinated Indebtedness having no fixed maturity.

#### 4D.3 *Contingent Debt*

On a Winding-Up of the Issuer, the Holders of Subordinated Instruments shall only be entitled to prove for any sums payable in respect of the Instruments as a debt which is subject to and contingent upon prior payment in full of, in the case of Holders of Term Subordinated Instruments, the Senior Creditors or, in the case of Holders of Undated Subordinated Instruments, the Senior Creditors and the Holders of Term Subordinated Instruments, and the Holders of Subordinated Instruments waive to the fullest extent permitted by law any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner.

#### 4D.4 *No Set-Off*

No Holder shall be entitled to set off against any amounts due in respect of the Instruments held by such Holder any amount held by the Holder to the credit of the Issuer whether in any account, in cash or otherwise, nor any deposits with, advances to or debts of the Issuer, nor any other amount owing by the Holder to the Issuer on any account whatsoever, nor shall any Holder be entitled to effect any reduction of the amount due to such Holder in respect of an Instrument by merger of accounts or lien or the exercise of any other rights the effect of which is or may be to reduce the amount due in respect of that Instrument in breach of these Terms and Conditions.



#### 4D.5 Trust

Any payment whether voluntary or in any other circumstances received by a Holder from or on account of the Issuer (including by way of credit, set-off or otherwise howsoever) or from any liquidator, receiver, manager or statutory manager of the Issuer in breach of this Condition 4 or Condition 9B (*Events of Default – Subordinated Instruments*) will be held by the relevant Holder in trust for and to the order of the Senior Creditors (and, in the case of payments received by the Holders of Undated Subordinated Instruments, payments will also be held in trust for and to the order of the Holders of Term Subordinated Instruments). The trust hereby created shall be for a term expiring on the earlier of the date on which all Senior Creditors have been paid in full or eighty years from the date of the issue of the Instruments.

#### 4E. General

Section 13A of the Banking Act 1959 of Australia provides that, in the event that the Issuer becomes unable to meet its obligations or suspends payment, the Issuer's assets in Australia are to be available to satisfy, in priority to all other liabilities of the Issuer, including the Instruments; (i) certain obligations of the Issuer to the Australian Prudential Regulation Authority arising under Division 2AA of Part II of the Banking Act 1959 of Australia (which provides for a government guarantee of protected accounts, as that term is defined under the Banking Act 1959 of Australia); and (ii) deposit liabilities of the Issuer in Australia (other than any such liabilities covered under sub-paragraph (i) above). Under Section 16 of the Banking Act 1959 of Australia, debts of the Issuer due to the Australian Prudential Regulation Authority shall in a winding-up of the Issuer have, subject to Section 13A of the Banking Act 1959 of Australia, priority over all other unsecured debts of the Issuer. Further, under Section 86 of the Reserve Bank Act 1959 of Australia, debts due by the Issuer to the Reserve Bank of Australia shall in a winding-up of the Issuer have, subject to Section 13A of the Banking Act 1959 of Australia, priority over all other debts, other than debts due to Australia.

*The Unsubordinated Instruments, or any of them, are not protected accounts and are not deposit liabilities in Australia under such statutory provision.*

- 4F. No amendment to the terms and conditions of an Instrument which will affect the treatment by the Australian Prudential Regulation Authority of a Term Subordinated Instrument as Lower Tier 2 capital or an Undated Subordinated Instrument as Upper Tier 2 capital shall be effective unless and until the Australian Prudential Regulation Authority consents in writing to such amendment.

### 5. Interest

#### 5.1 Interest

Instruments may be interest-bearing or non interest-bearing, as specified in the Final Terms. Words and expressions appearing in this Condition 5 and not otherwise defined herein or in the Final Terms shall have the meanings given to them in Condition 1.1 (*Definitions*).

#### 5.2 Fixed Rate Instrument Provisions

- (i) *Application:* This Condition 5.2 is applicable to the Instruments only if the Fixed Rate Instrument Provisions are specified in the relevant Final Terms as being applicable.
- (ii) *Accrual of interest:* The Instruments bear interest from the Interest Commencement Date at the Interest Rate and such interest is payable in arrear on each Interest Payment Date, subject as provided in Condition 7 (*Payments*). Each Instrument will cease to bear interest from the due date for final redemption (or, in the case of an Instalment Instrument, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless, upon due presentation, payment in full of the Redemption Amount or the relevant Instalment Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Instrument up to that day are received by or on behalf of the relevant Holder and (ii) the day which is seven days after the Fiscal Agent has notified the Holders that it has received all sums due in respect of the Instruments up to such seventh day (except to the extent that there is any subsequent default in payment). The foregoing applies to Subordinated Instruments except that Subordinated Instruments will not cease to bear interest on the due date for redemption if payment is not made on that date because of Condition 4B.3(i) or (ii).
- (iii) *Fixed Coupon Amount:* The amount of interest payable in respect of each Instrument for any Interest Period shall be the relevant Fixed Coupon Amount (or, in respect of the Interest Period beginning on the Interest Commencement Date or the Interest Period ending on the Maturity Date, the Broken Amount, if so specified in the Final Terms) and, if the Instruments are in more than one Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Denomination.

- (iv) *Calculation of interest amount:* The amount of interest payable in respect of each Instrument for any Interest Accrual Period for which a Fixed Coupon Amount is not specified shall be calculated (i) by applying the Interest Rate to the principal amount of such Instrument and multiplying the product by the relevant Day Count Fraction or (ii) if so specified in the Final Terms, by applying the Interest Rate to the principal amount of such Instruments, multiplying such product by the product of the Accrual Feature and the relevant Day Count Fraction and, in the case of (i) or (ii) above, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

### 5.3 *Floating Rate Instrument and Index-Linked Interest Instrument Provisions*

- (i) *Application:* This Condition 5.3 is applicable to the Instruments only if the Floating Rate Instrument Provisions or the Index-Linked Interest Instrument Provisions are specified in the relevant Final Terms as being applicable.
- (ii) *Accrual of interest:* The Instruments bear interest from the Interest Commencement Date at the Interest Rate and such interest is payable in arrear on each Interest Payment Date, subject as provided in Condition 7 (*Payments*). Each Instrument will cease to bear interest from the due date for final redemption (or, in the case of an Instalment Instrument, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless, upon due presentation, payment in full of the Redemption Amount or the relevant Instalment Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Instrument up to that day are received by or on behalf of the relevant Holder and (ii) the day which is seven days after the Fiscal Agent has notified the Holders that it has received all sums due in respect of the Instruments up to such seventh day (except to the extent that there is any subsequent default in payment). The foregoing applies to Subordinated Instruments except that Subordinated Instruments will not cease to bear interest on the due date for redemption if payment is not made on that date because of Condition 4B.3(i) or (ii).
- (iii) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Instruments for each Interest Accrual Period will be the sum of the Margin and the rate determined by the Calculation Agent on the following basis:
- (a) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (b) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (c) if, in the case of (a) above, such rate does not appear on that page or, in the case of (b) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
- (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
- (B) determine the arithmetic mean of such quotations; and
- (d) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (rounded, if necessary, to the nearest one-hundred-thousandth of a percentage point, 0.000005 per cent. being rounded up to 0.00001 per cent.) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Accrual Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Accrual Period and in an amount that is representative for a single transaction in that market at that time, and the Interest Rate for such Interest Accrual Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic

mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Accrual Period, the Interest Rate applicable to the Instruments during such Interest Accrual Period will be the sum of the Margin and the rate (or as the case may be the arithmetic mean of the rates) last determined in relation to the Instruments in respect of the last preceding Interest Accrual Period.

- (iv) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Instruments for each Interest Accrual Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Accrual Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (a) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
  - (b) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
  - (c) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Accrual Period or (B) in any other case, as specified in the relevant Final Terms.
- (v) *Index-Linked Interest*: If the Index-Linked Interest Instrument Provisions are specified in the relevant Final Terms as being applicable, the Interest Rate(s) applicable to the Instruments for each Interest Accrual Period will be determined in the manner specified in the relevant Final Terms.
- (vi) *Maximum or Minimum Interest Rate*: If any Maximum Interest Rate or Minimum Interest Rate is specified in the relevant Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified. The Maximum Interest Rate or Minimum Interest Rate may be determined by reference to an index and/or formula or, as the case may be, an exchange rate or exchange cross rate or such other variables, factors or circumstances as shall be determined in the manner specified in the applicable Final Terms.
- (vii) *Calculation of Interest Amount*: The Calculation Agent will, as soon as practicable after the time at which the Interest Rate is to be determined in relation to each Interest Accrual Period, calculate the Interest Amount payable in respect of each Instrument for such Interest Accrual Period. The Interest Amount will be calculated (i) by applying the Interest Rate for such Interest Accrual Period to the principal amount of such Instrument during such Interest Accrual Period and multiplying the product by the relevant Day Count Fraction or (ii) if so specified in the Final Terms, by applying the Interest Rate for such Interest Accrual Period to the principal amount of such Instruments, and multiplying such product by the product of the Accrual Feature and the relevant Day Count Fraction and, in the case of (i) or (ii) above, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.
- (viii) *Calculation of other amounts*: If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent (including, in respect of the Interest Period beginning on the Interest Commencement Date or the Interest Period ending on the Maturity Date, the Broken Amount, if so specified in the Final Terms), the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (ix) *Publication*: The Calculation Agent will cause each Interest Rate and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority and/or stock exchange (if any) by which the Instruments are then listed

and/or traded as soon as practicable after such determination but (in the case of each Interest Rate, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Holders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

- (x) *Notifications etc.*: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Holders (subject as aforesaid) and no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

#### 5.4 *Zero Coupon Instrument Provisions*

- (i) *Application*: This Condition 5.4 is applicable to the Instruments only if the Zero Coupon Instrument Provisions are specified in the relevant Final Terms as being applicable.
- (ii) *Late payment on Zero Coupon Instruments*: If the Redemption Amount payable in respect of any Zero Coupon Instrument is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (a) the Reference Price; and
  - (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Instrument up to that day are received by or on behalf of the relevant Holder and (ii) the day which is seven days after the Fiscal Agent has notified the Holders that it has received all sums due in respect of the Instruments up to such seventh day (except to the extent that there is any subsequent default in payment).

#### 5.5 *Dual Currency Instrument Provisions*

- (i) *Application*: This Condition 5.5 is applicable to the Instruments only if the Dual Currency Instrument Provisions are specified in the relevant Final Terms as being applicable.
- (ii) *Interest Rate*: The Issuer may issue Instruments with principal or interest determined by reference to an exchange rate or an index or a formula based on foreign exchange cross rates or such other exchange rates as may be specified in the Final Terms. In addition, the Issuer may issue Instruments with principal or interest payable in one or more currencies which may be different from the Specified Currency in which the Instruments are denominated. The rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

#### 5.6 *Coupon Switch Option Provisions*

- (i) *Application*: This Condition 5.6 is applicable to the Instruments only if the Coupon Switch Option is specified in the relevant Final Terms as being applicable and each Instrument shall bear interest on the following basis (unless otherwise specified in the relevant Final Terms).
- (ii) The Final Terms shall specify whether the Fixed Rate Instrument Provisions or, as the case may be, the Floating Rate Instrument Provisions are applicable to the Instruments from and including the Issue Date to but excluding the Coupon Switch Option Date. Upon the Issuer giving the requisite notice (which, for the purposes of this Condition 5.6 only, shall be five Business Days prior to the Coupon Switch Option Date or such other notice period as may be specified in the Final Terms) to exercise its Coupon Switch Option, from and including the Coupon Switch Option Date, interest shall accrue on a different basis from the basis which was applicable prior to such Coupon Switch Option Date. The Final Terms shall specify whether the Fixed Rate Instrument Provisions or, as the case may be, the Floating Rate Instrument Provisions are applicable, upon the exercise by the Issuer of the Coupon Switch Option, from and including such Coupon Switch Option Date to but excluding the Maturity Date.

### **6. Redemption and Purchase**

#### *Scheduled redemption*

- 6.1 Unless previously redeemed, or purchased and cancelled or, unless such Instrument is stated in the Final Terms as having no fixed maturity date, the Instruments will be redeemed at their Final Redemption Amount, together with interest accrued (if any) (or, in the case of Instalment Instruments, in such number of instalments and in such amounts ("Instalment Amounts") as may be specified in, or determined in accordance with the provisions of, the Final Terms), on the Maturity Date, subject as provided in Condition 7 (*Payments*).

*Redemption for tax reasons*

6.2 The Instruments may be redeemed at the option of the Issuer (but in the case of Subordinated Instruments, subject to prior written approval thereof having been obtained from the Australian Prudential Regulation Authority) in whole, but not in part:

- (i) at any time (if neither the Floating Rate Instrument Provisions nor the Index-Linked Interest Instrument Provisions are specified in the relevant Final Terms as being applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Instrument Provisions or the Index-Linked Interest Instrument Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable) or as otherwise specified in the Final Terms, at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (i) (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations or rulings of Australia or of the jurisdiction, country or territory in which the branch through which the Issuer is acting (as specified in the relevant Final Terms) is located or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Instruments or any other date specified in the Final Terms; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

or

- (ii) (a) the Issuer has or will become obliged to pay additional amounts in respect of New Zealand non-resident withholding tax which may be, or which may become, applicable to Instruments issued by the Issuer acting through its New Zealand branch; and either
- (b) such obligation cannot be avoided by the Issuer paying (if it is not already doing so) New Zealand approved issuer levy at a rate not exceeding the rate of the levy charged at the Issue Date under section 86J of the Stamp and Cheque Duties Act 1971 of New Zealand (the "Approved Issuer Levy Rate") on the payments of principal or interest or taking any other reasonable measures available to it (but not including the payment of any additional approved issuer levy); or
- (c) in order to avoid any New Zealand non-resident withholding tax (under current law or any change of law) the Issuer becomes obliged, as a result of any change in, or amendments to, the laws, regulations or rulings of New Zealand or any political subdivision thereof or authority or any agency therein or thereof having power to tax or any change in the application or in the interpretation or administration of any such laws, regulations or rulings, to pay approved issuer levy at a rate exceeding the Approved Issuer Levy Rate or incurs any other cost in excess of that applicable under New Zealand law at the Issue Date,

*provided, however, that* no such notice of redemption shall be given earlier than:

- (1) where the Instruments may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Instruments were then due; or
- (2) where the Instruments may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Instruments were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of such Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 6.2, the Issuer shall be bound to redeem the Instruments in accordance with this Condition 6.2.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 6.6 (*Redemption at the option of Holders*).

*Redemption at the option of the Issuer*

- 6.3 If Redemption at the option of the Issuer (Call) is specified in the relevant Final Terms as being applicable, the Instruments may be redeemed at the option of the Issuer (but, in the case of Subordinated Instruments, subject to the prior written approval thereof having been obtained from the Australian Prudential Regulation Authority) in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer giving not less than 5 nor more than 60 days' notice, or such other notice period as may be specified in the relevant Final Terms to the Holders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall oblige the Issuer to redeem all of the Instruments of the relevant Series or, as the case may be, the Instruments specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 6.6 (*Redemption at the option of Holders*).

*Redemption for loss of deductibility reasons*

- 6.4 If, prior to the first Optional Redemption Date (Call), in respect of the Subordinated Instruments of any Series, the Issuer determines (supported by an opinion as to such determination, from tax advisers of recognised standing in Australia) that interest payable on the Subordinated Instruments is not or may not be allowed as a deduction for the purposes of Australian income tax, then the Issuer (subject to the prior written approval thereof having been obtained from the Australian Prudential Regulation Authority) may give not more than 60 nor less than 30 days' notice to the Fiscal Agent and the Holders of the Subordinated Instruments in accordance with Condition 14 (*Notices*) (as amended by the relevant Final Terms) that it wishes to redeem the Subordinated Instruments of the specified Series, and upon expiry of such notice shall redeem all (but not some only) of the Subordinated Instruments at the Early Redemption Amount (Loss of Deductibility) plus accrued interest (if any) to the date fixed for redemption (as specified in the Final Terms).

The notice referred to above shall specify the Series number of the Subordinated Instruments subject to redemption, the due date for redemption and the Early Redemption Amount (Loss of Deductibility) as calculated by the Calculation Agent.

*Partial redemption*

- 6.5 If the Instruments are to be redeemed in part only on any date in accordance with Condition 6.3 (*Redemption at the option of the Issuer*):
- (i) in the case of Bearer Instruments (other than a Temporary Global Instrument or a Permanent Global Instrument) the Instruments to be redeemed shall be selected by the drawing of lots in such European city as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate;
  - (ii) in the case of a Temporary Global Instrument or a Permanent Global Instrument, the Instruments to be redeemed shall be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service and/or any other relevant clearing system; and
  - (iii) in the case of Registered Instruments, the Instruments shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, provided always that the amount redeemed in respect of each Instrument shall be equal to the minimum denomination thereof or an integral multiple thereof,

subject always to compliance with applicable law and the rules of each listing authority and/or stock exchange on or by which the Instruments are then listed and/or traded and the notice to Holders referred to in Condition 6.3 (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Instruments so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 3.4 to 3.9 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

#### *Redemption at the option of Holders*

6.6 If Redemption at the option of the Holders (Put) is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Instrument, redeem such Instrument on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 6.6, the Holder of an Instrument must, not less than forty-five days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent, in the case of a Bearer Instrument, or the Registrar, in the case of a Registered Instrument, such Instrument together with all unmatured Coupons relating thereto (other than any Coupon maturing on or before the Optional Redemption Date (Put) (failing which the provisions of Condition 7A.7 apply)) and a duly completed Put Option Notice in the form obtainable from any Paying Agent or, as the case may be, the Registrar specifying, in the case of a Temporary Global Instrument or Permanent Global Instrument or Registered Instrument, the aggregate principal amount in respect of which such option is exercised (which must be the minimum denomination specified in the Final Terms or an integral multiple thereof). The Paying Agent with which an Instrument is so deposited shall deliver a duly completed Put Option Receipt to the depositing Holder. No Instrument, once deposited with a duly completed Put Option Notice in accordance with this Condition 6.6, may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Instrument becomes immediately due and payable, the relevant Holder, at its option, may elect by notice to the Paying Agent or, as the case may be, the Registrar to withdraw the Put Option Notice given pursuant to this Condition 6.6 and instead declare such Instrument to be forthwith due and payable pursuant to Condition 9 (*Events of Default*). For so long as any outstanding Instrument is held by a Paying Agent in accordance with this Condition 6.6, the depositor of such Instrument and not such Paying Agent shall be deemed to be the Holder of such Instrument for all purposes.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 3.4 to 3.9 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

The Holder of an Instrument may not exercise such option in respect of any Instrument which is the subject of an exercise by the Issuer of its option to redeem such Instrument under either Condition 6.2 (*Redemption for tax reasons*) or 6.3 (*Redemption at the option of the Issuer*).

#### *Automatic Redemption Option*

6.7 If the Automatic Redemption Option is specified in the relevant Final Terms as being applicable, the Instruments will be redeemed at their Early Redemption Amount (Automatic) on any Automatic Redemption Date in accordance with the Early Redemption Automatic Trigger as specified in the Final Terms. If the Instruments are not redeemed before the Maturity Date in accordance with this Condition 6.7, the Instruments are to be redeemed at the Final Redemption Amount or such other amount as may be specified in the Final Terms.

#### *Redemption for regulatory reasons*

6.8 If Redemption for regulatory reasons (Call) is specified in the relevant Final Terms as being applicable and if, prior to the first Optional Redemption Date (Call), in respect of the Subordinated Instruments of any Series, the Issuer determines (supported by an opinion as to such determination from advisers of recognised standing in Australia) that the Subordinated Instruments have ceased, or will cease, to qualify as Tier 2 capital under the standards and guidelines published by the Australian Prudential Regulation Authority, then (subject to the prior written approval having been obtained from the Australian Prudential Regulation Authority) the Issuer may give not more than 60 nor less than 30 days' notice to the Fiscal Agent and the Holders of the Subordinated Instruments in accordance with Condition 14 (*Notices*) (as amended by the relevant Final Terms) that it wishes to redeem the Subordinated Instruments of the specified Series, and upon expiry of such notice shall redeem all (but not some only) of the Subordinated Instruments at the Early Redemption Amount (Regulatory Reasons) plus accrued interest (if any) to the date fixed for redemption (as specified in the Final Terms).

The notice referred to above shall specify the Series number of the Subordinated Instruments subject to redemption, the due date for redemption and the Early Redemption Amount (Regulatory Reasons) as calculated by the Calculation Agent.

#### *No other redemption*

6.9 The Issuer shall not be entitled to redeem the Instruments otherwise than as provided in Conditions 6.1 to 6.8 above.

#### *Early redemption of Zero Coupon Instruments*

6.10 Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Instrument at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Instrument becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 6.9 or, if none is so specified, a Day Count Fraction of 30/360.

#### *Purchase*

6.11 The Issuer or any of its Subsidiaries may (but, in the case of Subordinated Instruments, subject to the prior written approval thereto having been obtained from the Australian Prudential Regulation Authority) at any time purchase Instruments in the open market or otherwise and at any price, provided that all unmatured Receipts and Coupons are purchased therewith. If purchases are made by tender, tenders must be available to all Holders of Instruments alike.

#### *Cancellation*

6.12 All Instruments so redeemed or purchased by the Issuer or any of its Subsidiaries and all unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

#### *No Fixed Maturity*

6.13 This Condition 6.13 is applicable to Undated Subordinated Instruments. There is no fixed redemption date for such Instruments and the Issuer shall (subject to the provisions of Condition 4D.3 (*Contingent Debt*), if such Condition is applicable, and without prejudice to the provisions of Conditions 9A (*Events of Default – Unsubordinated Instruments*) and 9B (*Events of Default – Subordinated Instruments*)) only have the right to repay such Instruments in accordance with such provisions of this Condition 6 as are specified in the relevant Final Terms as being applicable to such Undated Subordinated Instruments.

*In relation to any Instrument specified in the relevant Final Terms as being subordinated and which constitutes Tier 2 capital in accordance with the Capital Adequacy requirements of the Australian Prudential Regulation Authority, no redemption or purchase of any such Instrument pursuant to this Condition 6 may be made without the prior written approval of the Australian Prudential Regulation Authority. Holders of such Instruments should not anticipate that such approval will be automatic. Tier 2 Instruments which are Undated Subordinated Instruments may not be issued on terms that they are redeemable at the option of the Holders thereof pursuant to Condition 6.6 (Redemption at the option of Holders) or able to be purchased by the Issuer pursuant to Condition 6.11 (Purchase) or be redeemed by the Issuer pursuant to Condition 6.3 (Redemption at the option of the Issuer).*

## **7. Payments**

### *7A. Payments — Bearer Instruments*

7A.1 This Condition 7A is applicable in relation to Instruments in bearer form.

#### *Principal*

7A.2 Payments of principal due in respect of Bearer Instruments shall be made only against presentation and (provided that payment is made in full, or it is the payment of the final Instalment Amount) surrender of the relevant Bearer Instruments at the Specified Office of any Paying Agent outside the United States, by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency or to which such currency may be transferred and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Instrument which is a Definitive Instrument with Receipts will be made against presentation of the Instrument together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Instrument to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of an Instrument without the relative Receipt or the presentation of a Receipt without the Instrument to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.



## *Interest*

7A.3 Payment of amounts in respect of interest on Bearer Instruments will be made:

- (i) in the case of a Temporary Global Instrument or Permanent Global Instrument, against presentation of the relevant Temporary Global Instrument or Permanent Global Instrument at the Specified Office of any of the Paying Agents outside Australia, New Zealand and (unless Condition 7A.4 (*Payments in New York City*) applies) the United States and, in the case of a Temporary Global Instrument, upon due certification as required therein, by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency;
- (ii) in the case of Definitive Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Instruments at the Specified Office of any of the Paying Agents outside Australia, New Zealand and (unless Condition 7A.4 (*Payments in New York City*) applies) the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency; and
- (iii) in the case of Definitive Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Definitive Instruments, in either case at the Specified Office of any of the Paying Agents outside Australia, New Zealand and (unless Condition 7A.4 (*Payments in New York City*) applies) the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

## *Payments in New York City*

7A.4 Payments of principal and interest on the Bearer Instruments and exchanges of Talons for Coupon Sheets in accordance with Condition 7A.8 (*Exchange of Talons*) may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Instruments in United States dollars, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of interest in United States dollars and (iii) payment is permitted by applicable United States law.

## *Payments subject to fiscal laws*

7A.5 All payments in respect of the Instruments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). No commissions or expenses shall be charged to the Holders in respect of such payments.

## *Payments on business days*

7A.6 If the due date for payment of any amount in respect of any Instrument or Coupon is not a Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

7A.7 Each Definitive Instrument initially delivered with Coupons, Talons or Receipts attached thereto shall be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:

- (i) if the Final Terms specifies that this paragraph (i) of Condition 7A.7 is applicable (and, in the absence of specification this paragraph (i) shall apply to Definitive Instruments which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at

the Specified Office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;

- (ii) if the Final Terms specifies that this paragraph (ii) of Condition 7A.7 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Instruments which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Definitive Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
- (iii) in the case of Definitive Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (iv) in the case of Definitive Instruments initially delivered with Receipts attached thereto, all Receipts relating to such Instruments in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 7A.7 notwithstanding, if any Definitive Instruments are issued with a maturity date and an Interest Rate or Rates such that, on the presentation for payment of any such Definitive Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment). Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

#### *Exchange of Talons*

7A.8 In relation to Definitive Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon Sheet matures, the Talon comprised in the Coupon Sheet may be surrendered at the Specified Office of any Paying Agent outside (unless Condition 7A.4 (*Payments in New York City*) applies) the United States in exchange for a further Coupon Sheet (including any appropriate further Talon), subject to the provisions of Condition 10 (*Prescription*) below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon Sheet matures.

#### *Payments other than in respect of matured Coupons*

7A.9 Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Instruments at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 7A.4 (*Payments in New York City*)).

#### *Partial payments*

7A.10 If a Paying Agent makes a partial payment in respect of any Instrument or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

#### *7B. Payments — Registered Instruments*

7B.1 This Condition 7B is applicable in relation to Registered Instruments.

7B.2 Payment of the Redemption Amount due in respect of Registered Instruments (together with accrued interest thereon (if any)) will be made against presentation and, save in the case of partial payment of the Redemption Amount, surrender of the relevant Registered Instruments at the Specified Office of the Registrar. If the due date for payment of the Redemption Amount of any Registered Instrument is not a Business Day then the Holder thereof will not be entitled to payment thereof until the next Business Day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking

day, a Business Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5 (*Interest*) as appropriate.

7B.3 Payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at opening of business (local time in the place of the Specified Office of the Registrar) on the fifteenth Relevant Banking Day (as defined in Condition 3.6) before the due date for such payment (the "Record Date").

7B.4 Payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be made in the currency in which such amount is due by cheque to the Holder thereof (or, in the case of joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 3.6) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Business Day, then the Holder thereof will not be entitled to payment thereof until the first day thereafter which is a Business Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5 (*Interest*), as appropriate.

#### 7C. *Payments — General Provisions*

7C.1 Save as otherwise specified in these Terms and Conditions, this Condition 7C is applicable in relation to both Bearer Instruments and Registered Instruments.

7C.2 No commissions or expenses shall be charged to the Holders of Instruments or Coupons in respect of such payments.

### 8. **Taxation**

#### *Gross up*

8.1 All payments of principal and interest in respect of the Instruments and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of Australia, and/or of the jurisdiction, country or territory in which the branch through which the Issuer is acting (as specified in the relevant Final Terms) is located or any political subdivision or any authority thereof or therein having power to tax ("Withholding Taxes"), unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Holders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Instrument, Receipt or Coupon presented for payment:

- (i) by, or by a third party on behalf of, a Holder, or any beneficial owner of any interest in, or rights in respect of such Instrument, Receipt or Coupon held by a Holder, who is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument, Receipt or Coupon by reason of the Holder or beneficial owner having some connection (whether past or present) with Australia and/or the jurisdiction, country or territory in which the branch specified in the relevant Final Terms is located other than (a) the mere holding of such Instrument, Receipt or Coupon or (b) the receipt of principal, interest or other amount in respect of such Instrument, Receipt or Coupon; or
- (ii) by, or by a third party on behalf of, a Holder, or any beneficial owner of any interest in, or rights in respect of such Instrument, Receipt or Coupon held by a Holder, who could lawfully avoid (but has not so avoided) such deduction or withholding by complying with any statutory requirements in force at the present time or in the future or by making a declaration of non-residence or other claim or filing for exemption; or
- (iii) more than thirty days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts if it had presented such Instrument, Receipt or Coupon on the last day of such period of thirty days; or

- (iv) on account of taxes which are payable by reason of the Holder of such Instrument, Receipt or Coupon or beneficial owner of any interest therein or rights in respect thereof being an associate of the Issuer for the purposes of Section 128F(6) of the Income Tax Assessment Act 1936 of Australia (the “Australian Tax Act”); or
- (v) on account of New Zealand resident withholding tax, in respect of Instruments issued by the Issuer acting through its New Zealand branch; or
- (vi) by, or by a third party on behalf of, a Holder who is a resident of Australia or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia (the expressions “resident of Australia”, “non-resident” and “permanent establishment” having the meanings given to them by the Australian Tax Act) if, and to the extent that, section 126 of the Australian Tax Act (or any equivalent provision) requires the Issuer to pay income tax in respect of interest payable on such Instrument, Receipt or Coupon and the income tax would not be payable were the Holder not a “resident of Australia” or “non-resident” so engaged in carrying on business; or
- (vii) on account of Australian interest withholding tax imposed as a result of a determination by the Commissioner of Taxation of the Commonwealth of Australia that such tax is payable under the Australian Tax Act in circumstances where the Holder, or a third person on behalf of the Holder, is party to or participated in a scheme to avoid such tax which the Issuer was neither a party to nor participated in; or
- (viii) where such withholding or deduction is imposed on a payment to an individual and is made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive, or any agreement entered into by a Member State of the European Union with (a) any other state or (b) any relevant, dependent or associated territory of any Member State of the European Union providing for measures equivalent to, or the same as those provided for by, such Directive; or
- (ix) by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Instrument, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

*New Zealand resident withholding tax*

8.2 Where the Instruments are issued by the Issuer’s New Zealand branch or amounts payable in relation to any Instruments are payable in New Zealand dollars, the Issuer may be required by New Zealand law to deduct New Zealand resident withholding tax from the payment of interest or other amounts to the Holder on any Interest Payment Date or, if applicable, the Maturity Date (as specified in the applicable Final Terms), if:

- (i) the Holder is a resident of New Zealand for income tax purposes or otherwise is a person, the payment of interest (as defined for New Zealand tax purposes) to whom will be subject to New Zealand resident withholding tax (a “New Zealand Holder”); and
- (ii) at the time of such payment the New Zealand Holder does not hold a valid RWT exemption certificate issued to it for New Zealand resident withholding tax purposes.

Prior to any Interest Payment Date or, if applicable, the Maturity Date (as specified in the applicable Final Terms), any New Zealand Holder:

- (i) must notify the Issuer, the Registrar or any Paying Agent (i) that the New Zealand Holder is the holder of an Instrument and (ii) if it derives interest under an Instrument jointly with any other person; and
- (ii) must notify the Issuer, the Registrar or any Paying Agent of any circumstances, and provide the Issuer, the Registrar or that Paying Agent with its New Zealand tax file number and any information (including a copy of a valid RWT exemption certificate) that may enable the Issuer to make the payment of interest to the New Zealand Holder without deduction on account of New Zealand resident withholding tax.

A New Zealand Holder must notify the Issuer, prior to any Interest Payment Date or the Maturity Date (as specified in the applicable Final Terms) of any change in the New Zealand Holder’s circumstances from those previously notified that could affect the Issuer’s payment obligations in respect of any Instrument. By accepting payment of the full face amount of any Instrument or any interest thereon or other amounts in respect thereof on any Interest Payment Date or the Maturity Date, a New Zealand Holder agrees to indemnify the Issuer for all purposes in respect of any liability that the Issuer may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

*Only a New Zealand Holder will be obliged to make the notifications referred to above and no other Holder will be required to do so.*

*Whilst the Instruments are held in Euroclear, Clearstream, Luxembourg, the CMU Service or any other clearing system, Euroclear, Clearstream, Luxembourg, the CMU Service and any such other clearing system shall not be responsible to the Issuer, the Registrar, any Paying Agent, its accountholders credited with such Instruments or any other person with regard to the collection or preparation of certificates, or otherwise in connection with this Condition 8.2.*

- 8.3 Any reference in these Terms and Conditions to “principal” and/or “interest” in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 8. Unless the context otherwise requires, any reference in these Terms and Conditions to “principal” shall include any premium payable in respect of an Instrument, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and “interest” shall include all amounts payable pursuant to Condition 5 (*Interest*) and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

#### *Taxing jurisdiction*

- 8.4 If the Issuer is, or becomes, subject at any time to any taxing jurisdiction(s) other than or in addition to Australia, New Zealand or the jurisdiction, country or territory in which the branch specified in the relevant Final Terms is located, references in Condition 6.2 (*Redemption for tax reasons*) and this Condition 8 shall be read and construed as including references to such other taxing jurisdiction(s).

### **9. Events of Default**

#### **9A. Events of Default — Unsubordinated Instruments**

The following provisions are applicable to Unsubordinated Instruments.

- 9A.1 The following events or circumstances as modified by, and/or such other events as may be specified in the Final Terms (each an “Event of Default”) shall be acceleration events in relation to the Unsubordinated Instruments of any Series, namely:
- (i) the Issuer fails to pay any amount of principal in respect of the Instruments of the relevant Series or any of them within 7 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Instruments of the relevant Series or any of them within 14 days of the due date for payment thereof; or
  - (ii) the Issuer defaults in the performance or observance of any of its other obligations under or in respect of any of the Instruments of the relevant Series, the Issue and Paying Agency Agreement and (except in any case where such default is incapable of remedy when no such continuation or notice, as is hereinafter mentioned, will be required) such default remains unremedied for 30 days after written notice requiring such default to be remedied has been delivered to the Issuer at the Specified Office of the Fiscal Agent by the Holder of any such Instrument; or
  - (iii) an order is made or an effective resolution is passed for the Winding-Up of the Issuer; or
  - (iv) the Issuer ceases to carry on all or substantially all of its business other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the outstanding Instruments are assumed by the successor entity to which all, or substantially all of the property, assets and undertaking of the Issuer are transferred or where an arrangement with similar effect not involving a bankruptcy or insolvency is implemented (a “Solvent Reconstruction”); or
  - (v) an encumbrancer takes possession or a receiver is appointed of the whole or any substantial part of the assets or undertaking of, or an official manager is appointed to, the Issuer or a distress or execution is levied or enforced upon or sued out against any substantial part of the assets or undertaking of the Issuer and is not removed, paid out or otherwise discharged within 30 days unless the same is being contested in good faith; or
  - (vi) the Issuer shall be unable to pay its debts as they fall due.
- 9A.2 If any Event of Default shall occur in relation to any Series of Instruments, any Holder of an Instrument of the relevant Series may, by written notice to the Issuer at the Specified Office of the Fiscal Agent, declare that such Instrument and (if the Instrument is interest-bearing) all Interest then accrued on such Instrument shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the “Early Termination Amount”) (which shall be its outstanding principal amount or, if such Instrument is a Zero Coupon Instrument, such amount as

provided in Condition 6.8 (*Early Redemption of Zero Coupon Instruments*) or such other Early Termination Amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Instruments to the contrary notwithstanding, unless, prior to receipt of such notice by the Fiscal Agent, all Events of Default in respect of the Instruments of the relevant Series shall have been remedied.

#### 9B. *Events of Default — Subordinated Instruments*

The following provisions are applicable to Subordinated Instruments.

9B.1 The following events or circumstances as modified by, and/or such other events as may be specified in, the Final Terms (each an “Event of Default”) shall be events giving rise to the limited remedies set out in Condition 9B.2 below:

- (i) (a) the Issuer fails to pay any amount in respect of the Instruments of the relevant Series or any of them due within 7 days of the Maturity Date; or
- (b) the Issuer fails to pay any amount of interest in respect of the Instruments of the relevant Series or any of them within 14 days of the due date for payment thereof unless the failure is the result of not being solvent (within the meaning given to that term in Condition 4B.3) at the time of that payment or if the Issuer would not be solvent as a result of that payment; or
- (ii) an order is made or an effective resolution is passed for the Winding-Up of the Issuer.

9B.2 (i) In the event of the occurrence of either of the Events of Default set out above at Condition 9B.1 (i) or (ii), the Holder of any Instruments of the relevant Series may institute proceedings for a winding-up or liquidation of the Issuer or, subject to Condition 4D (*Status – Subordinated Instruments – Winding-Up Contingency*), for proving or claiming in any winding-up or liquidation of the Issuer; and

- (ii) no remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer’s payment obligations), other than the institution of proceedings for winding-up or liquidation or, subject to Condition 4D (*Status – Subordinated Instruments – Winding-Up Contingency*), for proving or claiming in any winding-up or liquidation of the Issuer, shall be available to the Holders of any Instruments for the recovery of amounts owing in respect of the Instruments or in respect of any breach by the Issuer of any obligation, condition or provision binding on it under the terms of the Instruments. In particular, no Holder of any Instrument or Coupon shall be entitled to exercise any right of set-off or counterclaim which may be available to it against amounts owing by the Issuer in respect of such Instrument or Coupon (whether prior to, or following, any bankruptcy, liquidation, winding-up or sequestration of the Issuer).

9B.3 If any Instrument becomes due and repayable pursuant to this Condition 9B, it shall be repaid at its early termination amount (the “Early Termination Amount”) (which shall be its principal amount or such other Early Termination Amount as may be specified in or determined in accordance with the relevant Final Terms) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Instrument under any other Condition prior to the date fixed for redemption (which amount is, and to the extent not then paid remains, due and payable), together with all interest (if any) accrued thereon.

### 10. **Prescription**

10.1 Claims against the Issuer for payment of principal and interest in respect of Instruments will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date for payment thereof.

10.2 In relation to Definitive Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon Sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 7A.8 (*Exchange of Talons*) or the due date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 10 or any Talon the maturity date of which would fall after the due date for redemption of the relevant Instrument.

### 11. **The Paying Agents, the Registrars and the Calculation Agent**

11.1 The initial Paying Agents and Registrars and their respective initial Specified Offices are specified below. The Calculation Agent in respect of any Instruments shall be specified in the Final Terms. The

Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or any Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent provided that it will at all times maintain (i) a Fiscal Agent, (ii) in the case of Registered Instruments, a Registrar, (iii) a Paying Agent (which may be the Fiscal Agent) with a Specified Office in a continental European city, (iv) so long as the Instruments are listed on the Official List of the UK Listing Authority and/or admitted to listing and/or trading on or by any other competent listing authority and/or stock exchange, a Paying Agent (which may be the Fiscal Agent) and a Registrar each with a Specified Office in London and/or in such other place as may be required by such competent listing authority and/or stock exchange, (v) in the circumstances described in Condition 7A.4 (*Payments in New York City*), a Paying Agent with a Specified Office in New York City, (vi) a Calculation Agent where required by these Terms and Conditions applicable to any Instruments (in the case of (i), (ii), (iii) and (vi) with a Specified Office located in such place (if any) as may be required by these Terms and Conditions), (vii) a Paying Agent that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced to conform to, such Directive, or any agreement entered into by a Member State of the European Union with (a) any other state or (b) any relevant dependent or associated territory of any Member State of the European Union providing for measures equivalent to, or the same as, those provided for by such Directive, (viii) so long as any Instruments are represented by a Temporary Global Instrument or a Permanent Global Instrument which is held in the CMU Service, a Paying Agent with a Specified Office in Hong Kong, and (ix) so long as any Instruments are listed on the Singapore Exchange and the rules of the Singapore Exchange so require, a Paying Agent in Singapore. The Paying Agents, the Registrars and the Calculation Agent reserve the right at any time to change their respective Specified Offices to some other specified office in the same city. Notice of all changes in the identities or Specified Offices of any Paying Agent, the Registrars or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 14 (*Notices*).

11.2 The Paying Agents, the Registrars and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

## **12. Replacement of Instruments**

If any Instrument, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the Final Terms (in the case of Bearer Instruments and Coupons) or of the Registrar (in the case of Registered Instruments) ("Replacement Agent") subject to all applicable laws and the requirements of any stock exchange and/or competent listing authority on or by which the Instruments are listed and/or traded upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Instruments, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

## **13. Meetings of Holders and Modification**

The Issue and Paying Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution of these Terms and Conditions and the Deed of Covenant insofar as the same may apply to such Instruments. Such a meeting may be convened by the Issuer and shall be convened upon a request in writing by Holders of Instruments holding not less than one-tenth of the outstanding principal amount of the Instruments for the time being outstanding of any Series. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Instruments of such Series.

Alternatively, Holders of any particular Series of Instruments may duly pass in writing either an Ordinary Resolution or an Extraordinary Resolution provided that such written resolution is signed by or on behalf of such Holders holding, in the case of an Ordinary Resolution, not less than a simple majority or, in the case of an Extraordinary Resolution, not less than three-fourths of the aggregate outstanding principal amount of the relevant Instruments.

The Issuer may, with the consent of the Fiscal Agent, but without the consent of the Holders of the Instruments of any Series or Coupons, amend these Terms and Conditions, the Final Terms and the Deed of Covenant insofar as they may apply to such Instruments to correct a manifest or a proven error. Subject as aforesaid, no other modification may be made to these Terms and Conditions, or the Deed of Covenant except with the sanction of an Extraordinary Resolution.

#### **14. Notices**

##### *To Holders of Bearer Instruments*

14.1 Notices to Holders of Bearer Instruments will, save where another means of effective communication has been specified herein or in the Final Terms, be deemed to be validly given if:

- (i) published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*); or
- (ii) if such publication is not practicable, published in a leading English language daily newspaper having general circulation in Europe; or
- (iii) if permitted by the rules of the relevant competent listing authority and/or stock exchange, in the case of Instruments represented by a Temporary Global Instrument or Permanent Global Instrument, delivered to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein; or
- (iv) in the case of Instruments represented by a Temporary Global Instrument or a Permanent Global Instrument which is held in the CMU Service, given to the persons shown in a "CMU Instrument Position Report" issued by the CMU Service on the Business Day immediately before the preceding Interest Payment Date, or (in the case of notices given pursuant to Condition 6.3 (*Redemption at the option of the Issuer*)) on the Business Day immediately before the date on which such notices are given, or any other date as agreed between the Hong Kong Paying Agent or Lodging Agent and the CMU Service holding interests in the relevant Temporary Global Instrument or Permanent Global Instrument, as the case may be.

The Issuer shall also ensure that notices are duly published in compliance with the requirements of each competent listing authority and/or stock exchange on or by which the Instruments are listed and/or traded. Any notice so given will be deemed to have been validly given: (a) on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or (b) unless it has been specified otherwise in the Final Terms on the date of such delivery to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system or the persons shown in the "CMU Instrument Position Report". Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Instruments in accordance with this Condition. A copy of each notice given pursuant to this Condition will in any event be delivered to Euroclear, Clearstream, Luxembourg, the CMU Service and/or any other relevant clearing system.

##### *To Holders of Registered Instruments*

14.2 Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day.

#### **15. Further Issues**

The Issuer may from time to time, without the consent of the Holders of any Instruments or Coupons, create and issue further instruments, bonds or debentures having the same terms and conditions as such Instruments in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination or the issue price thereof) so as to be consolidated to form a single series with the Instruments of any particular Series.

#### **16. Substitution of the Issuer**

16.1 The Issuer may, with respect to any Series of Instruments issued by it (the "Relevant Instruments"), without the consent of any Holder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the Instruments and the Issue and Paying Agency Agreement (the "Substituted Debtor") upon notice by the Issuer and the Substituted Debtor to be given by publication in accordance with Condition 14 (*Notices*), provided that:



- (i) the Issuer is not in default in respect of any amount payable under any of the Relevant Instruments;
- (ii) the Issuer and the Substituted Debtor have entered into such documents (the “Documents”) as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Holder of the Relevant Instruments to be bound by these Terms and Conditions, the provisions of the Issue and Paying Agency Agreement and the Deed of Covenant as the debtor in respect of such Instruments in place of the Issuer (or of any previous substitute under this Condition 16);
- (iii) if the Substituted Debtor is resident for tax purposes in a territory (the “New Residence”) other than that in which the Issuer prior to such substitution was resident for tax purposes (the “Former Residence”), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Holder of the Relevant Instruments has the benefit of an undertaking in terms corresponding to the provisions of Condition 8 (*Taxation*) with, where applicable, the substitution of references to the Former Residence with references to the New Residence;
- (iv) Westpac guarantees the obligations of the Substituted Debtor in relation to outstanding Relevant Instruments;
- (v) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents and for the performance by the Issuer of its obligations under the guarantee referred to above as they relate to the obligations of the Substituted Debtor under the Documents;
- (vi) each competent listing authority and/or stock exchange on or by which the Relevant Instruments are admitted to listing and/or trading shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Relevant Instruments will continue to be admitted to listing and/or trading by the relevant competent listing authority and/or stock exchange; and
- (vii) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Relevant Instruments and any Coupons.

16.2 Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Relevant Instruments and the Issue and Paying Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer therein, and the Issuer shall be released from its obligations under the Relevant Instruments and under the Issue and Paying Agency Agreement.

16.3 After a substitution pursuant to Condition 16.1, the Substituted Debtor may, without the consent of any Holder, effect a further substitution. All the provisions specified in Conditions 16.1 and 16.2 shall apply *mutatis mutandis*, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.

16.4 After a substitution pursuant to Conditions 16.1 or 16.3 any Substituted Debtor may, without the consent of any Holder, reverse the substitution, *mutatis mutandis*.

16.5 The Documents shall be delivered to, and kept by, the Fiscal Agent. Copies of the Documents will be available free of charge at the Specified Office of each of the Paying Agents.

## 17. Currency Indemnity

The currency or currencies in which the Instruments are payable from time to time, as specified in these Terms and Conditions or the Final Terms (each a “Contractual Currency” and together the “Contractual Currencies”), is the only currency or are the only currencies of account and payment for applicable sums payable by the Issuer in respect of the Instruments, including damages. Any amount received or recovered in a currency other than the Contractual Currency applicable to the payment to which such amount is referable (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of an Instrument or Coupon in respect of any sum expressed to be due to it from the Issuer in such Contractual Currency shall only constitute a discharge to the Issuer to the extent of the amount in such Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the applicable Contractual Currency expressed to be due to any Holder of an Instrument or Coupon in respect of such Instrument or Coupon the Issuer shall indemnify such Holder against any loss

sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute separate and independent obligations from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of an Instrument or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Instruments or Coupons or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of an Instrument or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

#### **18. Waiver and Remedies**

No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

#### **19. Law and Jurisdiction**

19.1 Subject as provided in Condition 19.2 the Instruments, the Issue and Paying Agency Agreement and the Deed of Covenant are governed by, and shall be construed in accordance with, English law. Any matter, claim or dispute arising out of or in connection with the Instruments, the Issue and Paying Agency Agreement and the Deed of Covenant, whether contractual or non-contractual, is governed by, and shall be determined in accordance with, English law.

19.2 In the case of Instruments described in the Final Terms as being subordinated, the provisions of Condition 4 (*Status of the Instruments*) as it applies to such Instruments shall be governed by and construed in accordance with the laws of New South Wales, Australia.

19.3 Subject as provided in Condition 19.5, the courts of England and Wales have exclusive jurisdiction to settle any dispute (a "Dispute") arising from or connected with the Instruments.

19.4 The Issuer agrees that the courts of England and Wales are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

19.5 Condition 19.3 is for the benefit of the Holders of the Instruments only. As a result, nothing in this Condition 19 shall prevent any Holder of the Instruments from taking proceedings relating to a Dispute ("Proceedings") in any other courts with jurisdiction. To the extent allowed by law, Holders of the Instruments may take concurrent Proceedings in any number of jurisdictions.

19.6 The Issuer agrees that if at any time it ceases to be registered under Part XXIII of the Companies Act 1985 it will appoint a person with a registered office in London as its agent to accept service of process in England and Wales on its behalf in respect of any Proceedings.

#### **20. Third Parties**

No person shall have any right to enforce any term or condition of any Instrument under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## PRO FORMA FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Instruments under the Programme with a denomination of less than €50,000 (or its equivalent in another currency), amended (if necessary) and completed to reflect the particular terms of the relevant Instruments and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but is included as directions for completing the Final Terms.*

*(When completing any Final Terms, or adding any other Final Terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

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### FINAL TERMS

Series No.: [ ]

Tranche No.: [ ]

**WESTPAC BANKING CORPORATION ABN 33 007 457 141**

### **Programme for the Issuance of Debt Instruments**

Issue of

**[Aggregate Principal Amount of Tranche]**

***Title of Instruments***

**by Westpac Banking Corporation**

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Instruments in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Instruments. Accordingly any person making or intending to make an offer of the Instruments may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in paragraph 45 of Part A below, provided such person is one of the persons mentioned in paragraph 45 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Instruments in any other circumstances.]<sup>1</sup>

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Instruments in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Instruments. Accordingly any person making or intending to make an offer in that Relevant Member State of the Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Instruments in any other circumstances.]<sup>2</sup>

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<sup>1</sup> Include this legend where a non-exempt offer of Instruments is anticipated.

<sup>2</sup> Include this legend where only an exempt offer of Instruments is anticipated.

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) set forth in the Base Prospectus dated 7 November 2008 [and the supplement to the Base Prospectus dated [•]/and any other supplement to the Base Prospectus prepared by the Issuer from time to time], which [together] constitute[s] a Base Prospectus for the purposes of Directive 2003/71/EC (the “Prospectus Directive”). This document constitutes the Final Terms for the purposes of Article 5.4 of the Prospectus Directive relating to the issue of Instruments described herein and must be read in conjunction with such Base Prospectus dated 7 November 2008 [as so supplemented].

Full information on the Issuer and the Instruments described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at 63 St Mary Axe, London, EC3A 8LE, United Kingdom, and at [www.londonstockexchange.com](http://www.londonstockexchange.com) and copies may be obtained from the Specified Offices of the Paying Agents.

*(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus/Information Memorandum with an earlier date.)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “Conditions”) set forth in the Base Prospectus/Information Memorandum dated [original date] [and the supplement to the Base Prospectus/Information Memorandum dated [•]]. This document constitutes the Final Terms for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”) relating to the issue of Instruments described herein and must be read in conjunction with the Base Prospectus dated 7 November 2008 [and the supplement to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus/Information Memorandum dated [original date] [and the supplement to the Base Prospectus/Information Memorandum dated [•]] and are attached hereto.

Full information on the Issuer and the Instruments described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus/Information Memorandum dated [•] and [•] November 2008 [as so supplemented]. The Base Prospectus/Information Memorandum [and the supplement(s) to the Base Prospectus] are available for viewing at 63 St Mary Axe, London, EC3A 8LE, United Kingdom and at [www.londonstockexchange.com](http://www.londonstockexchange.com) and copies may be obtained from the Specified Offices of the Paying Agents.]

### PART A: Contractual Terms

- |   |  |
|---|--|
| 1. Issuer and Designated Branch:                                    | [Westpac Banking Corporation acting through its head office]   |
| 2. Method of Distribution:  | [Syndicated/Non-syndicated]  |
| 3. If not syndicated, Relevant Dealer/Lead Manager:                 | [Name [and address]]   |
| 4. Syndicated:  | [Applicable/Not Applicable]  |
| (i) If syndicated, names of Dealers [and underwriting commitments]: | [Not Applicable/Specify] <i>(Names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Dealers.)</i> |
| (ii) Date of Subscription Agreement:                                | [•]  |
| 5. Date of Board Approval of the Issuer:                            | [•]/[Not applicable, save as discussed in Section [2] of the “General Information” section in the Base Prospectus]   |
| 6. Status:  | [Unsubordinated/Subordinated]<br><i>(If Subordinated specify whether Condition 4B or Condition 4C applies)</i><br><i>(If nothing is specified, Instruments will be unsubordinated and Condition 4A will apply)</i>   |

7. Specified Currency:
- (i) of denomination: *(Specify) (N.B. This relates to the Specified Currency of Denomination under Condition 2.10)*
- (ii) of payment *(Condition 5.5(ii))*: *(Specify if different from currency of denomination)*
8. Aggregate Principal Amount of Tranche: *(Specify)*
9. If interchangeable with existing Series, Series No.: *(Specify)*
10. (i) Issue Date: *(Specify)*
- (ii) Interest Commencement Date: *(Specify, if different from the Issue Date)*
11. Issue Price: [•]
12. Maturity Date: *(Specify date or (for Floating Rate Instruments) Interest Payment Date falling in or nearest to the relevant month and year), subject to adjustment in accordance with the Business Day Convention specified in paragraph [20(iv) or 21(iv)].*  
*(Condition 6.1)*
13. Expenses: *(If Definitive Instruments, specify that the Issuer must bear the cost for producing Definitive Instruments)*
14. (i) Form of Instruments: [Bearer/Registered]
- (ii) Bearer Instruments exchangeable for Registered Instruments: [Yes/No]
15. If issued in Bearer form:
- (i) Initially represented by a Temporary Global Instrument or Permanent Global Instrument: *(Condition 2.2)* *(Specify. If nothing is specified and these Final Terms do not specify that the TEFRA C Rules apply, Instruments will be represented initially by a Temporary Global Instrument)*
- (ii) Temporary Global Instrument exchangeable for a Permanent Global Instrument or for Definitive Instruments and/or (if the relevant Series comprises both Bearer and Registered Instruments) Registered Instruments: [Yes/No.] *(Specify Exchange Date)*  
[Where a global instrument is to be cleared through Euroclear or Clearstream, Luxembourg or any other relevant clearing system and is to be exchangeable for Definitive Instruments upon the Holder's request, the instruments may only be issued in such denominations as Euroclear or Clearstream, Luxembourg or any other relevant clearing system will permit at the time.]  
*(If the Global Instrument is exchangeable for a Definitive Instrument at the option of the Holders thereof, the Instruments shall be tradeable only in principal amounts of at least the Denomination (or if more than one Denomination, the lowest Denomination)).*
- (iii) Specify date (if any) from which exchanges for Registered Instruments will be made: *(Condition 2.2)* *(If nothing is specified, exchanges will be made at any time. (Exchanges for a Permanent Global Instrument or Definitive Instruments will be made on or after the Exchange Date))*
- (iv) Permanent Global Instrument exchangeable at the option of the bearer for Definitive Instruments and/or (if the relevant Series comprises both Bearer Instruments and Registered Instruments) Registered Instruments: [No. Permanent Global Instruments are only exchangeable for Definitive Instruments in the limited circumstances set out in Conditions 2.5(a) and (b).]  
[Yes. Permanent Global Instruments are exchangeable for Definitive Instruments in all of the circumstances set out in Condition 2.5.]

- (Condition 2.5)
- (Where a global instrument is to be cleared through Euroclear or Clearstream, Luxembourg or any other relevant clearing system and is to be exchangeable for Definitive Instruments upon the Holder's request, the Instruments may only be issued in such denominations as Euroclear or Clearstream, Luxembourg or such other relevant clearing system will permit at that time.)*
- (If the Global Instrument is exchangeable for a Definitive Instrument at the option of the Holders thereof, the Instruments shall be tradeable only in principal amounts of at least the Denomination (or if more than one Denomination, the lowest Denomination)).*
- (v) Talons for future Coupons to be attached to Definitive Instruments: (Condition 2.6) [Yes/No.] *(If yes, give details) (Note, where there are more than 28 Coupons, Talons will be attached.)*
- (vi) Receipts to be attached to Instalment Instruments which are Definitive Instruments: (Condition 2.7) [Yes/No.] *(If yes, give details)*
- (vii) Definitive Instruments to be in ICMA or successor's format: [Yes/No]. *(If nothing is specified Definitive Instruments will be security printed and in ICMA or successor's format)*
16. Denomination(s): (Condition 2.8 or 2.9) *(Specify)*  
[[•] and integral multiples of [•] in excess thereof up to and including [•]. No Definitive Instruments will be issued with a denomination above [•]. *(Specify for bearer instruments with a minimum specified denomination and integral multiples of another lesser amount.)*
17. Partly Paid Instruments: (Condition 2.11) [Yes/No]  
*(If yes, Give details)*  
If yes, specify number, amounts and dates for, and method of, payment of instalments of subscription moneys and any further additional provisions (including Forfeiture Dates in respect of late payment of Partly Paid Instalments):
18. If issued in Registered Form: Registrar: (Condition 3.2) *(Name and specified office)*
19. Interest: (Condition 5) [•] per cent. Fixed Rate]  
[specify reference rate+/- [•]per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (specify)]  
[further particulars specified below]
20. Fixed Rate Instrument Provisions: (Condition 5.2) [Applicable/Not Applicable]  
*(if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Rate(s): [•] per cent, per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]

- (ii) Interest Payment Date(s): [•] in each year [subject to adjustment in accordance with the Business Day Convention specified in paragraph 20(iv)/*Not Adjustment*]
- (iii) Interest Period End Date(s): [Specify. If nothing is specified, Interest Period End Dates will correspond with Interest Payment Dates]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)] (*Specify, unless no adjustment is required in which case specify "No Adjustment". If nothing is specified there will be no adjustment. Care should be taken to match the maturity date (as well as other key dates) of the Instruments with any underlying swap transaction. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No Adjustment" in relation to the maturity date of the Instruments to disapply the applicable Business Day Convention.*)
- [– for Interest Payment Dates: [•]]
- [– for Interest Period End Dates: [•]]
- [– for Maturity Date: [•]]
- [– any other date: [•]]
- (v) Fixed Coupon Amount[(s)]: [•] per [•] in Denomination
- (vi) Day Count Fraction: [Specify]
- (vii) Determination Date: [•] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
- (viii) Broken Amount(s): (*Insert particulars of where the initial or final broken interest amounts do not correspond with the Fixed Coupon Amount((s))*)
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments: [Not Applicable] (*give details*)
- (*Consider what should happen to unmatured Coupons in the event of early redemption of the Instruments*)
- (x) Accrual Feature: [Not Applicable] (*Specify*)
- (xi) Additional Business Centre(s): (*Give details*)/Not Applicable]
21. Floating Rate Instrument Provisions: [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
- (i) Specified Period(s): [•] (*Note: Applicable only if the Specified Period does not correspond with the Interest Payment Date*)
- (ii) Interest Payment Dates: [•], subject to adjustment in accordance with the Business Day Convention specified in paragraph 21(iv).
- (iii) Interest Period End Dates or (if the applicable Business Day Convention below is the FRN Convention) Interest Accrual Period: [Specify] (*If nothing is specified Interest Period End Date will correspond with Interest Payment Dates.*)

(iv) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)] (Specify, unless no adjustment is required in which case specify "No Adjustment". If nothing is specified there will be no adjustment. Care should be taken to match the maturity date (as well as other key dates) of the Instruments with any underlying swap transaction. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No Adjustment" in relation to the maturity date of the Instruments to disapply the applicable Business Day Convention.)
[– for Interest Payment Dates:	[•]]
[– for Interest Period End Dates:	[•]]
[– for Maturity Date:	[•]]
[– any other date:	[•]]
(v) Additional Business Centre(s):	(Give details)/[Not Applicable]
(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/ other (give details)]
(vii) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the [Calculation Agent]):	[(Name) shall be the Calculation Agent (no need to specify if the Agent is to perform this function)]
(viii) Screen Rate Determination: (Condition 5.3(iii))	[Applicable/Not Applicable]
– Reference Rate:	[For example, LIBOR or EURIBOR]
– Relevant Screen Page:	[For example, Reuters page LIBOR01]
– Interest Determination Date(s):	[•]
– Relevant Time:	[For example, 11.00 a.m. London time/Brussels time]
– Relevant Financial Centre:	[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]
(ix) ISDA Determination: (Condition 5.3(iv))	[Applicable/Not Applicable]
– Floating Rate Option:	[•]
– Designated Maturity:	[•]
– Reset Date:	[•]
(x) Margin(s): (Condition 5.3(iii))	[+/-][•] per cent. per annum
(xi) Minimum Interest Rate: (Condition 5.3(vi))	[•] per cent. per annum
(xii) Maximum Interest Rate: (Condition 5.3(vi))	[•] per cent. per annum
(xiii) Day Count Fraction:	[•]



- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions: [•]
- (xv) Accrual Feature: [Not Applicable]/(Specify)
- (xvi) Broken Amounts: [Insert particulars]
22. Zero Coupon Instrument Provisions: [Applicable/Not Applicable]  
(Condition 5.4) (If not applicable, delete the remaining sub-paragraph of this paragraph)
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Any other formula/basis of determining amount payable: (Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition [6.10])
- (iv) Day Count Fraction: [•]
23. Index-Linked Interest Instrument Provisions: [Applicable/Not Applicable]  
(Condition 5.3(v)) (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula: (Give or annex details)
- (ii) Calculation Agent responsible for calculating the interest due: [•]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [•]
- (iv) Specified Period(s): [•]
- (v) Specified Interest Payment Dates: [•]
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (vii) Additional Business Centre(s): [•]
- (viii) Minimum Interest Rate: [•] per cent. per annum
- (ix) Maximum Interest Rate: [•] per cent. per annum
- (x) Day Count Fraction: [•]
24. Dual Currency Instrument Provisions: [Applicable/Not Applicable]  
(Condition 5.5) (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: (Give details)
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [•]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [•]
- (v) Additional terms and conditions: [•]

25. Dates for payment of Instalment Amounts (Instalment Instruments): (Condition 6.1) *(Specify date or (for Floating Rate Instruments) Interest Payment Date falling in the relevant month and year)*
26. Final Redemption Amount of each Instrument: (Condition 6.1) *[•] per Instrument of [•] specified denomination (Specify, if not the outstanding principal amount)*
27. Instalment Amounts: (Condition 6.1) *(Specify)*
28. Early Redemption for Tax Reasons: (Condition 6.2) *[Applicable/Not Applicable]*
- (a) Early Redemption Amount of each Instrument (Tax): *(Specify, if not the outstanding principal amount or, in the case of any Zero Coupon Instruments, if other than the sum of the amounts provided in Condition 6.10 (i) and (ii))*
- (b) Date after which changes in law, etc. entitle Issuer to redeem: *(Specify, if not the Issue Date)*
29. Coupon Switch Option: *[Applicable/Not Applicable]*
30. Coupon Switch Option Date: *(Specify)*
31. Redemption at the option of the Issuer (Call): (Condition 6.3) *[Applicable/Not Applicable] (N.B., Subordinated Instruments will require regulatory approval for early redemption. If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date (Call): *[•]*  
*[In respect of Subordinated Instruments the Issuer must obtain the prior written consent of the Australian Prudential Regulation Authority before exercising the call option.]*
- (ii) Series redeemable in part: *(Specify, otherwise redemption will only be permitted of entire Series)*
- (iii) Optional Redemption Amount (Call) of each Instrument and method, if any, of calculation of such amount(s): *[•] per Instrument of [•] specified denomination (Specify, if not the outstanding principal amount or, in the case of any Zero Coupon Instruments, if other than the sum of the amount provided in Condition 6.10(i) and (ii))*
- (iv) Notice period: *(Specify)*  
*(If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any notice requirements which may apply, for example, as between the Issuer and Fiscal Agent)*
32. Redemption for loss of deductibility reasons (Call): (Condition 6.4) *[Applicable/Not Applicable] (N.B., Subordinated Instruments will require regulatory approval for early redemption. If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Early Redemption Amount (Loss of Deductibility) of each Instrument and method, if any, of calculation of such amount(s): *[•] per Instrument of [•] denomination (Specify, if not the outstanding principal amount)*

- (ii) Notice period
- (Specify if the Issuer is to give not less than 30 nor more than 60 days' notice or other notice periods)*
- (If setting out notice periods which are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and its fiscal agent)*
33. Redemption for regulatory reasons (Call):  
(Condition 6.8)
- [Applicable/Not Applicable] *(N.B., Subordinated Instruments will require regulatory approval for early redemption.) If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Early Redemption Amount (Regulatory Reasons) of each Instrument and method, if any, of calculation of such amount(s):
- [•] per Instrument of [•] denomination *(Specify, if not of the outstanding principal amount)*
- (ii) Notice period
- (Specify if the Issuer is to give not less than 30 nor more than 60 days' notice or other notice periods)*
- (If setting out notice periods which are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and its fiscal agent.)*
- (iii) Other terms and conditions:
- (Specify, for example if accrued interest is payable)*
34. Partial redemption (Call):  
(Condition 6.5)
- [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Minimum Redemption Amount: [•]
- (b) Maximum Redemption Amount: [•]
- (c) Notice period:
- (Specify if the Issuer is to give not less than 5 nor more than 60 days' notice or other notice periods)*
- (If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its Fiscal Agent)*
35. Redemption at the option of the Holders (Put):  
(Condition 6.6)
- [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount (Put) of each Instrument and method, if any, of calculation of such amount(s):
- [•] per Instrument of [•] specified denomination *(Specify, if not the outstanding principal amount or, in the case of any Zero Coupon Instruments, if other than the sum of the amount provided in Condition 6.10(i) and (ii))*

- (iii) Notice period: [•] *(If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and its Fiscal Agent)*
36. Automatic Redemption Option: [Applicable/Not Applicable] *(if not applicable delete the remaining sub-paragraphs of this paragraph)*  
*(Condition 6.7)*
- (i) Automatic Redemption Date: *(Specify)*
- (ii) Early Redemption Amount: (Automatic): *(Specify)*
- (iii) Early Redemption Automatic Trigger: *(Specify)*
- (iv) Additional terms and conditions: [•]
37. Events of Default  
*(Condition 9):*
- (i) Early Termination Amount: *(Specify, if not the outstanding principal amount or, in the case of any Zero Coupon Instruments, if other than the sum of the amount provided in Condition 6.10(i) and (ii))*
- (ii) Any additional (or modifications to) Events of Default: *(Specify)*
38. Payments:  
*(Condition 7)*
- (i) Unmatured Coupons missing upon Early Redemption: *(Specify whether paragraph (i) of Condition 7A.7 or paragraph (ii) of Condition 7A.7 applies. If nothing is specified paragraph (i) will apply to fixed rate or fixed coupon amount Instruments and paragraph (ii) will apply to floating rate or variable coupon amount Instruments)*
39. Replacement of Instruments: *(In the case of Bearer Instruments specify Replacement Agent, if other than (or in addition to) the Fiscal Agent)*  
*(Condition 12)*
40. Calculation Agent: *(Specify)*
41. Notices: *(Specify if Condition 14 applies or any other means of effective communication)*  
*(Condition 14)*
42. Selling Restrictions:
- United States of America: Regulation S Category 2 restrictions apply to the Instruments  
*(Specify whether the Instruments are subject to TEFRA C or TEFRA D Rules. In the absence of specification TEFRA D Rules will apply)*  
*(Specify whether Instruments are Rule 144A eligible)*  
*(Specify Exchange Date)*  
 [See “Subscription and Sale” section in Base Prospectus]
- Other: *(Specify any modifications of or additions to selling restrictions contained in Dealership Agreement)*
43. Stabilising Dealer(s) (if any): [Not Applicable/give name]

44. Other Relevant Terms and Conditions: *(specify)*  
*(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement under Article 16 of the Prospectus Directive.)*

45. Non-exempt Offer: [Not Applicable] [An offer of the Instruments may be made by the Dealers [and *[specify, if applicable]*] other than pursuant to Article 3(2) of the Prospectus Directive in *(specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported)* (**Public Offer Jurisdictions**) during the period from *[specify date]* until *[specify date]* (**Offer Period**). See further Paragraph [11] of Part B below.

46. Cross default: Not applicable

**Listing and Admission to trading application**

These Final Terms comprise the final terms required for the Instruments described herein to be admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange’s Regulated Market pursuant to the U.S.\$30,000,000,000 Programme for the Issuance of Debt Instruments of Westpac Banking Corporation.

**Responsibility**

The Issuer accepts responsibility for the information contained in these Final Terms.

*[[Relevant third party information, for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components] has been extracted from (specify source). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]*

**WESTPAC BANKING CORPORATION**

**By:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## PART B: Other information

### 1. Listing

- (i) Listing: [Yes/No] *(If Yes, specify on or by which competent listing authorities and/or stock exchange)*
- (ii) Admission to trading: [Application has been made for the Instruments to be admitted to trading on [•] with effect from [•].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

### 2. Ratings

- Ratings: The Instruments to be issued have been rated:
- [S&P: [•]]
- [Moody's: [•]]
- [[Other]: [•]]
- (Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)*
- (The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. Notification

[The United Kingdom Listing Authority [has been requested to provide/has provided]<sup>3</sup> the *(include names of competent authorities of host Member States)* with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

### 4. Interests of natural and legal persons involved in the issue

*(Note: Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:)*

["Save as discussed in the ["Subscription and Sale"] section of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer."]

*(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospective Directive.)*

### 5. Reasons for the offer, estimated net proceeds and total expenses

- (i) Reasons for the offer: [•]
- (See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*
- (ii) Estimated net proceeds: [•]
- (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- (iii) Estimated total expenses of the Issuer: [•] *(Include breakdown of expenses.)*<sup>4</sup>
- (If the Instruments are derivative securities to which Annex XII to the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

3 Include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues.

4 Estimate should include, without limitation, commissions (if any), professional advisers' fees (if any), costs of admission to trading/listing on market, roadshow costs (if any) and other associated fees and expenses

## 6. Yield<sup>5</sup>

Indication of yield: [•]

Calculated as [include details of method of calculation in summary form] on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## 7. Historic interest rates<sup>6</sup>

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from (Specify)

## 8. Index-Linked or other variable-linked Instruments only – Performance of index/formula/other variable, (explanation of effect on value of investment and associated) and other information concerning the underlying<sup>7</sup>

(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII to the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

## 9. Dual Currency Instruments only - Performance of rate(s) of exchange (and explanation of effect on value of investment)<sup>8</sup>

(Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

## 10. Operational information

ISIN Code: [•]

Common Code: [•]

Common Depository/Lodging Agent: [•]

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking Société Anonyme and the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority: [Not Applicable]/(give name(s) and number(s))

CMU Service Instrument Number: [Not Applicable]/(Specify)]

Settlement Procedures: (Specify whether customary medium term note/eurobond/CMU Service/other settlement and payment procedures apply)

5 Applicable to Fixed Rate Instruments only.

6 Applicable only if the Instruments are Floating Rate Instruments.

7 This paragraph 8 is applicable to Index-Linked or other variable-linked instruments only.

8 This paragraph 9 is applicable to Dual-Currency Instruments only.

Delivery:	Delivery [against/free of] payment
Names and addresses of initial Paying Agent(s) (if any):	[As set out in the Base Prospectus] ( <i>Specify</i> )
Names and addresses of additional Paying Agent(s) (if any):	[•]
<b>11. Terms and conditions of the offer</b>	
Offer price:	[Issue Price] ( <i>specify</i> )
Conditions to which offer is subject:	[Not Applicable] ( <i>give details</i> )
Description of the application:	[Not Applicable] ( <i>give details</i> )
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable] ( <i>give details</i> )
Details of minimum and/or maximum amount of application:	[Not Applicable] ( <i>give details</i> )
Details of the method and time limits for paying up and delivering the Instruments:	[Not Applicable] ( <i>give details</i> )
Manner in and date on which results of the offer are to be made public:	[Not Applicable] ( <i>give details</i> )
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable] ( <i>give details</i> )
Categories of potential investors to which the Instruments are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable] ( <i>give details</i> )
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable] ( <i>give details</i> )
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] ( <i>give details</i> )
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[None] ( <i>give details</i> )



## PRO FORMA FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Instruments under the Programme with a denomination of at least €50,000 (or its equivalent in another currency), amended (if necessary) and completed to reflect the particular terms of the relevant Instruments and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but is included as directions for completing the Final Terms.*

*(When completing any Final Terms, or adding any other Final Terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

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### FINAL TERMS

Series No.: [ ]

Tranche No.: [ ]

**WESTPAC BANKING CORPORATION ABN 33 007 457 141**

**Programme for the Issuance of Debt Instruments**

Issue of

**[Aggregate Principal Amount of Tranche]**

***(Title of Instruments)***

**by Westpac Banking Corporation**

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "Conditions") set forth in the Base Prospectus dated 7 November 2008 [and the supplement to the Base Prospectus dated [•]/and any other supplement to the Base Prospectus prepared by the Issuer from time to time], which [together] constitute[s] a Base Prospectus for the purposes of Directive 2003/71/EC (the "Prospectus Directive"). This document constitutes the Final Terms for the purposes of Article 5.4 of the Prospectus Directive relating to the issue of Instruments described herein and must be read in conjunction with such Base Prospectus dated 7 November 2008 [as so supplemented].

Full information on the Issuer and the Instruments described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at 63 St Mary Axe, London, EC3A 8LE, United Kingdom, and at [www.londonstockexchange.com](http://www.londonstockexchange.com) and copies may be obtained from the Specified Offices of the Paying Agents.

*(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus/Information Memorandum with an earlier date.)*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "Conditions") set forth in the Base Prospectus/Information Memorandum dated [original date] [and the supplement to the Base Prospectus/Information Memorandum dated [•]]. This document constitutes the Final Terms for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive") relating to the issue of Instruments described herein and must be read in conjunction with the Base Prospectus dated 7 November 2008 [and the supplement to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus/Information Memorandum dated [original date] [and the supplement to the Base Prospectus/Information Memorandum dated [•]] and are attached hereto.

Full information on the Issuer and the Instruments described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus/Information Memorandum dated [•] and [•] November 2008 [as so supplemented]. The Base Prospectus/Information Memorandum [and the supplements to the Base Prospectus] are available for viewing at 63 St Mary Axe, London, EC3A 8LE, United Kingdom, and at [www.londonstockexchange.com](http://www.londonstockexchange.com) and copies may be obtained from the Specified Offices of the Paying Agents.]

## PART A: Contractual Terms

1. Issuer and Designated Branch: [Westpac Banking Corporation acting through its head office]
2. Method of Distribution: [Syndicated/Non-syndicated]
3. If not syndicated, Relevant Dealer/  
Lead Manager: [Name]
4. Syndicated: [Applicable/Not Applicable]  
*(Include names entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*  
  
If syndicated, names of Dealer(s) [Not applicable/Names]
5. Date of Board Approval of Issuer: [•]/[Not applicable, save as discussed in Section [2] of the "General Information" section Base Prospectus]
6. Status: [Unsubordinated/Subordinated]  
*(If Subordinated specify whether Condition 4B or Condition 4C applies)*  
*(If nothing is specified, Instruments will be unsubordinated and Condition 4A will apply)*
7. Specified Currency:
  - (i) of denomination: *(Specify)*[N.B., This relates to the Specified Currency of Denomination under Condition 2.10]
  - (ii) of payment *(Condition 5.5(ii))*: *(Specify if different from currency of denomination)*
8. Aggregate Principal Amount of Tranche: *(Specify)*
9. If interchangeable with existing Series,  
Series No: *(Specify)*
10. (i) Issue Date: *(Specify)*  
(ii) Interest Commencement Date: *(Specify, if different from the Issue Date)*
11. Issue Price: [•]
12. Maturity Date:  
*(Condition 6.1)* *(Specify date or (for Floating Rate Instruments) Interest Payment Date falling in or nearest to the relevant month and year), subject to adjustment in accordance with the Business Day Convention specified in paragraph [20(iv) or 21(iv)]*
13. Expenses: *(If Definitive Instruments, specify that the Issuer must bear the cost for producing Definitive Instruments)*
14. (i) Form of Instruments: [Bearer/Registered]  
(ii) Bearer Instruments exchangeable for  
Registered Instruments: [Yes/No]
15. If issued in Bearer form:
  - (i) Initially represented by a  
Temporary Global Instrument or  
Permanent Global Instrument:  
*(Condition 2.2)* *(Specify. If nothing is specified and this Final Terms does not specify that the TEFRA C Rules apply, Instruments will be represented initially by a Temporary Global Instrument)*

- (ii) Temporary Global Instrument exchangeable for a Permanent Global Instrument or for Definitive Instruments and/or (if the relevant Series comprises both Bearer and Registered Instruments) Registered Instruments: [Yes/No.] *(Specify Exchange Date)*
- [Where a global instrument is to be cleared through Euroclear or Clearstream, Luxembourg or any other relevant clearing system and is to be exchangeable for Definitive Instruments upon the Holder's request, the instruments may only be issued in such denominations as Euroclear, Clearstream, Luxembourg or any other relevant clearing system will permit at the time.]
- (If the Global Instrument is exchangeable for a Definitive Instrument at the option of the Holders thereof, the Instruments shall be tradeable only in principal amounts of at least the Denomination (or if more than one Denomination, the lowest Denomination)).*
- (iii) Specify date (if any) from which exchanges for Registered Instruments will be made: *(Condition 2.2)* [If nothing is specified, exchanges will be made at any time. *(Exchanges for a Permanent Global Instrument or Definitive Instruments will be made on or after the Exchange Date.)*]
- (iv) Permanent Global Instrument exchangeable at the option of the bearer for Definitive Instruments and/or (if the relevant Series comprises both Bearer Instruments and Registered Instruments) Registered Instruments: *(Condition 2.5)* [No. Permanent Global Instruments are only exchangeable for Definitive Instruments in the limited circumstances set out in Condition 2.5(a) and (b).]
- [Yes. Permanent Global Instruments are exchangeable for Definitive Instruments in all the circumstances set out in Condition 2.5(a).]
- (Where a global instrument is to be cleared through Euroclear or Clearstream Luxembourg or any other relevant clearing system and is to be exchangeable for Definitive Instruments upon the Holder's request, the Instruments may only be issued in such denominations as Euroclear, Clearstream Luxembourg or such other relevant clearing system will permit at that time.)*
- (If the Global Instrument is exchangeable for a Definitive Instrument at the option of the Holders thereof, the Instruments shall be tradeable only in principal amounts of at least the Denomination (or if more than one Denomination, the lowest Denomination)).*
- (v) Talons for future Coupons to be attached to Definitive Instruments: *(Condition 2.6)* [Yes/No.] *(If yes, give details) (Note, where there are more than 28 coupons, Talons will be attached)*
- (vi) Receipts to be attached to Instalment Instruments which are Definitive Instruments: *(Condition 2.7)* [Yes/No.] *(If yes, give details)*
- (vii) Definitive Instruments to be in ICMA or successor's format: [Yes/No]. *(If nothing is specified Definitive Instruments will be security printed and in ICMA or successor's format)*
16. Denomination(s): *(Condition 2.8 or 2.9)* *(Specify)*
- [[•] and integral multiples of [•] in excess thereof up to and including [•]. No Definitive Instruments will be issued with a denomination above [•]. *(Specify for bearer instruments with a minimum specified denomination and integral multiples of another lesser amount.)*

17. Partly Paid Instruments: [Yes/No]  
(Condition 2.11)
- If yes, specify number, amounts and dates for, and method of, payment of instalments of subscription moneys and any further additional provisions (including Forfeiture Dates in respect of late payment of Partly Paid Instalments): *(Give details)*
18. If issued in Registered Form: Registrar: *(Name and specified office)*  
(Condition 3.2)
19. Interest: [[•] per cent. Fixed Rate]  
(Condition 5) [specify reference rate+/- [•]per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other *(specify)*]  
[further particulars specified below]
20. Fixed Rate Instrument Provisions: [Applicable/Not Applicable]  
(Condition 5.2) *(if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Rate[(s)]: [•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [subject to adjustment in accordance with the Business Day Convention specified in paragraph 20(iv)/No Adjustment]
- (iii) Interest Period End Date(s): *[Specify. If nothing is specified, Interest Period End Dates will correspond with Interest Payment Dates]*
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other *(give details)*] *(Specify, unless no adjustment is required in which case specify "No Adjustment". If nothing is specified there will be no adjustment. Care should be taken to match the maturity date (as well as other key dates) of the Instruments with any underlying swap transaction. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No Adjustment" in relation to the maturity date of the Instruments to disapply the applicable Business Day Convention.)*
- [- for Interest Payment Dates: [•]]
- [- for Interest Period End Dates: [•]]
- [- for Maturity Date: [•]]
- [- any other date: [•]]
- (v) Fixed Coupon Amount[(s)]: [•] per [•] in Denomination
- (vi) Day Count Fraction: *[Specify]*
- (vii) Determination Date: [•] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*

- (viii) Broken Amount(s): *(Insert particulars of where the initial or final broken interest amounts do not correspond with the Fixed Coupon Amount(s))*
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Instruments: [Not Applicable] *(give details)*
- (Consider what should happen to unmatured Coupons in the event of early redemption of the Instruments)*
- (x) Accrual Feature [Not Applicable] *(Specify)*
- (xi) Additional Business Centre(s): [Give details/Not Applicable]
21. Floating Rate Instrument Provisions: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
(Condition 5.3)
- (i) Specified Period(s): [•] *(Note: Applicable only if the Specified Period does not correspond with the Interest Payment Date).*
- (ii) Interest Payment Dates: [•], subject to adjustment in accordance with the Business Day Convention specified in paragraph 21(iv).
- (iii) Interest Period End Dates or (if the applicable Business Day Convention below is the FRN Convention) Interest Accrual Period: *(Specify.) (If nothing is specified Interest Period End Date will correspond with Interest Payment Dates).*
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*] *(Specify, unless no adjustment is required in which case specify "No Adjustment". If nothing is specified there will be no adjustment. Care should be taken to match the maturity date (as well as other key dates) of the Instruments with any underlying swap transaction. Since maturity dates do not automatically move with business day conventions under ISDA, it may be necessary to specify "No Adjustment" in relation to the maturity date of the Instruments to disapply the Applicable Business Day Convention.)*
- [– for Interest Payment Dates: [•]]
- [– for Interest Period End Dates: [•]]
- [– for Maturity Date: [•]]
- [– any other date: [•]]
- (v) Additional Business Centre(s): *(Give details)* [Not Applicable]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]
- (vii) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the [Calculation Agent]): [[Name] shall be the Calculation Agent *(no need to specify if the Agent is to perform this function)*]
- (viii) Screen Rate Determination: [Applicable/Not Applicable]  
(Condition 5.3(iii))
- Reference Rate: [For example, LIBOR or EURIBOR]
- Relevant Screen Page: [For example, Reuters page LIBOR01]

– Interest Determination Date(s):	[•]
– Relevant Time:	[For example, 11.00 a.m. London time/Brussels time]
– Relevant Financial Centre:	[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]
(ix) ISDA Determination: (Condition 5.3(iv))	[Applicable/Not Applicable]
– Floating Rate Option:	[•]
– Designated Maturity:	[•]
– Reset Date:	[•]
(x) Margin(s): (Condition 5.3(iii))	[+/-][•] per cent. per annum
(xi) Minimum Interest Rate: (Condition 5.3(vi))	[•] per cent. per annum
(xii) Maximum Interest Rate: (Condition 5.3(vi))	[•] per cent. per annum
(xiii) Day Count Fraction:	[•]
(xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Instruments, if different from those set out in the Conditions:	[•]
(xv) Accrual Feature:	[Not Applicable] (Specify)
(xvi) Broken Amounts:	[Insert particulars]
22. Zero Coupon Instrument Provisions: (Condition 5.4)	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraph of this paragraph)
(i) Accrual Yield:	[•] per cent. per annum
(ii) Reference Price:	[•]
(iii) Any other formula/basis of determining amount payable:	(Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition [6.10])
(iv) Day Count Fraction:	[•]
23. Index-Linked Interest Instrument Provisions: (Condition 5.3(v))	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i) Index/Formula:	(Give or annex details)
(ii) Calculation Agent responsible for calculating the interest due:	[•]
(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[•]
(iv) Specified Period(s):	[•]
(v) Specified Interest Payment Dates:	[•]
(vi) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other (give details)]

- (vii) Additional Business Centre(s): [•]
- (viii) Minimum Interest Rate: [•] per cent. per annum
- (ix) Maximum Interest Rate: [•] per cent. per annum
- (x) Day Count Fraction: [•]
24. Dual Currency Instrument Provisions: [Applicable/Not Applicable]  
(Condition 5.5)  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: (Give details)
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [•]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [•]
- (v) Additional terms and conditions: [•]
25. Dates for payment of Instalment Amounts (Instalment Instruments): (Specify date or (for Floating Rate Instruments) Interest Payment Date falling in the relevant month and year)  
(Condition 6.1)
26. Final Redemption Amount of each Instrument: [•] per Instrument of [•] specified denomination (Specify, if not the outstanding principal amount)  
(Condition 6.1)
27. Instalment Amounts: (Specify)  
(Condition 6.1)
28. Early Redemption for Tax Reasons: [Applicable/Not Applicable]  
(Condition 6.2)
- (a) Early Redemption Amount of each Instrument (Tax): (Specify, if not the outstanding principal amount or, in the case of any Zero Coupon Instruments, if other than the sum of the amounts provided in Condition 6.10 (i) and (ii))
- (b) Date after which changes in law, etc. entitle Issuer to redeem: [Specify, if not the Issue Date]
29. Coupon Switch Option: [Applicable/Not Applicable]
30. Coupon Switch Option Date: (Specify)
31. Redemption at the option of the Issuer (Call): [Applicable/Not Applicable] (N.B. Subordinated Instruments will require regulatory approval for early redemption. If not applicable, delete the remaining sub-paragraphs of this paragraph.)  
(Condition 6.3)
- (i) Optional Redemption Date (Call): [•]  
  
[In respect of Subordinated Instruments the Issuer must obtain the prior written consent of the Australian Prudential Regulation Authority before exercising the call option.]
- (ii) Series redeemable in part: (Specify, otherwise redemption will only be permitted of entire Series)
- (iii) Optional Redemption Amount (Call) of each Instrument and method, if any, of calculation of such amount(s): [•] per Instrument of [•] specified denomination (Specify, if not the outstanding principal amount or, in the case of any Zero Coupon Instruments, if

other than the sum of the amount provided in Condition 6.10(i) and (ii)

- (iv) Notice period: (Specify)  
*(If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any notice requirements which may apply, for example, as between the issuer and fiscal agent)*
32. Redemption for loss of deductibility reasons (Call): [Applicable/Not Applicable] *(NB., Subordinated Instruments will require regulatory approval for early redemption.) If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (Condition 6.4)
- (i) Early Redemption Amount (Loss of Deductibility) of each Instrument and method, if any, of calculation of such amount(s): [•] per Instrument of [•] denomination *(Specify, if not the outstanding principal amount)*
- (ii) Notice period: *(Specify if the Issuer is to give not less than 30 nor more than 60 days' notice or other notice periods.) (If setting out notice periods which are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and its fiscal agent.)*
33. Redemption for regulatory reasons (Call): [Applicable/Not Applicable] *(N.B., Subordinated Instruments will require regulatory approval for early redemption. If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (Condition 6.8)
- (i) Early Redemption Amount (Regulatory Reasons) of each Instrument and method, if any, of calculation of such amount(s): [•] per Instrument of [•] denomination *(Specify, if not of the outstanding principal amount)*
- (ii) Notice period: *(Specify if the Issuer is to give not less than 30 nor more than 60 days' notice or other notice periods.) (If setting out notice periods which are different to those provided in the terms and conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems and custodians, as well as any other notice requirements which may apply, for example as between the Issuer and its fiscal agent.)*
- (iii) Other terms and conditions: *(Specify, for example if accrued interest is payable)*
34. Partial redemption (Call): [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (Condition 6.5)
- (i) Minimum Redemption Amount: [•]
- (ii) Maximum Redemption Amount: [•]



- (iii) Notice period: *(Specify if the Issuer is to give not less than 5 nor more than 60 days' notice or other notice periods) [If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the issuer and its fiscal agent]*
35. Redemption at the option of the Holders (Put): *[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(Condition 6.6)*
- (i) Optional Redemption Date(s): *[•]*
- (ii) Optional Redemption Amount (Put) of each Instrument and method, if any, of calculation of such amount(s): *[•] per Instrument of [•] specified denomination (Specify, if not the outstanding principal amount or, in the case of any Zero Coupon Instruments, if other than the sum of the amount provided in Condition 6.10(i) and (ii))*
- (iii) Notice period: *[•] (If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the issuer and its fiscal agent)*
36. Automatic Redemption Option: *[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(Condition 6.7)*
- (i) Automatic Redemption Date: *(Specify)*
- (ii) Early Redemption Amount (Automatic): *(Specify)*
- (iii) Early Redemption Automatic Trigger; *(Specify)*
- (iv) Additional terms and conditions: *[•]*
37. Events of Default  
*(Condition 9):*
- (i) Early Termination Amount: *(Specify, if not the outstanding principal amount or, in the case of any Zero Coupon Instruments, if other than the sum of the amount provided in Condition 6.10(i) and (ii))*
- (ii) Any additional (or modifications to) Events of Default: *(Specify)*
38. Payments:  
*(Condition 7)*
- (i) Unmatured Coupons missing upon Early Redemption: *(Specify whether paragraph (i) of Condition 7A.7 or paragraph (ii) of Condition 7A.7 applies. If nothing is specified paragraph (i) will apply to fixed rate or fixed coupon amount Instruments and paragraph (ii) will apply to floating rate or variable coupon amount Instruments)*
39. Replacement of Instruments:  
*(Condition 12)* *(In the case of Bearer Instruments specify Replacement Agent, if other than (or in addition to) the Fiscal Agent)*
40. Calculation Agent: *(Specify)*
41. Notices:  
*(Condition 14)* *(Specify if condition 14 applies or any other means of effective communication)*

- 42. Selling Restrictions:
  - United States of America:
    - Regulation S Category 2 restrictions apply to the Instruments
    - (Specify whether the Instruments are subject to TEFRA C or TEFRA D Rules. In the absence of specification TEFRA D Rules will apply)*
    - (Specify whether Instruments are Rule 144A eligible)*
    - (See "Subscription and Sale" section of Base Prospectus)*
    - (Specify Exchange Date)*
  - Other:
    - (Specify any modifications of or additions to selling restrictions contained in Dealership Agreement)*
- 43. Stabilising Dealer(s) (if any): [Not Applicable]
- 44. Other Relevant Terms and Conditions:
  - (Specify)*
  - (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement under Article 16 of the Prospectus Directive.)*
- 45. Cross default Not Applicable

**Listing and Admission to trading application**

These Final Terms comprise the final terms required for the Instruments described herein to be admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's Regulated Market pursuant to the U.S.\$30,000,000,000 Programme for the Issuances of Debt Instruments of Westpac Banking Corporation.

**Responsibility**

The Issuer accepts responsibility for the information contained in these Final Terms.

*[[Relevant third party information, for example in compliance with Annex XII of the Prospectus Directive Regulation in relation to an index or its components] has been extracted from (specify source). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (specify source), no facts have been omitted which would render the reproduced information inaccurate or misleading.]*

**WESTPAC BANKING CORPORATION**

**By:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

## PART B: Other information

### 1. Listing

- (i) Listing: [Yes/No] *(If Yes, specify on or by which competent listing authorities and/or stock exchange)*
- (ii) Admission to trading: [Application has been made for the Instruments to be admitted to trading on [•] with effect from [•].]  
[Not Applicable.]  
*(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

### 2. Ratings

- Ratings: The Instruments to be issued have been rated:  
[S&P: [•]]  
[Moody's: [•]]  
[[Other]: [•]]  
*(The above disclosure should reflect the rating allocated to Instruments of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. Interests of natural and legal persons involved in the issue

*(Note: Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:)*

["Save as discussed in the ["Subscription and Sale"] section of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer."]

*(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospective Directive.)*

### 4. Reasons for the offer, estimated net proceeds and total expenses

- (i) Reasons for the offer: [•]  
*(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*
- (ii) Estimated net proceeds: [•]  
*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- (iii) Estimated total expenses of the Issuer: [•]<sup>1</sup>  
*(If the Instruments are derivative securities to which Annex XII to the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

### 5. Yield<sup>2</sup>

- Indication of yield: [•]  
Calculated as [include details of method of calculation in summary form] on the Issue Date.  
As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

<sup>1</sup> Estimate should include, without limitation, commissions (if any), professional advisers' fees (if any), costs of admission to trading/listing on market, roadshow costs (if any) and other associated fees and expenses.

<sup>2</sup> Applicable to Fixed Rate Instruments only.

**6. Index-linked or other variable-linked Instruments only – Performance of index/formula/other variable, (explanation of effect on value of investment and associated) and other information concerning the underlying<sup>3</sup>**

*(Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained. Where the underlying is not an index, need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII to the Prospectus Directive Regulation.)*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

[The Issuer [intends to provide post-issuance information (specify what information will be reported and where it can be obtained) [does not intend to provide post-issuance information].

**7. Dual Currency Instruments only – Performance of rate(s) of exchange (and explanation of effect on value of investment)<sup>4</sup>**

*(Need to include details of where past and future performance and volatility of the relevant rate(s) can be obtained.)*

*(Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies.)*

*(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

**8. Operational information**

ISIN Code:	[•]
Common Code:	[•]
Common Depository/Lodging Agent:	[•]
Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking Société Anonyme and the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority:	[Not Applicable] (give name(s) and number(s))
CMU Service Instrument Number:	[Not Applicable] (Specify)
Settlement Procedures:	(Specify whether customary medium term note/eurobond/CMU Service/other settlement and payment procedures apply)
Delivery:	Delivery [against/free of] payment
Names and addresses of initial Paying Agent(s) (if any):	[As set out in the Base Prospectus] (Specify)
Names and addresses of additional Paying Agent(s) (if any):	[•]

3 This paragraph 6 is applicable to Index-Linked or other variable-linked instruments only.

4 This paragraph 7 is applicable to Dual-Currency Instruments only.

## **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Instruments will be used by the Issuer for general funding purposes.

## WESTPAC BANKING CORPORATION

### Overview

Westpac and its controlled entities<sup>1</sup> (the “Westpac Group”) is one of the four major banking organisations in Australia and, through their New Zealand operations, is also one of the largest banking organisations in New Zealand. Westpac provides a broad range of banking and financial services in the Australian and New Zealand markets, including retail, business and institutional banking and wealth management services.

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 275 Kent Street, Sydney, New South Wales, 2000, Australia and its telephone number is (+61) (2) 9293 9270.

The registered business number of Westpac is A.B.N. 33 007 457 141.

Westpac has branches, affiliates and controlled entities throughout Australia, New Zealand and the Pacific region and maintains offices in some of the key financial centres around the world. As at 30 September 2008, Westpac’s market capitalisation was A\$40.7 billion<sup>2</sup> and it had total assets of A\$439.5 billion.

In July 2008, Westpac reorganised its business into four key customer-facing divisions serving around 6.9 million customers.<sup>3</sup> These businesses are:

**Westpac Retail and Business Banking**, which is referred to as WRBB: responsible for sales, marketing and customer service for all consumer and small-to-medium enterprise customers within Australia. WRBB offers a broad range of financial products, including savings and cheque accounts, demand and term deposits, credit cards, personal and housing loans, and business specific working capital, transactional, cash flow and trade finance facilities;

**BT Financial Group Australia**, which is referred to as BTFG: Westpac’s wealth management business. BTFG manufactures and distributes financial products that are designed to help its customers accumulate, manage and protect their wealth. These products include retail investments, personal and business superannuation (pensions), life and general insurance and client portfolio administration (Wrap and master trust platforms). BTFG also provides financial planning advice and private banking services;

**Westpac Institutional Bank**, which is referred to as WIB: services the financial needs of corporate, institutional and government customers either based in, or with interests in, Australia and New Zealand. This is achieved through dedicated industry teams supported by specialist knowledge in financial and debt capital markets, transactional banking, specialised capital, margin lending, broking and alternative investment solutions; and

**New Zealand Banking**: provides a full range of retail and commercial services to customers throughout New Zealand.

These customer facing divisions are supported by a number of corporate level functions and divisions, including:

- Product and Operations, which is responsible for all consumer and business product development, management and operations; and
- Technology, which is responsible for developing and maintaining reliable and flexible technology capabilities and technology strategies.

### Trends

The global financial crisis has dominated events over the past financial year, significantly impacting banks globally through asset write downs, tighter funding and increased market volatility. Throughout the past year, this crisis also began to significantly impact the global economy.

More recently, the actions of governments, central banks and regulators around the world have begun to restore confidence to the financial system and improved access to funding. However it is likely to be some time before debt markets operate more normally.

1 Refer to Note 39 to Westpac’s 2008 audited annual financial statements (which are incorporated by reference into this Base Prospectus) for a list of Westpac’s controlled entities as at 30 September 2008.

2 Market capitalisation is based on the closing share price of Westpac’s ordinary shares on the Australian Securities Exchange as at 30 September 2008.

3 All customers, primary and secondary, with an active relationship (excludes channel only and potential relationships).

While these measures may be potentially effective at restoring financial market stability, these initiatives are unlikely to avert a more severe and prolonged slowdown in global growth. In Australia, growth is also expected to slow, although the significant policy flexibility of the Australian authorities is expected to see GDP growth hold up at around 2% in calendar year 2009.

Given these conditions, lower loan growth in the year ahead is anticipated as consumers and businesses seek to strengthen their balance sheets in the tougher operating environment. Impairment charges are also expected to continue to rise as unemployment moves modestly higher. Market volatility is also likely to remain high as financial market uncertainty persists.

Westpac has responded to the global financial crisis by seeking to proactively manage market conditions, and to ensure both a conservative risk profile and a healthy capital position. At the same time, Westpac has continued and will continue to implement its new strategy to significantly improve the customer experience and better support customers. This strategy, and the strength of Westpac's franchise have positioned Westpac well for the more challenging year ahead.

## **Recent Developments**

### *Proposed merger with St. George Bank Limited*

On 13 May 2008, Westpac and St. George jointly announced a proposed merger (the "Transaction"). In the Transaction, holders of St. George ordinary shares would be entitled to receive 1.31 Westpac ordinary shares for each St. George ordinary share held on the record date. Based on the closing price of Westpac ordinary shares on the Australian Securities Exchange on 28 October 2008 of A\$20.50 per ordinary share (adjusted to remove the value of Westpac's final dividend of A\$0.72 per share), the total value of the Westpac ordinary shares to be issued to St. George ordinary shareholders in the Transaction is approximately A\$15 billion<sup>1</sup>.

On 26 May 2008, Westpac and St. George announced that a Merger Implementation Agreement had been signed by Westpac and St. George in relation to the Transaction which reflects the key commercial terms that have been agreed by both boards. On 8 September 2008, Westpac and St. George announced revised terms of the Merger Implementation Agreement. On 29 September 2008, St. George released the Scheme Booklet for the Transaction in which St. George's board of directors unanimously recommended that St. George's shareholders vote in favour of the Transaction in the absence of a superior proposal. St. George's shareholders are scheduled to vote on the Transaction on 13 November 2008. If St. George shareholders approve the Transaction by the requisite majority, St. George is expected to make application to the Federal Court of Australia to approve the Transaction on 17 November 2008. If all relevant conditions to the Transaction are satisfied, Westpac and St. George expect the Transaction to close on 1 December 2008.

Based on publicly available information, as at 30 September 2008, St. George is Australia's fifth largest bank in terms of lending assets and one of the top 20 publicly listed companies in Australia, with a market capitalization of approximately A\$16.2 billion and over 8,400 employees. St. George's operations span various aspects of the financial industry including retail banking, institutional and business banking and wealth management. In its profit announcement for the financial year ended 30 September 2008, St. George reported that it had, as of 30 September 2008, total assets of A\$147.4 billion and total liabilities of A\$140.4 billion and had a net profit after tax and preference dividends of A\$1,174 million for the year ended 30 September 2008. St. George has a national presence in Australia with a significant proportion of operations and customers in New South Wales and South Australia. St. George had 404 branches as at 30 September 2008 and also distributes its products through third parties such as mortgage brokers and financial planners.

### *Australian Government's deposit and wholesale term funding guarantees*

#### *Guarantee of deposits by the Australian Government: Financial Claims Scheme*

The Australian Government announced on 12 October 2008 that it will guarantee the deposits in eligible Australian authorised deposit-taking institutions ("ADIs") (including Westpac) for a period of three years from 12 October 2008. The deposit guarantee applies to deposits held in eligible ADIs (including foreign branches of eligible ADIs) by all types of legal entities, regardless of where the depositor resides. It will apply to deposits held in any currency. For deposits under A\$1,000,000, the deposit guarantee will be free. From 28 November 2008, for deposits over A\$1,000,000 the first A\$1,000,000 would be guaranteed for free and an eligible ADI will be able to obtain coverage under the deposit guarantee for amounts over A\$1,000,000 in return for a fee. The A\$1,000,000 threshold applies to the total amount of funds held by a depositor in (separate) deposit accounts with an eligible ADI.

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<sup>1</sup> Assumes approximately 745 million Westpac ordinary shares are issued in exchange for St. George ordinary shares upon implementation of the merger

The Banking Act 1959 of Australia has been amended to facilitate the deposit guarantee by establishing a financial claims scheme (“FCS”) to be administered by the Australian Prudential Regulation Authority (“APRA”). Under the FCS, if APRA has applied for the winding-up of an ADI and a declaration has been made by the responsible government minister that the FCS applies to that ADI:

- (i) holders of protected accounts (as defined below) with net credit balances are entitled to payment from APRA of the balance plus accrued interest (subject to certain adjustments); and
- (ii) APRA is assigned the relevant account holder’s right to claim this amount from the ADI.

A “protected account” is:

- an account where an ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account; and
- another account or financial product prescribed by regulation.

The Financial Claims Scheme (ADIs) Levy Act 2008 also provides for the imposition of a levy to fund the excess of certain of APRA’s financial claims scheme costs connected with an ADI over the sum of specified amounts paid to APRA by that ADI in connection with the FCS or in the winding up of that ADI. The levy is imposed on liabilities of ADIs to their depositors and cannot be more than 0.5% of the amount of those liabilities.

*The Instruments are not protected accounts for the purposes of the FCS and are not deposit liabilities of Westpac.*

#### *Guarantee of wholesale term funding by the Australian Government*

The Australian Government has also announced that it will guarantee wholesale term funding of an eligible ADI in return for a fee payable by that ADI.

The wholesale funding guarantee will be extended, by application, on an issue by issue basis. The facility will be restricted to senior unsecured debt instruments issued domestically or off-shore by eligible ADIs with a term of up to 60 months with the guarantee to apply for the full term of the relevant security including in the period following the closure of the scheme to new issuances. The guarantee will not cover structured debt.

The facility will apply to debt issuance in all major currencies.

Unlike the FCS (which has been adopted into law in Australia), as at the date of this Base Prospectus, further details of the Australian Government’s proposed wholesale term funding guarantee facility are not available.

Until further details of the Australian Government’s wholesale term funding guarantee facility are available, Westpac is not able to determine if, or the extent to which, this facility will be available in respect of the Instruments or to its other wholesale funding.

The Australian Government announced that it will withdraw the wholesale term funding guarantee facility once market conditions have normalised.

#### *Fees in relation to the Australian Government’s deposit and wholesale term funding guarantees*

Fees will apply to the wholesale term funding guarantee and the guarantee for deposits above the A\$1,000,000 threshold. A different fee will apply to eligible ADIs based on their credit rating. The fee which will currently apply to Westpac (rated by Standard and Poor’s as AA) is 70 basis points (or 0.70%). The fees will be levied annually.

#### *Review of the Australian Government’s deposit and wholesale term funding guarantees*

The Australian Government has announced that the deposit and wholesale funding guarantee scheme will be reviewed on an ongoing basis and revised if necessary.

### **Competition**

The last 12 months have seen significant changes in the financial services landscape and in the competitive conditions Westpac faces. The crisis that started in the US sub-prime mortgage market has extended to a broader financial markets crisis and global economic downturn.

These conditions have competitively favoured institutions with larger balance sheets, more diverse funding sources and conservative and rigorous risk management. Westpac has been at a competitive advantage in these conditions and has also benefited from some international banks winding back their activities in Australia as they have sought to focus more on their home markets.

In New Zealand, more substantive economic slowdown paired with the impact of the global credit crisis has also affected the financial services landscape. A large number of smaller, non-bank competitors, particularly



finance companies, have ceased operating. Strong balance sheets helped some of the larger institutions improve their market positions even though economic conditions have provided a brake on overall financial performance.

Overall, competition within Westpac's markets remains strong and that will continue into the coming year, particularly for the collection of retail deposits.

#### **Majority Shareholders and Share Capital**

As at 30 September 2008, the number of Westpac ordinary shares in issue was 1,894,285,984. Westpac has no partly paid share capital.

Westpac is not directly or indirectly owned or controlled by any other corporation(s) or by any foreign government.

There is no provision in Westpac's constitution that requires a shareholder to disclose the extent of their ownership of Westpac's ordinary shares.

Under the Australian Corporations Act 2001, any person who begins to have or ceases to have a substantial holding of Westpac's shares, or if any person already has a substantial holding and there is a movement of at least 1% in their holding, is required to give a notice to Westpac and the ASX Limited providing certain prescribed information, including their name and address and details of their relevant interests in Westpac's voting shares.

Westpac has a statutory right under the Australian Corporations Act 2001 to trace the beneficial ownership of shares held by any shareholder, by giving a direction to that shareholder requiring disclosure to Westpac of, among other things, the name and address of each other person who has a relevant interest in those shares, the nature and extent of that interest and the circumstances that gave rise to that other person's interest. Such disclosure must, except in certain limited circumstances, be provided within two business days after the direction is received.

## **The Board of Directors**

The roles and responsibilities of the Board are outlined in the Board Charter, which, in conjunction with Westpac's Constitution, allows the Board to determine those matters to be delegated to its Committees and to management.

In summary, the Board is accountable to shareholders for Westpac's performance and its responsibilities include:

- providing strategic direction;
- evaluating Board performance and determining Board size and composition;
- appointing and determining the duration, remuneration and other terms of appointment of the CEO and approving the appointments of other senior executives;
- evaluating the performance of the CEO and monitoring the performance of other senior executives;
- Board and executive succession planning;
- annual approval of the budget and monitoring performance against that budget;
- determining the dividend policy;
- making determinations concerning Westpac's capital structure;
- appointing Westpac's external auditors and maintaining an on-going dialogue with them;
- financial reporting;
- approving Westpac's risk management strategy and frameworks and monitoring their effectiveness;
- considering the social, ethical and environmental impact of Westpac's activities and monitoring compliance with Westpac's sustainability policies and practices;
- maintaining a constructive and ongoing relationship with the exchanges and regulators, and ensuring that the market and Westpac shareholders are continuously informed of material developments; and
- internal governance, including delegated authorities, policies for appointments to Westpac's controlled entity boards and monitoring resources available to senior executives.

## Directors

The Directors of Westpac, the business address of each of whom should be regarded for the purposes of this Base Prospectus as Level 20, 275 Kent Street, Sydney, NSW 2000, Australia, and their respective principal outside activities, where significant, are at the date of this Base Prospectus as follows:

**Ted Evans, AC**, BEcon (Hons). Age 67. Chairman since 1 April 2007. Director since November 2001. Ted Evans has extensive experience in the financial sector, having joined the Australian Treasury in 1969. 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, was Executive Director on the Board of the International Monetary Fund, representing Australia and a number of other countries, mainly in the Asia Pacific region. He was a Director of the Reserve Bank of Australia from 1993 to 2001 and the Commonwealth Bank of Australia from 1993 to 1996. He is a Director of Navitas Limited.

**Gail Kelly**, Dip. ED, BA, MBA, Doctor of Bus (Charles Sturt University). Age 52. Appointed Managing Director and Chief Executive Officer on 1 February 2008. Immediately prior to Gail Kelly's appointment as Managing Director and Chief Executive Officer of Westpac, Gail Kelly served as Chief Executive Officer and Managing Director of St. George Bank Limited for five and a half years. Between October 1997 and December 2001, she was employed at the Commonwealth Bank of Australia firstly as General Manager, Strategic Marketing, and later as Head of Customer Service and a member of that Bank's Executive Committee. Gail started her career at Nedcor Bank, one of the largest banks in South Africa, where she held various General Manager positions, including human resources, cards and personal banking. She is a Director of Westpac New Zealand Limited, the Melbourne Business School Limited and the Financial Markets Foundation for Children, and a member of both the Financial Services Advisory Council and Australian Bankers' Association.

**Elizabeth Bryan**, BA (Econ), MA (Econ). Age 62. Director since November 2006. Elizabeth Bryan has over 30 years experience in the financial services industry, government policy and administration and on the boards of companies and statutory organisations. Prior to becoming a professional director, she served for six years as Managing Director of Deutsche Asset Management and its predecessor organisation, NSW State Superannuation Investment and Management Corporation. She is Chairman of Caltex Australia Limited and Unisuper Limited and a Director of Westpac New Zealand Limited and the Australian Institute of Company Directors.

**Gordon Cairns**, MA (Hons). Age 58. Director since July 2004. Gordon Cairns has extensive Australian and international experience as a senior executive, most recently 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). He is a director of Origin Energy Limited, the Centre for Independent Studies and Opera Australia, a member of the Asia Pacific Advisory Board of CVC Capital Partners, an adviser to Caliburn Partnership and a Senior Advisor, McKinsey & Company.

**Carolyn Hewson**, BEc (Hons), MA (Econ). Age 53. Director since February 2003. Carolyn Hewson has had over 25 years' experience in the finance sector and was an Executive Director of Schroders Australia Limited between 1989 and 1995. She is a Director of AGL Energy Limited and BT Investment Management Limited. She holds board and advisory roles with the Royal Humane Society, Nanosonics Limited and the Australian Charities Fund and is a patron of The Neurosurgical Research Foundation.

**Lindsay Maxsted**, DipBus (Gordon), FCA. Age 54. Director since March 2008. Lindsay Maxsted was the CEO of KPMG from January 2001 to December 2007 and was a partner of KPMG from July 1984 to February 2008. Lindsay's principal area of practice prior to his becoming CEO was in the Corporate Recovery field managing a number of Australia's largest insolvency / workout / turnaround engagements. At the request of the Victorian State Government, Lindsay was appointed to the Board of the Public Transport Corporation in December 1995 and became its Chairman in January 1997. He is Chairman of VicRacing Pty Ltd, Managing Director of Align Capital Pty Ltd and Director of Transurban Group and Baker IDI Heart & Diabetes Institute.

**Peter Wilson**, CA. Age 67. Director since October 2003. Peter Wilson is a chartered accountant and formerly a partner with Ernst & Young, with extensive experience in banking, business establishment, problem resolution, asset sale and management of change functions. Peter was a Director and (from 1991) Chairman of Trust Bank New Zealand Limited, which Westpac acquired in 1996. He is Chairman of Westpac New Zealand Limited and Kermadec Property Fund Limited. He is a Director of The Colonial Motor Company Limited and Farmlands Trading Society. He is a member of the New Zealand Exchange Limited Discipline body and Chair of Special Division.

## **Director Independence and avoidance of conflicts of interest by a Director**

The Board regularly assesses the independence of its Directors.

Directors are considered to be independent if they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment. Materiality is assessed on a case-by-case basis by reference to each Director's individual circumstances rather than by applying general materiality thresholds.

Each Director is expected to disclose any business or other relationship which he or she has directly or as a partner, shareholder or officer of a company or other entity that has an interest, or a business or other relationship, with Westpac or another related entity.

The Board considers information about any such interests or relationships, including any related financial or other details, when it assesses the Directors' independence.

In assessing independence, the Board will have regard to whether the director or an immediate family member has any of the following relationships:

- a substantial shareholder (as defined in section 9 of the Australian Corporations Act 2001) of Westpac or an officer of, or otherwise associated directly with, a substantial shareholder of Westpac;
- within the last five years, employment in an executive capacity by Westpac or another Westpac Group member, or been a director of Westpac after ceasing employment with Westpac;
- within the last five years, been a principal of a material professional adviser or a material consultant to Westpac or another Westpac Group member, or an employee materially associated with the service provided;
- within the last five years, a present or former affiliation with or employment by a present or former external auditor of Westpac or another Westpac Group member who has worked on the Westpac (or Westpac Group member) audit;
- within the last five years, employment by any entity while that entity had an executive officer of Westpac or another Westpac Group member on its compensation committee;
- a material supplier or customer of Westpac or another Westpac Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer of Westpac or any other Westpac Group member;
- a material contractual relationship with Westpac or another Westpac Group member other than as a Director or Committee member of Westpac or another Westpac Group member;
- has served on the Board of Westpac or of another Westpac Group member for a period in excess of 12 years or which having regard to all the circumstances could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Westpac; or
- has an interest or a business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Westpac.

All six Non-executive Directors are considered to be independent. The Board assesses Directors' independence on appointment and annually. Each Director provides an annual attestation of his or her interests and independence.

The Board is conscious of its obligations to ensure that Directors avoid conflicts of interest (both real and apparent) between their duty to Westpac and their own interests. All Directors are required to disclose any actual or potential conflict of interest upon appointment and are required to keep these disclosures to the Board up-to-date.

Any Director with a material personal interest in a matter being considered by the Board must declare their interest and, unless the Board resolves otherwise, they may not participate in boardroom discussions or vote on matters on which they face a conflict.

As at the date of this Base Prospectus, taking into account the above criteria and relationships, there are no existing or potential conflicts of interest between any duties owed to Westpac by its directors and the private interests or duties of those directors (other than those specified under the sub-heading "Directors' interests in contracts" in Note 41 to Westpac's 2008 audited annual financial statements, which are incorporated by reference in this Base Prospectus). In respect of potential conflicts of interest that may arise in the future, Westpac will manage such conflicts in accordance with its Conflicts of Interest Policy, such that it does not expect that any actual conflicts of interest would arise.

## **Westpac's Corporate Governance**

### *Framework and approach to corporate governance and responsibility*

Westpac's approach to corporate governance is based on a set of values and behaviours that underpin everyday activities, ensure transparency and fair dealing, and protect stakeholder interests.

This approach includes a commitment to the highest standards of governance, which the Board sees as fundamental to the sustainability of Westpac's business and performance.

In pursuing this commitment, the Board monitors local and global developments in corporate governance and their implications for Westpac.

In Australia, Westpac takes into account the revised 'Corporate Governance Principles and Recommendations' published in August 2007 by the ASX Corporate Governance Council ("ASXCGC Principles and Recommendations") and the Australian Corporations Act 2001.

In the international arena, Westpac responds to a range of relevant corporate governance principles in developing its corporate governance framework.

### *Compliance with ASXCGC Principles and Recommendations*

The ASX Listing Rules require listed entities (such as Westpac) to include a statement in their annual report disclosing the extent to which they have followed the ASXCGC Principles and Recommendations during the reporting period, identifying any recommendations that have not been followed and providing reasons for that variance.

Westpac believes that its governance practices complied with the ASXCGC Principles and Recommendations over the past financial year.

## **Westpac's Audit Committee**

### *Role of the Audit Committee*

Westpac's Board delegates oversight responsibility for risk management between the Audit Committee and the Risk Management Committee.

The Audit Committee oversees all matters concerning:

- the integrity of the financial statements and financial reporting systems;
- the external auditor's qualifications, performance, independence and fees;
- oversight and performance of the internal audit function;
- compliance with financial reporting and related regulatory requirements (in conjunction with the Risk Management Committee, this includes an oversight of the Australian Prudential Regulation Authority's statutory reporting requirements); and
- procedures for the receipt, retention and treatment of financial complaints, including accounting, internal accounting controls or auditing matters and the confidential reporting by employees of concerns regarding accounting or auditing matters.

### *Integrity of the financial statements*

The Audit Committee oversees the preparation of Westpac's financial statements. The Audit Committee requires management to confirm that the accounting methods applied by management are consistent and comply with applicable accounting standards and concepts.

The Audit Committee reviews and assesses:

- any significant estimates and judgments in financial reports and monitors the methods used to account for unusual transactions;
- the processes used to monitor and comply with laws, regulations and other requirements relating to external reporting of financial and non-financial information; and
- the major financial risk exposures and the process surrounding the disclosures made by the CEO and CFO in connection with their personal certifications of the half-year and annual financial statements.

The Audit Committee conducts regular discussions with:

- members of the Risk Management Committee, the Chief Risk Officer, management and the external auditor about Westpac's major financial risk exposures and the steps management has taken to monitor and control such exposures;
- the external auditor concerning their audit and any significant findings and the adequacy of management's responses;

- management and the external auditor concerning the half-yearly and annual financial statements, including disclosures in the ‘operating and financial review and prospects’ section of Westpac’s annual report;
- management and the external auditor regarding any correspondence with regulators or government agencies and reports which raise issues of a material nature; and
- the Group Secretary & General Counsel regarding any legal matters that may have a material impact on the financial statements and/or Westpac’s compliance with financial reporting and related regulatory policies.

The Audit Committee meets with the external auditor without management being present at each meeting. Periodically, the Audit Committee meets with the General Manager of Group Assurance (Westpac’s internal audit function) without management.

#### *Financial knowledge of Audit Committee members*

The Audit Committee comprises six independent, Non-executive Director members.

All of the Audit Committee members have appropriate financial experience, an understanding of the financial services industry and satisfy the independence requirements under the ASXCGC Principles and Recommendations, the United States Securities Exchange Act of 1934 (as amended) and its related rules and the rules of the New York Stock Exchange (“NYSE”).

The Board has determined that Lindsay Maxsted, the Chair of the Audit Committee, is an ‘audit committee financial expert’ and is independent as defined in the NYSE Listing Standards.

Lindsay Maxsted is not an auditor or an accountant with respect to Westpac, does not perform ‘field work’ and is not an employee. Under United States laws, an audit committee member who is designated as an ‘audit committee financial expert’ will not be deemed to be an ‘expert’ for any purpose other than as a result of being identified as an audit committee financial expert.

While Lindsay Maxsted meets the requirements of an ‘audit committee financial expert’ pursuant to United States securities laws, he does not have any additional responsibilities beyond those of the other Audit Committee members.

As at the date of this Base Prospectus, the following Directors are members of the Audit Committee: Lindsay Maxsted (Chair), Elizabeth Bryan, Gordon Cairns, Ted Evans, Carolyn Hewson and Peter Wilson.

#### **External auditor**

The role of the external auditor is to provide an independent opinion that Westpac’s financial reports are true and fair and comply with applicable regulations.

Westpac’s external auditor is PricewaterhouseCoopers (“PwC”), appointed by shareholders at the 2002 annual general meeting (“AGM”).

The external auditor receives all Audit Committee papers, attends all meetings and is available to Audit Committee members at any time. The external auditor also attends the AGM to answer questions from shareholders regarding the conduct of PwC’s audit, the audit report and financial statements and PwC’s independence.

PwC is required to confirm their independence and compliance with specified independence standards on a quarterly basis.

Westpac strictly governs its relationship with its external auditor, including restrictions on employment, business relationships, financial interests and use of its financial products by the external auditor.

#### **Restrictions on non-audit services by the external auditor**

To avoid possible independence or conflict issues, the external auditor is not permitted to carry out certain types of non-audit services for Westpac, as specified in its Guidelines for Non Audit Services (the “Guidelines”).

For permitted non audit services and all other non-audit services, use of the external auditor must be assessed and pre-approved by the Audit Committee, in accordance with the Guidelines.

#### **Internal audit**

Westpac’s Group Assurance includes an independent and objective internal audit review function charged with evaluating, testing and reporting on the adequacy and effectiveness of management’s control of operational risk. Group Assurance has access to all of Westpac’s entities and conducts audits and reviews following a risk-based planning approach.

Group Assurance provides regular reports to both the Audit Committee and the Risk Management Committee and raises significant issues with the Audit Committee. The General Manager Group Assurance has a reporting line to the Chairman of the Audit Committee.

## **Other matters**

### *Litigation*

Westpac has contingent liabilities in respect of actual and potential claims and proceedings. An assessment of the Westpac Group's likely loss has been made on a case-by-case basis for the purpose of the financial statements and specific provisions have been made where appropriate, as described in Note 37 to Westpac's 2008 audited annual financial statements.

Westpac entities are defendants from time to time in legal proceedings arising from the conduct of their business.

### *Bell Group of companies*

Westpac is one of twenty defendant banks named in proceedings concerning the Bell Group of companies. The proceedings have been brought by the liquidators of several Bell Group companies and seek to challenge the defendant banks' entitlement to receive the proceeds of realisation of Bell Group assets in the early 1990s. A lengthy judgment was delivered on 28 October 2008 in which it has been found that each of the liquidators and the banks have been partially successful. The ultimate financial impact for Westpac will depend on further analysis of the judgment and on its implication for a range of creditors, including the banks and the actual Court orders, when they are made.

### *New Zealand Inland Revenue Department Investigation*

The New Zealand Inland Revenue Department ("NZIRD") has reviewed a number of structured finance transactions undertaken in New Zealand. Following the review, the NZIRD issued amended assessments for the 1999 to 2005 tax years in relation to nine transactions undertaken between 1999 and 2002.

The overall primary tax in dispute is approximately NZ\$588 million (A\$493 million). With interest (net of tax) this increases to approximately NZ\$882 million (A\$739 million) (calculated to 30 September 2008).

Proceedings disputing all amended assessments have been commenced. Westpac is confident that the tax treatment applied in all cases is correct. A ruling was sought from the NZIRD on an early transaction in 1999. Following extensive review by the NZIRD, the ruling was issued in 2001. The principles underlying that ruling are applicable to, and have been followed in, all other transactions.

There are no further transactions or tax years subject to the review (other than the transaction in relation to which Westpac received the binding ruling).

### *New Zealand Commerce Commission*

The New Zealand Commerce Commission's proceedings against Westpac New Zealand Limited and The Warehouse Financial Services Limited (members of the Westpac Group) are ongoing. Visa International, Cards NZ Limited, MasterCard International and all New Zealand issuers of Visa and MasterCard credit cards are also defendants. The proceedings allege that the setting of interchange rates and rules (relating to honour all cards, no surcharge, access and no discrimination) amount to price fixing or alternatively have the effect of substantially lessening competition in the New Zealand market in breach of the Commerce Act 1986. The proceedings seek to declare the conduct illegal and impose unspecified monetary penalties.

In addition, similar proceedings issued by a number of New Zealand retailers against the same defendants are also ongoing. These proceedings also seek to declare the conduct illegal and an enquiry into damages. Damages awarded, if any, would be in addition to any penalties imposed under the Commerce Act 1986 in the event the Commerce Commission is successful in the proceedings described above. Westpac is considering its position in relation to both proceedings and, at this stage, does not consider it necessary to raise a provision in relation to this matter.

### *Liquidity support*

Westpac is a participant to the interbank deposit agreement ("IDA") along with three other Australian banks. In accordance with the IDA, a deposit notice may be served upon the other participants by a bank which is experiencing liquidity problems. The other participants are then required to deposit equal amounts of up to A\$2 billion each for a period of 30 days. At the end of 30 days the deposit holder has the option to repay the deposit in cash or by way of assignment of mortgages to the value of the deposit.

### *Exposure to Allco Finance Group Limited and A.B.C Learning Centres Limited*

On 4 November 2008, voluntary administrators and receivers were appointed to Allco Finance Group Limited ("Allco"). On 5 November 2008, Westpac announced that it has exposure to Allco totalling approximately A\$200 million, and that it will review the implications of the appointment of the voluntary administrators to Allco and adjust existing provisions as required.

On 6 November 2008, voluntary administrators and receivers were appointed to A.B.C. Learning Centres Limited (“ABC”). Westpac announced that it has exposure to ABC of approximately A\$200 million, and that it will review the implications of the appointment of the voluntary administrators to ABC and adjust existing provisions as required.

**Organisational Structure**

Westpac’s controlled entities are set out in Note 39 to the 2008 audited annual financial statements, which are incorporated by reference and form part of this Base Prospectus. Westpac Banking Corporation is the ultimate parent of the Westpac Group.



## TAXATION

**The information provided below does not purport to be a complete summary of Australian, New Zealand or United Kingdom tax law and practice currently applicable. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisers.**

### Australia

#### *Income and Withholding Taxes*

The following is a summary of the Australian taxation treatment for Australian issuers, at the date of this Base Prospectus, of payments of interest (which for the purposes of this summary includes amounts in the nature of interest) on Instruments and certain other matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of Holders of an Instrument (such as dealers in securities). Prospective Holders of an Instrument should be aware that the particular terms of issue of any Series of Instruments may affect the tax treatment of that and other Series of Instruments. In particular, it does not deal with the treatment of Dual Currency Instruments should they be issued (in which event, their Australian taxation treatment will be summarised in the relevant Final Terms). The following is a general guide and should be treated with appropriate caution. Holders of Instruments who are in any doubt as to their tax position should consult their professional advisers.

Under Australian law as currently in effect the Holder of an Instrument or of any right or interest therein will not incur or become liable for any Australian taxes or duties of whatever nature in respect of principal and premium, if any, or of interest on an Instrument, other than withholding tax on interest, if the Holder is not a resident of Australia and does not carry on business in Australia through a permanent establishment to which the holding of such Instrument or interest therein is attributable or effectively connected (within the meaning of applicable Australian tax legislation and double taxation agreements).

Interest on Instruments issued to non-Australian residents and Australian residents carrying on business at or through a permanent establishment outside Australia will qualify for exemption from Australian withholding tax under Section 128F of the Income Tax Assessment Act 1936 of the Commonwealth of Australia (the "Tax Act") where certain conditions are satisfied. For the exemption in section 128F of the Tax Act to be available:

- (a) the issuer must be a resident of Australia or a non-Australian resident carrying on a business at or through a permanent establishment in Australia when it issues Instruments and when interest is paid on those Instruments;
- (b) a public offer test must be satisfied. The public offer test may be satisfied in one of a number of ways. In summary, the ways of satisfying the public offer test are:
  - (i) offers to 10 or more professional financiers, investors or dealers who are not associates (as defined in section 128F of the Tax Act) of each other;
  - (ii) offers to 100 or more potential investors;
  - (iii) offers of listed Instruments;
  - (iv) offers as a result of negotiations being initiated publicly via electronic means or other market sources;
  - (v) offers to dealers, managers or underwriters who agree to on-sell the Instruments within 30 days by one of the preceding methods; and
  - (vi) the issue of a global bond in a way which complies with one of the five preceding methods.

The exemption under section 128F of the Tax Act will not be available if:

- (i) at the time of issue, the issuer knew, or had reasonable grounds to suspect, that the Instruments or an interest in the Instruments was being or would later be acquired either directly or indirectly by an Offshore Associate of the issuer (other than one acting in the capacity of a dealer, manager or underwriter in relation to the placement of the Instruments or in the capacity of a clearing house, custodian, funds manager or responsible entity of an Australian registered scheme); or
- (ii) the issuer knew or had reasonable grounds to suspect, at the time of payment that interest (or an amount in the nature of interest) in respect of an Instrument was to be paid to an Offshore Associate of the issuer other than one receiving the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of an Australian registered scheme.

“Offshore Associate” means an associate (as defined in section 128F of the Tax Act) of the issuer that is either a non-resident of the Commonwealth of Australia which does not acquire the Instruments in carrying on a business at or through a permanent establishment in Australia or, alternatively, is a resident of Australia that acquires the Instruments in carrying on business at or through a permanent establishment outside of Australia.

The Issuer proposes to issue Instruments in a manner which will satisfy the public offer test and which otherwise meets the requirements of section 128F of the Tax Act.

If the Issuer should at any time be compelled by law to deduct or withhold an amount in respect of any Withholding Taxes (as defined in Condition 8 (*Taxation*)), it must, subject to certain exceptions set out in Condition 8, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the Holder of an Instrument after such deduction or withholding equal the respective amounts which would have been receivable had no such deduction or withholding been required.

The Issuer has been advised that under Australian law as presently in effect:

- (i) assuming the requirements of section 128F of the Tax Act are satisfied with respect to the Instruments, payment of principal and interest (or amounts in the nature of interest) to a Holder of an Instrument, who is a non-resident of Australia and who, during the taxable year, has not held any Instruments in the course of carrying on trade or business through a permanent establishment within Australia will not be subject to Australian income taxes;
- (ii) a Holder of an Instrument, who is a non-resident of Australia and who during the taxable year has not held any Instrument in the course of carrying on trade or business through a permanent establishment within Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of Instruments, provided such gains do not have an Australian source. A gain arising on the sale of an Instrument by a non-Australian resident Holder to another non-Australian resident where the Instrument is sold outside Australia and all negotiations are conducted and documentation executed outside Australia would not be regarded as having an Australian source;
- (iii) no Instruments will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death; and
- (iv) no *ad valorem*, stamp, issue, registration or similar taxes are payable in Australia on the issue of any Instruments or the transfer of any Instruments outside Australia.

Section 126 of the Tax Act imposes a type of withholding tax at the rate of 45 per cent. on the payment of interest (as defined for the purposes of the section) on bearer Instruments (other than certain zero coupon promissory notes) if the Issuer fails to disclose the names and addresses of the Holders to the Australian Taxation Office. Section 126 does not apply to the payment of interest on Instruments held by non-residents who do not carry on business at or through a permanent establishment in Australia where the issue of those notes satisfied the requirements of section 128F of the Tax Act or interest withholding tax is payable. However, the operation of section 126 in relation to Instruments held in some circumstances is unclear. Section 126 will not apply in any circumstances if the name and address of the Holder of the relevant Instruments is disclosed to the Australian Taxation Office. In Taxation Determination TD 2001/19, the Commissioner of Taxation of Australia accepted that, where interests in instruments are held by persons through the Euroclear, Clearstream, Luxembourg or CMU Service systems, the operators of those systems may be treated as the holders of the relevant instruments.

The Commissioner of Taxation of the Commonwealth of Australia may give a direction under section 255 of the Tax Act or section 260-5 of the Taxation Administration Act 1953 or any similar provision requiring the Issuer to deduct from any payment to any other party (including any Holder of an Instrument) any amount in respect of tax payable by that other party.

### **New Zealand**

The following comments apply to New Zealand source income constituting interest (as defined for New Zealand income tax purposes (“NZ source interest”). Interest payments under the Instruments issued by the Issuer may be regarded as payments of NZ source interest where, for example, the Instruments are issued by the Issuer through its branch in New Zealand.

New Zealand law requires a deduction on account of non-resident withholding tax to be made from the payment of NZ source interest made to any Holder who is neither a resident of New Zealand for income tax purposes, nor engaged in business in New Zealand through a fixed establishment in New Zealand.

## **United Kingdom**

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Instruments. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Instruments. The comments relate only to the position of persons who are absolute beneficial owners of the Instruments. Prospective Holders of Instruments should be aware that the particular terms of issue of any series of Instruments as specified in the relevant Final Terms may affect the tax treatment of that and other series of Instruments. The following is a general guide and should be treated with appropriate caution. Holders of Instruments who are in any doubt as to their tax position should consult their professional advisers.

Holders of Instruments who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Instruments are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Instruments. In particular, Holders of Instruments should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Instruments even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

### **A. United Kingdom Withholding Tax on United Kingdom-source interest**

The following comments apply to United Kingdom-source interest (“UK-source interest”). Interest payments under Instruments issued by the Issuer may be regarded as payments of UK-source interest where, for example, the Instruments are issued by the Issuer through a branch in the United Kingdom or interest is paid out of funds maintained in the United Kingdom.

#### **A.1 UK Instruments listed on a recognised stock exchange**

The Instruments issued by the Issuer which carry a right to UK-source interest (“UK Instruments”) will constitute “quoted Eurobonds” provided they are and continue to be listed on a recognised stock exchange. Pursuant to section 1005 of the Income Tax Act 2007, securities are listed on a recognised stock exchange for these purposes if they are (i) admitted to trading on that exchange and (ii) included in the Official List (within the meaning of and in accordance with Part 6 of the Financial Services and Markets Act 2000) or are officially listed in a qualifying country outside the United Kingdom in accordance with provisions corresponding to those applicable EEA states. The London Stock Exchange and the Singapore Exchange are recognised stock exchanges for these purposes. Whilst the UK Instruments are and continue to be quoted Eurobonds, payments of interest on the UK Instruments may be made without withholding or deduction for or on account of United Kingdom income tax.

#### **A.2 All UK Instruments**

In addition to the exemption set out in A.1 above, interest on the UK Instruments may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Issuer is a “bank” for the purposes of section 878 of the Income Tax Act 2007 and so long as such payments are made by the Issuer in the ordinary course of its business. In accordance with the published practice of HM Revenue & Customs, such payments will be accepted as being made by the Issuer in the ordinary course of its business unless either:

- (i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the Financial Services Authority whether or not it actually counts towards tier 1, 2 or 3 capital for regulatory purposes; or
- (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

A.3 In all cases falling outside the exemptions described in A.1 and A.2 above, interest on the UK Instruments may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on Instruments with a maturity of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Instruments part of a borrowing with a total term of a year or more.

### **B. Payments under Deed of Covenant**

Any payments made by the Issuer under the Deed of Covenant may not qualify for the reliefs and exemptions from United Kingdom withholding tax described above.

### C. Provision of Information

Holders should note that where any interest on Instruments is paid to them (or to any person acting on their behalf) by any person in the United Kingdom (a “paying agent”), or is received by any person in the United Kingdom acting on behalf of the relevant Holder (other than solely by clearing or arranging the clearing of a cheque) (a “collecting agent”), then the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to HM Revenue & Customs details of the payment and certain details relating to the Holder (including the Holder’s name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Holder is resident in the United Kingdom for United Kingdom taxation purposes. Where the Holder is not so resident, the details provided to HM Revenue & Customs may, in certain cases, be passed by HM Revenue & Customs to the tax authorities of the jurisdiction in which the Holder is resident for taxation purposes.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Instruments where the amount payable on redemption is such that those Instruments are “deeply discounted securities” for the purposes of section 430 of the Income Tax (Trading and Other Income) Act of 2005. However, it should be noted that HM Revenue & Customs published practice indicates that it will not exercise its power to require this information in respect of such amounts to the extent that they are payable on or before 5 April 2009.

### D. Other Rules Relating to United Kingdom Withholding Tax

1. Instruments may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Instruments will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in A above, but may be subject to reporting requirements as outlined in C above.
2. Where Instruments are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.
3. Where interest has been paid under deduction of United Kingdom income tax, Holders of Instruments who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. The references to “interest” above (including in A to C above) mean “interest” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Instruments or any related documentation.
5. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer pursuant to Condition 16 (*Substitution of the Issuer*) of the Instruments or otherwise and does not consider the tax consequences of any such substitution.

### EU Savings Directive (2003/48/EC)

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income made by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

## SUBSCRIPTION AND SALE

Instruments may be issued from time to time by the Issuer to any one or more of Banc of America Securities Limited, Barclays Bank PLC, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International plc, Nomura International plc, The Hongkong and Shanghai Banking Corporation Limited, UBS Limited and Westpac Banking Corporation (the "Dealers"). Instruments may also be issued by the Issuer direct to institutions who are not Dealers. The arrangements under which Instruments may from time to time be agreed to be issued by the Issuer to, and subscribed by, Dealers are set out in an amended and restated dealership agreement dated 7 November 2008 (the "Dealership Agreement") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be subscribed for by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Instruments.

**United States of America:** *Regulation S Category 2; TEFRA D, unless TEFRA C is specified as applicable in the relevant Final Terms; Rule 144A Eligible if so specified in the relevant Final Terms*

Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Instruments, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Instruments comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Instruments to or through more than one Dealer, by each of such Dealers as to Instruments of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each Dealer to which it sells Instruments during the restricted period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to or for the account or benefit of U.S. persons.

In addition, until forty days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of Instruments within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act (if available).

### **European Economic Area:**

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Instruments to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Instruments to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the Instruments specify that an offer of those Instruments may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Instruments which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the

Prospectus Directive, in the period in the beginning and ending on the dates specified in such prospectus or final terms, as applicable;

- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any issue;
- (e) at any time if the denomination per Instrument being offered amounts to at least €50,000; or
- (f) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Instruments referred to in (b) to (f) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Instruments to the public” in relation to any Instruments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Relevant Member State by any measure implementing the “Prospectus Directive” in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

#### **United Kingdom:**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (1) *General compliance:* It has complied and will comply with all applicable provisions of the Financial Services and Market Act 2000 (“FSMA”) with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom; and
- (2) *Financial promotion:* It has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer.

#### **Australia:**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that in connection with the distribution of the Instruments, it:

- (i) will not make any offer or invitation in Australia or received in Australia in relation to the issue, sale or purchase of any Instruments unless the offeree is required to pay at least A\$500,000 for the Instruments or its foreign currency equivalent (in either case disregarding amounts, if any, lent by the Issuer or other person offering the Instruments or its associates (within the meaning of those expressions in Part 6D.2 of the Corporations Act 2001 of Australia (the “Corporations Act”))), or it is otherwise an offer or invitation for which by virtue of section 708 of the Corporations Act no disclosure is required to be made under Part 6D.2 of the Corporations Act and is not made to a retail client (as defined in section 761G of the Corporations Act); and
- (ii) has not circulated or issued and will not circulate or issue a disclosure document relating to the Instruments in Australia or received in Australia which requires lodging under Division 5 of Part 6D.2 or under Part 7 of the Corporations Act.

#### **Hong Kong:**

In relation to each Tranche of Instruments, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) it has not offered or sold, and will not offer or sell, in Hong Kong by means of any document, any Instruments other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that Ordinance or (b) in

other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (ii) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made under that Ordinance.

#### **Japan:**

The Instruments have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended (the “FIEL”)) and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer or sell any Instruments directly or indirectly, in Japan or to, or for the account or benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to or for the account or benefit of, any Japanese Person except pursuant to an exemption from registration requirements of, and otherwise in compliance with the FIEL and any other applicable laws and regulations of Japan. For the purposes of this paragraph, “Japanese Person” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

#### **The Republic of France:**

Each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold, and will not offer or sell, directly or indirectly, any Instruments to the public in the Republic of France, and that offers and sales of Instruments in the Republic of France will be made only to providers of investment services relating to portfolio management for the account of third parties and/or to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in Articles L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*, but excluding individuals referred to in Article D.411-1 II 2°.

In addition, each of the Dealers has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, this Base Prospectus or any other offering material relating to the Instruments other than to investors to whom offers and sales of Instruments in the Republic of France may be made as described above.

#### **Italy:**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offering of the Instruments has not been registered pursuant to Italian securities legislation and, accordingly, the Instruments may not be offered, sold or delivered, nor may copies of the Base Prospectus or any other document relating to the Instruments be distributed in the Republic of Italy, except:

- (a) to qualified investors, (“*investitori qualificati*”), as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (“Decree No. 58”), provided that such qualified investors will act in that capacity and not as depositaries or nominees for other holders; or
- (b) in any other circumstances which are exempted from the rules on offers to the public pursuant to Article 100 of Decree No. 58 and Article 33, first paragraph, of the Italian Securities Exchange Commission (“CONSOB”) Regulation No. 11971 of 14 May 1999, as amended.

Furthermore, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer, sale or delivery of the Instruments or distribution of copies of this Base Prospectus or any other document relating to the Instruments in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Decree No. 58, Legislative Decree No. 385 of 1 September 1993, as amended (“Decree No. 385”), and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of Decree No. 385 and the implementing guidelines of the Bank of Italy (*Istruzioni di Vigilanza della Banca d’Italia*), pursuant to which the issue, offer, sale, trading, or placement of securities in Italy may need to be followed by appropriate notice to be filed with the Bank of Italy; and

- (iii) in accordance with any other applicable notification requirements, limitations, laws and regulations, including those imposed by CONSOB or by the Bank of Italy, including, but not limited to, the requirements set out under article 100-bis of Decree No. 58 pursuant to which, in certain cases, a prospectus or an information document prepared in accordance with the requirements set out by CONSOB may need to be made available.

#### **The Netherlands:**

The Instruments may not be offered or sold, directly or indirectly, as part of any initial distribution or at any time thereafter, directly or indirectly, to any person other than to professional market parties (as defined in article 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*); hereinafter referred to as “Professional Market Parties”) in the Netherlands, which include amongst others:

- (a) legal entities or companies which have a licence or are otherwise regulated to lawfully operate on the financial markets;
- (b) legal entities or companies which do not have a licence and are not otherwise regulated to lawfully operate on the financial markets and whose sole corporate purpose is to invest in securities;
- (c) individuals or legal entities which are considered to be qualified in another EU Member State as set out in Article 2(1)(e)(iv) or Article 2(1)(e)(v) of the EU Prospectus Directive;
- (d) institutions or natural persons which have net own funds totalling at least €10,000,000 or more preceding the making available of the repayable funds, and which have been active on the financial markets at least twice a month, on average, during two consecutive years preceding the making available of the repayable funds; and
- (e) individuals or legal entities of whom the Issuer receives redeemable funds by means of a debt instrument or a private agreement, if the nominal value of the debt instrument or the claim pursuant to the private agreement amounts to at least €50,000 (or its equivalent in other currencies).

In addition and without prejudice to the relevant restrictions set out directly above, each Dealer has represented, warranted and agreed that Zero Coupon Instruments (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required in respect of (i) the transfer and acceptance of Zero Coupon Instruments in definitive form between individuals not acting in the conduct of a business or profession, or (ii) the transfer and acceptance of such Zero Coupon Instruments within, from or into The Netherlands if all Zero Coupon Instruments (either in definitive form or as rights representing an interest in a Zero Coupon Instrument in global form) of any particular Series or Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Instruments have to be complied with and, in addition thereto, if such Zero Coupon Instruments in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2 February 1987, attached to the Royal Decree of 11 March 1987, (*Staatscourant 129*) (as amended), each transfer and acceptance should be recorded in a transaction note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Instruments.

As used herein “Zero Coupon Instruments” are Instruments that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

#### **New Zealand:**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and agrees it will not, directly or indirectly, offer, sell or deliver any Instruments, Receipts, Coupons and Talons in New Zealand or distribute any information memorandum (including the Base Prospectus), any Final Terms or other offering memorandum or any advertisement in relation to any offer of Instruments, Receipts, Coupons and Talons in New Zealand other than:

- (a) to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money or who in all cases can properly be regarded as having been selected otherwise than as a member of the public; or



(b) in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand.

Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Instruments, Receipts, Coupons and Talons to persons whom it reasonably believes to be persons to whom any amounts payable on the Instruments, Receipts, Coupons and Talons are or would be subject to New Zealand resident withholding tax, unless such persons:

- (a) certify they hold a valid RWT exemption certificate for New Zealand resident withholding tax purposes, and
- (b) provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to the Issuer, the Registrar or any Paying Agent pursuant to the Issue and Paying Agency Agreement).

**Singapore:**

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Instruments may not be circulated or distributed, nor may Instruments be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Instruments are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Instruments pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law.

**General:**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Instruments or possesses, distributes or publishes the Base Prospectus or any Final Terms or any related offering material. Other persons into whose hands the Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or possess, distribute or publish the Base Prospectus or any Final Terms or any related offering material.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) in official interpretation, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in this section.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or

modification relevant only to a particular Tranche of Instruments) or (in any other case) in a supplement to this document.

In addition, each Dealer has represented and agreed that, in connection with the distribution of the Instruments, it has not sold Instruments nor will it sell any Instrument to a person if, at the time of the sale, the Dealer knew or had reasonable grounds to suspect that, as a result of the sale, the Instrument, or an interest in the Instrument, was being, or would later be, acquired either directly or indirectly by an Offshore Associate of the Issuer other than one acting in the capacity of dealer, manager or underwriter in relation to the placement of the Instruments or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act.

**“Offshore Associate”** of the Issuer means an associate (as defined in section 128F of the Australian Tax Act) of the Issuer that is either a non-resident of the Commonwealth of Australia which does not acquire the Instruments in carrying on a business at or through a permanent establishment in Australia or, alternatively, is a resident of Australia that acquires the Instruments in carrying on business at or through a permanent establishment outside of Australia.

## GENERAL INFORMATION

1. The admission of the Programme to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Regulated Market is expected to take effect on or about 12 November 2008. The price of the Instruments on the price list of the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Instruments intended to be listed on the Official List of the UK Listing Authority and to be traded by the London Stock Exchange's Regulated Market will be admitted to listing and trading upon submission to the UK Listing Authority and the London Stock Exchange of the relevant Final Terms and any other information required by the UK Listing Authority and the London Stock Exchange, subject to the issue of the relevant Instruments. Prior to admission to trading, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.

However, Instruments may be issued pursuant to the Programme which will not be admitted to listing and/or trading on the Official List of the UK Listing Authority or any other listing authority and/or stock exchange or which will be admitted to listing and/or trading on such listing authority and/or stock exchange as the Issuer and the relevant Dealer(s) may agree.

2. The update of the Programme was authorised pursuant to a resolution of Westpac Banking Corporation's Directors passed on 31 October 2006 and an approval given on 1 December 2006 by Westpac Banking Corporation's then Managing Director and Chief Executive Officer. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Instruments.
3. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Instruments of each Series will be specified in the Final Terms relating thereto. The Instruments have been accepted for clearance through the CMU Service. The CMU Service Instrument Number for each Series of Instruments intended to be cleared through the CMU Service will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Instruments for clearance together with any further appropriate information.
4. Bearer Instruments (other than Temporary Global Instruments) and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Bearer Instrument or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Instrument or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
5. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Fiscal Agent or, as the case may be, the Registrar in relation to each Tranche of Instruments.
6. The prior specific approval of the Reserve Bank of Australia must be obtained in connection with certain transfers of Australian currency, payments made or sums credited in Australia and transactions involving the sale or purchase of foreign currency by persons in Australia or by Australian residents, in each case which have a prescribed connection with entities designated from time to time by the Reserve Bank of Australia for the purposes of the Banking (Foreign Exchange) Regulations 1959.

In terms of Part 4 of the Charter of the United Nations Act 1945, and the Charter of the United Nations (Terrorism and Dealings with Assets) Regulations 2002, anybody holding financial or other assets of persons or entities listed as terrorists by the Minister of Foreign Affairs in the Commonwealth of Australia Gazette is prohibited from using or dealing with those assets. It is also a criminal offence to make assets available to such persons or entities.

In addition, regulations in Australia also prohibit payments, transactions and dealings with assets having a prescribed connection with certain countries or named individuals or entities associated with terrorism.

7. The following legend must appear on every form of Instrument, Receipt, Coupon or Talon issued by Westpac Banking Corporation (a) regardless of which branch of Westpac Banking Corporation has issued such Instrument, Receipt, Coupon or Talon if such Instrument, Receipt, Coupon or Talon is denominated in New Zealand Dollars; or (b) through Westpac Banking Corporation "New Zealand branch" regardless of which currency the Instrument, Receipt, Coupon or Talon is denominated in:

“IF THE HOLDER OF ANY PART HEREOF IS A RESIDENT OF NEW ZEALAND FOR TAX PURPOSES OR OTHERWISE IS A PERSON THE PAYMENT OF INTEREST (AS DEFINED FOR NEW ZEALAND INCOME TAX PURPOSES) TO WHOM WILL BE SUBJECT TO NEW ZEALAND RESIDENT WITHHOLDING TAX, THEN A DEDUCTION FOR NEW ZEALAND RESIDENT WITHHOLDING TAX MAY BE MADE FROM ANY AMOUNT PAYABLE UNDER THIS [TEMPORARY/PERMANENT GLOBAL DEFINITIVE/REGISTERED/NOTE/COUPON/TALON/RECEIPT] WHICH IS SUBJECT TO NEW ZEALAND RESIDENT WITHHOLDING TAX UNLESS ANY SUCH HOLDER CERTIFIES THAT IT HOLDS A VALID RWT EXEMPTION CERTIFICATE FOR NEW ZEALAND RESIDENT WITHHOLDING TAX PURPOSES AND PROVIDES THE HOLDER’S NEW ZEALAND TAX FILE NUMBER.

ON PRESENTATION OF THIS [TEMPORARY/PERMANENT/GLOBAL/DEFINITIVE/REGISTERED INSTRUMENT/COUPON/TALON/RECEIPT] FOR PAYMENT OR, IF APPLICABLE, UPON THE RECEIPT OF SUCH PAYMENT, THE HOLDER OF ANY PART HEREOF HEREBY CERTIFIES THAT IF IT IS A RESIDENT OF NEW ZEALAND FOR TAX PURPOSES OR OTHERWISE IS A PERSON THE PAYMENT OF INTEREST TO WHOM WILL BE SUBJECT TO NEW ZEALAND RESIDENT WITHHOLDING TAX, THAT IT HOLDS A VALID RWT EXEMPTION CERTIFICATE FOR NEW ZEALAND RESIDENT WITHHOLDING TAX PURPOSES.”

8. Any person (and each employee, representative, or other agent of such person) may disclose to any and all persons, without limitation of any kind, the United States Federal income tax treatment and the United States Federal income tax structure of the Instrument, Coupon or Talon and all materials of any kind (including opinions or other tax analyses) that are provided to such Holder relating to such tax treatment and tax structure.
9. There are no, nor during the 12 months before the date of this Base Prospectus have there been any, legal, arbitration or governmental proceedings (including any such proceedings which are pending or threatened) of which the Issuer or its controlled entities are aware involving the Issuer or any of its controlled entities which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and its controlled entities taken as a whole.
10. Since 30 September 2008, the last day of the financial period in respect of which the most recent published audited consolidated financial statements of the Issuer have been prepared, there has been no material adverse change in the prospects of the Issuer and its controlled entities taken as a whole.
11. Since 30 September 2008, the last day of the financial period in respect of which the most recent published audited consolidated financial statements of the Issuer have been prepared, there has been no significant change in the financial or trading position of the Issuer and its controlled entities taken as a whole.
12. PricewaterhouseCoopers Australia (“PwC Australia”), Chartered Accountants, audited the Issuer’s consolidated financial statements for the periods ended 30 September 2008 and 30 September 2007 in accordance with Australian Auditing Standards. PwC Australia partners are members or affiliate members of the Institute of Chartered Accountants in Australia.
13. The liability of PwC Australia, with respect to claims arising out of its audit report, is subject to the limitations set forth in the Professional Standards Act 1994 of New South Wales, Australia (the “Professional Standards Act”) and The Institute of Chartered Accountants in Australia (NSW) Scheme adopted by The Institute of Chartered Accountants in Australia (“ICAA”) and approved by the New South Wales Professional Standards Council pursuant to the Professional Standards Act (the “NSW Accountants Scheme”). The Professional Standards Act and the NSW Accountants Scheme limit the liability of PwC Australia for damages with respect to certain civil claims arising in, or governed by the laws of, New South Wales directly or vicariously from anything done or omitted in the performance of its professional services for the Issuer, including, without limitation, its audits of the Issuer’s financial statements, to the lesser of (in the case of audit services) ten times the reasonable charge for the service provided and a maximum liability for audit work of A\$75 million. The limit does not apply to claims for breach of trust, fraud or dishonesty.

In addition there is equivalent professional standards legislation in place in each state and territory in Australia and amendments have been made to a number of Australian federal statutes to limit liability under those statutes to the same extent as liability is limited under state and territory laws by professional standards legislation.

These limitations of liability may limit recovery upon the enforcement in Australian courts of any judgment under U.S. or other foreign laws rendered against PwC Australia based on or related to its audit report on the Issuer’s financial statements. Substantially all of PwC Australia’s assets are located in Australia. However, the Professional Standards Act and the NSW Accountants Scheme have not

been subject to judicial consideration and therefore how the limitation will be applied by the courts and the effect of the limitation on the enforcement of foreign judgments are untested.

14. For so long as the Programme remains in effect or any Instruments are outstanding, copies of the following documents may be inspected during normal business hours at the office of the Fiscal Agent and Principal Registrar (or the other specified office(s) of the Paying Agent(s) in the United Kingdom) specified on page 103 of this Base Prospectus and at the registered head office of the Issuer, namely:
  - (a) the constitutional documents of the Issuer;
  - (b) the Base Prospectus in relation to the Programme, together with any supplements thereto;
  - (c) the Issue and Paying Agency Agreement;
  - (d) the Deed of Covenant;
  - (e) the most recently publicly available audited financial statements of the Issuer beginning with such financial statements (including the auditor's report thereon and notes thereto) for the years ended 30 September 2008 and 30 September 2007; and
  - (f) any Final Terms relating to instruments which are listed, traded and/or quoted on or by any competent listing authority, stock exchange and/or quotation system. (In the case of any Instruments which are not listed, traded and/or quoted on or by any competent listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by a Holder of or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant) in respect of, such Instruments.)
15. The Issuer does not intend to provide post-issuance information under Annex XII 7.5 to the Prospectus Directive.
16. For so long as any Tranche of Instruments is listed on the Singapore Exchange and the rules of the Singapore Exchange so require, the Issuer shall appoint and maintain a Paying Agent in Singapore, where the Instruments may be presented or surrendered for payment or redemption, in the event that Definitive Instruments are issued. In addition, in the event that Definitive Instruments are issued, announcement of such issue shall be made through the Singapore Exchange and such announcement shall include all material information with respect to the delivery of the Definitive Instruments, including details of the paying agent in Singapore.
17. The Issuer may, on or after the date of this Base Prospectus, make applications for one or more further certificates of approval under Article 18 of the Prospectus Directive as implemented in the United Kingdom to be issued by the FSA to the competent authority in any Member State.

## REGISTERED AND HEAD OFFICE OF THE ISSUER

### Westpac Banking Corporation

Level 20, 275 Kent Street  
Sydney NSW 2000  
Australia

### DEALERS

#### **Banc of America Securities Limited**

5 Canada Square  
London E14 5AQ  
United Kingdom

#### **Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

#### **Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

#### **Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

#### **Goldman Sachs International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

#### **The Hongkong and Shanghai Banking Corporation Limited**

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1 Queen's Road Central  
Hong Kong

#### **HSBC Bank plc**

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London E14 5HQ  
United Kingdom

#### **J.P. Morgan Securities Ltd.**

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London EC2Y 5AJ  
United Kingdom

#### **Morgan Stanley & Co. International plc**

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Canary Wharf  
London E14 4QA  
United Kingdom

#### **Nomura International plc**

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London EC14A 4NP  
United Kingdom

#### **UBS Limited**

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#### **Westpac Banking Corporation**

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Australia

### AUDITORS OF WESTPAC BANKING CORPORATION

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London E14 5AL  
United Kingdom

**FIRST ALTERNATIVE REGISTRAR**

**The Bank of New York (Luxembourg) S.A.**

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Luxembourg

**SECOND ALTERNATIVE REGISTRAR**

**The Bank of New York Mellon, New York Branch**

101 Barclay Street  
New York, NY 10286  
United States of America

**LUXEMBOURG PAYING AGENT**

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Luxembourg

**HONG KONG PAYING AGENT AND LODGING AGENT**

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