

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)

U.S. \$70,000,000,000 Programme for the Issuance of Debt Instruments

Pages 1 to 205 (inclusive) of this Offering Memorandum comprise a base prospectus approved by the United Kingdom Financial Conduct Authority (the “**FCA**”), which is the United Kingdom competent authority for the purposes of *Regulation (EU) 2017/1129* (as amended, the “**Prospectus Regulation**”), as a base prospectus issued in compliance with the Prospectus Regulation for the purpose of giving information with regard to the issue of senior instruments under the Programme (“**Instruments**” or “**PD Instruments**”) during the period of 12 months after the date hereof (the “**Base Prospectus**”). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Instruments that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Instruments. Application has been 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 2014/65/EU*, as amended (“**MiFID II**”).

Instruments may also be issued under the Programme on the basis that they will be unlisted or 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. Such instruments shall be “**PD Exempt Instruments**” (and, together with the PD Instruments, the “**Programme Instruments**”), being Instruments for which no prospectus is required to be published pursuant to the Prospectus Regulation. Pages 206 to 233 (inclusive) of this Offering Memorandum comprise an offering circular, prepared in connection with the issuance of PD Exempt Instruments (the “**Offering Circular**”). The Offering Circular has not been reviewed or approved by the FCA and does not constitute a prospectus for the purpose of the Prospectus Regulation.

Instruments issued on a subordinated basis may also be issued under the Programme (the “**Subordinated Instruments**”) on the basis that they will be admitted to trading on the Australian Securities Exchange. Westpac will publish an information memorandum pursuant to which Subordinated Instruments may be issued under the Programme. Such information memorandum will not be approved by the FCA.

This Offering Memorandum supersedes any previous offering memorandum, base prospectus, information memorandum or information memorandum addendum describing the Programme. Any Programme Instruments issued under the Programme on or after the date of this Offering Memorandum are issued subject to the provisions described herein. This does not affect any instruments issued before the date of this Offering Memorandum.

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 8 to 37 (inclusive) of this Base Prospectus.

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 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*. Instruments are being offered only in offshore transactions in accordance with Regulation S under the *Securities Act* and, in certain limited circumstances, Registered Instruments may be offered only to ‘qualified institutional buyers’ in accordance with Rule 144A under the *Securities Act*, in each case, in compliance with applicable securities laws.

This Base Prospectus is valid for 12 months from its date in relation to Instruments which are to be admitted to trading on a regulated market in the European Economic Area (the “**EEA**”) and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Arranger for the Programme

UBS Investment Bank

Dealers

Barclays	Goldman Sachs International	RBC Capital Markets
BNP PARIBAS	HSBC	SMBC Nikko
BofA Securities	J.P. Morgan	Standard Chartered Bank
Citigroup	Mizuho Securities	TD Securities
Credit Suisse	Morgan Stanley	UBS Investment Bank
Daiwa Capital Markets Singapore Limited	MUFG	Westpac Banking Corporation
Deutsche Bank	Nomura	Westpac Europe Limited

11 November 2019

S&P Global Ratings Australia Pty Limited has assigned Westpac a senior unsecured credit rating of AA-. The outlook for the rating is negative. The short-term credit rating assigned by S&P Global Ratings Australia Pty Limited to Westpac is A-1+. Moody's Investors Service Pty Limited has assigned Westpac a senior unsecured credit rating of Aa3. The outlook for the rating is stable. The short-term credit rating assigned by Moody's Investors Service Pty Limited to Westpac is P-1.

Neither S&P Global Ratings Australia Pty Limited nor Moody's Investors Service Pty Limited is established in the European Union (the "**EU**") or has applied for registration under *Regulation (EU) No. 1060/2009*, as amended (the "**CRA Regulation**"). However, S&P Global Ratings Australia Pty Limited is endorsed by S&P Global Ratings Europe Limited and Moody's Investors Service Pty Limited is endorsed by Moody's Investors Service Ltd, each of which is established in the EU and registered under the CRA Regulation.

The Issuer accepts responsibility for the information contained in this Base Prospectus and each Final Terms. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus does not omit anything likely to affect the import of such information.

Relevant third party information has been extracted from sources as specified in this Base Prospectus. 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 that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Instruments shall, in any circumstances, imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Instruments of any information coming to their attention.

References herein to the "**Programme Date**" are to the date specified on the cover of this Base Prospectus.

This Base Prospectus should be read and construed together 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).

The information on any websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the FCA.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this 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 make any representation or warranty, or accept 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 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 within the meaning of Regulation S under the *Securities Act* ("**U.S. person**"). 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.

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.

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.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Instruments in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of the Instruments may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which would permit a public offering of any Instruments or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Instruments may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Instruments may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Instruments. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Instruments in New Zealand, Australia, the United States, the EEA (including the United Kingdom, The Netherlands, the Republic of Ireland, Italy, Spain and France), Japan, Singapore, Switzerland, Taiwan and Hong Kong; see the "**Subscription and Sale**" section in this Base Prospectus.

This Base Prospectus has been prepared on the basis that any offer of Instruments in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Instruments. In particular, any offer of Instruments with a minimum denomination of less than €100,000 (or its equivalent in any other currency) will (i) only be admitted to trading on an EEA regulated market (as defined in MiFID II), or a specific segment of an EEA regulated market, to which only qualified investors (as defined in the Prospectus

Regulation) can have access (in which case they shall not be offered or sold to persons who are not qualified investors (as defined in the Prospectus Regulation)) or (ii) only be offered to the public in a Member State of the EEA pursuant to an exemption under Article 1(4) of the Prospectus Regulation. Accordingly, any person making or intending to make an offer in a Member State of Instruments which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those 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 Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do any of them authorise, the making of any offer of Instruments in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Instruments includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance/ target market – The Final Terms in respect of any Instruments may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Instruments and which channels for distribution of the Instruments are appropriate. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore – Unless otherwise stated in the Final Terms in respect of any Instrument, all Instruments issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Instruments is a manufacturer in respect of such Instruments, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Amounts payable on Floating Rate Instruments may be calculated by reference to one of the London Interbank Offered Rate (“**LIBOR**”), the Euro Interbank Offered Rate (“**EURIBOR**”), the Sterling Overnight Index Average (“**SONIA**”) or the Secured Overnight Financing Rate (“**SOFR**”) as specified

in the relevant Final Terms. As at the date of this Base Prospectus, the administrator of LIBOR (ICE Benchmark Administration Limited) and the administrator of EURIBOR (the European Money Markets Institute) are included in the register of administrators maintained by the European Securities and Markets Authority ("**ESMA**") under Article 36 of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016, as amended (the "**Benchmarks Regulation**"). As at the date of this Base Prospectus, the administrator of SONIA (the Bank of England) and the administrator of SOFR (the Federal Reserve Bank of New York) do not appear in ESMA's register of administrators under Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that, as at the date of this Base Prospectus, the administrator of SONIA and the administrator of SOFR are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

The Issuer shall be entitled to issue Instruments under the Programme through a branch. Investors should be aware that a branch of the Issuer is not a subsidiary of the Issuer and does not comprise a separate legal entity. The Issuer is the only legal entity that will issue Instruments pursuant to this Base Prospectus. The obligations under Instruments issued by the Issuer acting through a branch are obligations of the Issuer only, and claims in respect of such Instruments shall be made against the Issuer. The determination by the Issuer of the branch for an issuance of Instruments will be based on specific considerations, including, without limitation, market, regulatory and tax considerations.

All references in this Base Prospectus to a "**Member State**" are references to a Member State of the EEA, references to "**U.S.\$**", "**U.S. dollars**", "**USD**" or "**U.S. cents**" are to the lawful currency of the United States of America, all references to "**A\$**", "**AUD**", "**Australian Dollar**" and "**Australian cents**" are to the lawful currency of Australia, all references to "**NZ\$**", "**NZD**" and "**NZ cents**" are to the lawful currency of New Zealand, all references to "**£**", "**Sterling**" and "**GBP**" are to the lawful currency of the United Kingdom, all references to "**Renminbi**" and "**CNY**" are to the lawful currency of the People's Republic of China, all references to "**S\$**" are to the lawful currency of Singapore and all references to "**Yen**" or "**JPY**" are to the lawful currency of Japan. References to "**€**", "**Eur**", "**euro**" or, as the context may require, "**euro 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 EU which are participating in the European economic and monetary union (the "**Eurozone**"). 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)) 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, stabilisation may not necessarily occur. 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 cease 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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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.

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.

1. Risks relating to Westpac’s business

1.1 Legal and regulatory risk

Westpac’s businesses are highly regulated and Westpac has been and could be adversely affected by changes in laws, regulations or regulatory policy

Westpac is subject to detailed laws and regulations in each of the jurisdictions in which it operates or obtains funding, including Australia, New Zealand, the United Kingdom, the United States and various jurisdictions in Asia and the Pacific. Westpac is also supervised by a number of different regulatory and supervisory authorities which have broad administrative powers over its businesses. The Westpac Group’s business, prospects, reputation, financial performance and financial condition could be affected by changes to law and regulation, to regulatory policies and in the supervisory activities and expectations of Westpac’s regulators. The Westpac Group is currently operating in an environment where there is increased scrutiny of the financial services sector, including by regulators, and faces increasing supervision and regulation in the jurisdictions in which Westpac operates or obtains funding. This environment has increased the pace and scope of regulatory change.

Regulatory change could directly and adversely affect the Westpac Group’s financial condition and financial position. In recent years, new laws have required Westpac to maintain increased levels of liquidity and hold higher levels of, and better quality, capital and funding. Regulatory change may continue in this area. Regulation also affects the way Westpac operates its business. New regulation could require Westpac to change its existing business models (including by imposing restrictions on the types of businesses it can conduct) or amend its corporate structure.

The development and implementation of laws and regulations affect how Westpac provides products and services to its customers. New laws have been introduced that further regulate Westpac’s ability to provide products and services to certain customers and that require Westpac to alter its product and service offerings. Westpac’s ability to set prices for certain products and services may also be impacted by future regulation. The competitive landscape may also be altered by new laws affecting banks, financial service companies, or Westpac’s agents, authorised representatives and external service providers. The phasing in of open banking is one example of new laws that are likely to affect

competition amongst banks and other financial services providers in Australia (see '*Westpac Banking Corporation – Significant Developments – Open banking regime*'). Regulatory changes and revisions to existing regulatory policies, including those driven by international, governmental and/or regulatory bodies, or flowing from reviews and inquiries commissioned by governments or regulators, could adversely affect one or more of Westpac's businesses, restrict its flexibility, require Westpac to incur substantial costs, impact the profitability of one or more of its business lines, result in the Westpac Group being unable to increase or maintain market share, create pressure on Westpac's margins and fees, and/or lead to investigations, all of which could adversely affect Westpac's business, prospects, reputation, financial performance or financial condition.

Governments or regulators in jurisdictions in which Westpac operates or obtains funding might revise their application of existing regulatory policies that apply to, or impact, its business (including by instituting macro-prudential limits on lending). Regulators or governments may take this action for a variety of reasons, including for reasons relating to national interest and/or systemic stability.

Westpac manages its businesses in the context of regulatory uncertainty and complexity. The nature and impact of future changes are unpredictable and beyond Westpac's control. Regulatory compliance and the management of regulatory change are an important part of Westpac's planning processes. Westpac expects that it will continue to invest significantly in compliance and the management and implementation of regulatory change and, at the same time, significant management attention and resources will be required to update existing, or implement new, processes to comply with new regulations (such as obligations to provide certain data and information to regulators) or new interpretations of existing laws or regulations. Another consideration in managing regulatory change arises when regulation is introduced in one jurisdiction that conflicts with the way it is introduced in other jurisdictions in which Westpac operates. The failure of the Westpac Group to appropriately manage and implement regulatory change, including by failing to implement effective processes to comply with new regulations, has, in some instances resulted in, and could in the future result in, the Westpac Group failing to meet a compliance obligation.

Westpac's businesses are highly regulated and Westpac has been or could be adversely affected by failing to comply with laws, regulations or regulatory policy

Westpac is responsible for ensuring that it complies with all applicable legal and regulatory requirements and industry codes of practice, as well as meeting its ethical standards. The Westpac Group is subject to compliance risk, which is the risk of legal or regulatory sanction or financial or reputational loss, arising from Westpac's failure to abide by the compliance obligations required of Westpac. This risk is exacerbated by the increasing complexity and volume of regulation and can also arise where Westpac interprets its obligations and rights differently to its regulators or a court. Such risk is heightened in circumstances where regulation is untested and/or not accompanied by extensive regulatory guidance. The Westpac Group employs a compliance management system which is designed to identify, assess and manage compliance risk. However this system may not always be effective and system breakdowns may occur due to, for example, flaws in the design of controls or processes. This has resulted in, and may in the future result in, potential breaches of Westpac's compliance obligations, as well as poor customer outcomes.

The Westpac Group also depends on its employees, contractors, agents, authorised representatives and external service providers to 'do the right thing' for it to meet its compliance obligations. Any failure to act in an appropriate manner, such as neglecting to follow a policy or engaging in misconduct, could result in poor customer outcomes and a failure, or suspected failure, by the Westpac Group to comply with its compliance obligations, which in turn could lead to a regulator commencing surveillance or an investigation into the Westpac Group. Depending on the

circumstances, the regulator could take administrative or enforcement action against the Westpac Group and/or its representatives (including pursuing civil or criminal proceedings and seeking substantial fines, civil penalties or other enforcement outcomes). In addition, the failure or alleged failure of Westpac's competitors to comply with their compliance obligations could lead to increased regulatory scrutiny across the financial services sector.

In many cases, Westpac's regulators (including the Australian Prudential Regulation Authority ("**APRA**") and the Australian Securities and Investments Commission ("**ASIC**")) have broad powers and in the case of APRA, to direct Westpac to comply with prudential requirements, conduct an audit, remove a Director, executive officer or employee, take remedial action, not to undertake transactions, disqualify an 'Accountable Person' under the Banking and Executive Accountability Regime, or hold additional capital. Earlier this year, APRA exercised its broad powers, directing Westpac to hold additional capital by applying a A\$500 million overlay to Westpac's operational risk capital requirement following the completion of its self-assessment of its frameworks and practices in relation to governance, culture and accountability. If the Westpac Group incurs additional capital overlays in the future it may need to raise additional capital which could have an adverse impact on its business, prospects, financial performance and financial condition.

The current political and regulatory environment has seen (and may in the future see) Westpac's regulators receive new powers. Under ASIC's product intervention power, ASIC can make orders that prevent issuers of financial products from engaging in certain conduct. Legislation has been passed that strengthens the penalties that can be imposed for corporate and financial sector misconduct. ASIC can now commence civil penalty proceedings and seek significant civil penalties against an Australian Financial Services licensee (such as Westpac) for failing to do all things necessary to ensure that financial services provided under the licence are provided efficiently, honestly and fairly. The Westpac Group may also face significant penalties for failing to comply with other obligations, such as those provided for under the Consumer Data Right (as defined in the section titled '*Westpac Banking Corporation – Significant Developments – Open banking regime*'). This trend to more severe penalties for failing to meet compliance obligations could continue in the future and be expanded into other areas of regulation that the Westpac Group is subject to.

Changes may also occur in the oversight approach of regulators, which could result in a regulator preferring its enforcement powers over a more consultative approach, such as ASIC committing to accelerating enforcement activities, conducting more enforcement actions against large financial institutions and adopting a 'why not litigate?' stance. ASIC has continued to implement its 'Close and Continuous Monitoring' supervisory approach, which has seen ASIC staff embedded within the institutions they supervise, including Westpac. APRA has publicly committed to a revised approach to enforcement. APRA has indicated that it will use enforcement where appropriate to prevent and address serious prudential risks and hold entities and individuals to account. In recent years, there have been significant increases in the nature and scale of regulatory investigations, enforcement actions and the quantum of fines issued by global regulators. As well as conducting more civil penalty proceedings, Westpac's regulators may be more likely to bring criminal proceedings against institutions and/or their representatives in the future. Alternatively, regulators may elect to make criminal referrals to the Commonwealth Department of Public Prosecutions or other prosecutorial bodies.

The provision of new powers to regulators, coupled with the increasingly active supervisory and enforcement approaches adopted by them, increases the prospect of adverse regulatory action being brought against the Westpac Group. Further, the severity and consequences of that action are now greater, given the expansion of penalties for corporate and financial sector misconduct.

Regulatory action brought against the Westpac Group may expose it to an increased risk of litigation brought by third parties (including through class action proceedings) which may require the Westpac Group to pay compensation to third parties and/or undertake further remediation activities. Regulatory investigations, inquiries, litigation, fines, penalties, infringement notices, revocation, suspension or variation of conditions of relevant regulatory licences or other enforcement or administrative action or agreements (such as enforceable undertakings) could, either individually or in aggregate with other regulatory action, adversely affect Westpac's business, prospects, reputation, financial performance or financial condition.

The failure to comply with financial crime obligations could have an adverse effect on Westpac's business and reputation

The Westpac Group is subject to anti-money laundering and counter-terrorism financing ("**AML/CTF**") laws, anti-bribery and corruption laws, economic and trade sanctions laws and tax transparency laws in the jurisdictions in which it operates. These laws can be complex and, in some circumstances, impose a diverse range of obligations. For example, AML/CTF laws require Westpac and other regulated institutions to (amongst other things) undertake customer identification and verification, conduct ongoing due diligence on customers, maintain and comply with an AML/CTF programme and undertake ongoing risk assessments. AML/CTF laws also require Westpac to report certain matters and transactions to regulators (including in relation to International Funds Transfer Instructions, Threshold Transaction Reports and Suspicious Matter Reports) and ensure that certain information is not disclosed to third parties in a way that would contravene the 'tipping off' provisions in AML/CTF legislation.

In recent years there has been increased focus on compliance with financial crime obligations, with regulators around the globe commencing large-scale investigations and taking enforcement action where they have identified non-compliance (often seeking significant monetary penalties). Further, due to the large volume of transactions that the Westpac Group processes, the undetected failure or the ineffective implementation, monitoring or remediation of a system, policy, process or control (including in relation to a regulatory reporting obligation) has in some instances, and could in the future result in a significant number of breaches of AML/CTF obligations. This in turn could lead to significant monetary penalties.

While the Westpac Group has systems, policies, processes and controls in place that are designed to manage its financial crime obligations (including its reporting obligations), these have not always been, and may not in the future always be, effective. The Westpac Group is currently undertaking a multi-year programme designed to address areas of control weaknesses in its financial crime management framework and improve the management of this risk class.

If Westpac fails, or where Westpac has failed, to comply with these obligations, Westpac could face regulatory enforcement action such as litigation, significant fines, penalties and the revocation, suspension or variation of licence conditions. As reported in the Westpac Group's 2018 Annual Report, the Westpac Group self-reported to the Australian Transaction Reports and Analysis Centre ("**AUSTRAC**") a failure to report a large number of International Funds Transfer Instructions ("**IFTIs**") (as required under Australia's *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (Cth) ("**AML/CTF Act**"). AUSTRAC has issued a number of detailed statutory notices over the last year requiring information relating to the Westpac Group's processes, procedures and oversight. These notices relate to a range of matters including these IFTI reporting failures and associated potential failings related to record keeping and obligations to obtain and pass on certain data in funds transfer instructions, as well as correspondent banking due diligence, risk assessments and transaction monitoring. Non-compliance with financial crime obligations could also lead to litigation

commenced by third parties (including class action proceedings) and cause reputational damage. These actions could, either individually or in aggregate, adversely affect Westpac's business, prospects, reputation, financial performance or financial condition.

The Royal Commission has led to, and may continue to lead to, regulatory enforcement activity, litigation and changes in laws, regulations or regulatory policy, and has resulted in, and may continue to result in, ongoing reputational damage to the Westpac Group, all of which has and may continue to have an adverse effect on Westpac's business and prospects

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry investigated (amongst other things) whether any conduct, practices, behaviours or business activities engaged in by financial services entities amounted to potential misconduct, or fell below community standards and expectations.

These investigations (including the public hearings, submissions, evidence and findings of the Royal Commission) had, and may continue to have, an adverse impact on the Westpac Group's reputation and potentially the financial performance of the Westpac Group's businesses. In addition, the Royal Commission's findings have led to, and may continue to lead in the future to, regulators commencing investigations and/or enforcement action against financial institutions (including the Westpac Group). This environment has also resulted in an increase in class actions or other litigation being commenced by the Westpac Group's customers, including in relation to matters raised at the Royal Commission. For further information about this risk, refer to the section titled '*Westpac has and could suffer losses due to litigation (including class action proceedings)*' below.

In addition, the recommendations made in the Final Report of the Commission (which was publicly released on 4 February 2019) have resulted and will, depending on how its recommendations are implemented, result in further changes to legislation, and further influence the policies and practices of Westpac's regulators. In some instances, this has already had, and may continue to have in the future, an adverse effect on its business, prospects, financial performance or financial condition.

The Royal Commission has also led to increased political or regulatory scrutiny of the financial industry in New Zealand, and may continue to do so.

Westpac has and could suffer losses due to litigation (including class action proceedings)

The Westpac Group (and individual entities within the Westpac Group) may, from time to time, be involved in legal proceedings (including class actions), regulatory actions or arbitration arising from the conduct of their business and the performance of their legal and regulatory obligations.

Proceedings could be commenced against the Westpac Group by a range of potential plaintiffs, such as its customers, shareholders, suppliers and counterparties. These plaintiffs may commence proceedings individually or they may commence class action proceedings.

In recent years, there has been an increase in the number of class action proceedings brought against financial services companies (and other organisations more broadly), many of which have resulted in significant monetary settlements. The risk of class action proceedings being commenced is heightened by findings from regulatory investigations or inquiries (such as the Royal Commission into Misconduct in the Financial Services Industry), adverse media, an adverse judgment or the settlement of proceedings brought by a regulator. Furthermore, there is a risk that class action proceedings commenced against a competitor could lead to similar class action proceedings being commenced against the Westpac Group.

The growth in third party litigation funding in Australia has also contributed to a recent increase in the number of class actions being commenced in Australia. This trend may continue in light of recent court judgments which have clarified the courts' approach to liability and loss on certain types of class action claims. This clarification may encourage plaintiffs, law firms and funders to bring and maintain class action proceedings, as well as potentially improve the ability of plaintiffs to establish certain types of class action claims.

Litigation (including class action proceedings) may, either individually or in aggregate, adversely affect the Westpac Group's business, operations, prospects, reputation or financial condition. This risk is heightened by the recent increases in the severity of penalties for certain breaches of the law. Such matters are subject to many uncertainties (for example, the outcome may not be able to be predicted accurately). Furthermore, the Westpac Group's ability to respond to and defend litigation may be adversely affected by inadequate record keeping.

Depending on the outcome of any litigation, the Westpac Group may be required to comply with broad court orders, including compliance orders, enforcement orders or otherwise pay money such as damages, fines, penalties or legal costs.

There is a risk that these contingent liabilities may be larger than anticipated or that additional litigation or other contingent liabilities may arise, which could adversely affect Westpac's business, prospects, reputation, financial performance or financial condition.

1.2 Risks relating to the core operations supporting Westpac's activities

Reputational damage could harm Westpac's business and prospects

Westpac's ability to attract and retain customers and Westpac's prospects could be adversely affected if Westpac's reputation is damaged.

Reputation risk is the risk of loss of reputation, stakeholder confidence or public trust and standing. It arises where there are differences between stakeholders' current and emerging perceptions, beliefs and expectations and Westpac's past, current and planned activities, processes, performance and behaviours.

There are various potential sources of reputational damage. Westpac's reputation may be damaged where any of its policies, processes, practices or behaviours result in a negative outcome for a customer or a class of customers. Other potential sources of reputational damage include the failure to effectively manage risks in accordance with Westpac's risk management frameworks, failure to comply with legal and regulatory requirements, adverse findings from regulatory reviews (including Westpac-specific and industry-wide reviews), environmental, social and ethical issues, failure of information security systems, technology failures, security breaches and inadequate record keeping which may prevent Westpac from demonstrating that a past decision was appropriate at the time it was made.

Westpac may suffer reputational damage where its conduct, practices, behaviours or business activities do not align with the evolving standards and expectations of the community, Westpac's regulators and other stakeholders. As these expectations may exceed the standard required in order to comply with the law, Westpac may incur reputational damage even where it has met its legal obligations. Westpac's reputation could also be adversely affected by the actions of the financial services industry in general or from the actions of Westpac's competitors, customers, suppliers, joint-venture partners, strategic partners and other counterparties.

Furthermore, the risk of reputational damage may be heightened by factors such as the increasing use of social media or the increasing prevalence of groups which seek to publicly challenge the Westpac Group's strategy or approach to aspects of its business. Failure, or perceived failure, to appropriately address issues that could or do give rise to reputational risk could also impact the regulatory change agenda, give rise to additional legal risk, subject Westpac to regulatory investigations, regulatory enforcement actions, fines and penalties or litigation brought by third parties (including class actions), require Westpac to remediate and compensate customers and incur remediation costs or harm Westpac's reputation among customers, investors and the marketplace.

This could lead to loss of business which could adversely affect Westpac's business, prospects, financial performance or financial condition.

Westpac has and could in the future suffer information security risks, including cyberattacks

The proliferation of new technologies, the increasing use of the internet and telecommunications to conduct financial transactions and the growing sophistication and activities of attackers (including organised crime and state-sponsored actors) have resulted in increased information security risks for major financial institutions such as Westpac and its external service providers.

While Westpac has systems in place to protect against, detect and respond to cyberattacks, these systems have not always been, and may not in the future always be effective. There can be no assurance that Westpac will not suffer losses from cyberattacks or other information security breaches. The Westpac Group may not be able to anticipate and prevent a cyberattack, or it may not be able to implement effective measures to respond to a cyberattack in progress. Further, there is a risk that the Westpac Group will not be able to rectify or minimise the damage resulting from a cyberattack.

If the Westpac Group incurs a successful cyberattack, technology systems might fail to operate properly or become disabled and it could result in the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of the Westpac Group, its employees, customers or third parties or otherwise adversely impact network access, business operations or availability of services.

In addition, as cyber threats continue to evolve, Westpac may be required to expend significant additional resources to modify or enhance its systems or to investigate and remediate any vulnerabilities or incidents.

Westpac's operations rely on the secure processing, storage and transmission of information on its computer systems and networks, and the systems and networks of external suppliers. Although Westpac implements measures to protect the security, integrity and confidentiality of its information, there is a risk that the computer systems, software and networks on which Westpac relies may be subject to security breaches, unauthorised access, malicious software, external attacks or internal breaches that could have an adverse impact on Westpac's confidential information or that of Westpac's customers and counterparties.

Major banks in other jurisdictions have suffered security breaches from sophisticated cyberattacks. Westpac's external service providers, other parties that facilitate Westpac's business activities and financial platforms and infrastructure (such as clearing houses, payment systems and exchanges) are also subject to the risk of cyberattacks. Any such security breach could result in the loss of customers and business opportunities, significant disruption to Westpac's operations, misappropriation of Westpac's confidential information and/or that of its customers and damage to

Westpac's computers or systems and/or those of its customers. Such a security breach could also result in reputational damage, claims for compensation and regulatory investigations and penalties, which could adversely affect Westpac's business, prospects, financial performance or financial condition.

Westpac's risk and exposure to such threats remains heightened because of the evolving nature of technology, Westpac's prominence within the financial services industry, the prominence of Westpac's customers (including those in the government, mining and health sectors), increasing obligations to make data and information available to external third parties and Westpac's plans to continue to improve and expand its internet and mobile banking infrastructure.

Westpac could suffer losses due to technology failures or its inability to appropriately manage and upgrade its technology

The reliability, integrity and security of Westpac's information and technology is crucial in supporting Westpac's customers' banking requirements and meeting its compliance obligations and its regulators' expectations.

While the Westpac Group has a number of processes in place to provide for and monitor the availability and recovery of its systems, there is a risk that its information and technology systems might fail to operate properly or become disabled, including as a result of events that are wholly or partially beyond its control. If Westpac incurs a technology failure it may fail to meet a compliance obligation (such as the obligation to retain records and data for requisite periods of time), or Westpac's customers may be adversely affected. This could potentially result in reputational damage, remediation costs and a regulator commencing an investigation and/or taking administrative or enforcement action against Westpac. The overuse or overreliance on legacy or outdated systems may heighten the risk of a technology failure occurring.

Further, in order to continue to deliver new products and services to customers, comply with Westpac's regulatory obligations (such as obligations to report certain data and information to regulators) and meet the ongoing expectations of Westpac's regulators and customers, Westpac needs to regularly renew and enhance its technology. Westpac is constantly managing technology projects including projects to consolidate technology platforms, simplify and enhance its technology and operations environment, assist Westpac to comply with legal obligations, improve productivity and provide for a better customer experience. Failure to implement these projects or manage associated change effectively could result in cost overruns, unrealised productivity, operational instability, failure to meet compliance obligations, reputational damage and/or result in the loss of market share to competitors. In turn, this could place Westpac at a competitive disadvantage and adversely affect Westpac's financial performance.

The Westpac Group's failure to recruit and retain key executives, employees and Directors may have adverse effects on Westpac's business

Key executives, employees and Directors play an integral role in the operation of Westpac's business and its pursuit of its strategic objectives. The unexpected departure of an individual in a key role, or the Westpac Group's failure to recruit and retain appropriately skilled and qualified persons into these roles, could each have an adverse effect on Westpac's business, prospects, reputation, financial performance or financial condition.

1.3 Risks related to Westpac's financial situation

Adverse credit and capital market conditions or depositor preferences may significantly affect Westpac's ability to meet funding and liquidity needs and may increase Westpac's cost of funding

Westpac relies on deposits, and credit and capital markets, to fund its business and as a source of liquidity. Westpac's liquidity and costs of obtaining funding are related to credit and capital market conditions.

Global credit and capital markets can experience periods of extreme volatility, disruption and decreased liquidity as was demonstrated during the Global Financial Crisis. While there have now been extended periods of stability in these markets, the environment remains unpredictable. The main risks Westpac faces are damage to market confidence, changes to the access and cost of funding and a slowing in global activity or other impacts on entities with whom Westpac does business.

As of 30 September 2019, approximately 30 per cent. of Westpac's total funding originated from domestic and international wholesale markets. Of this, around 65 per cent. was sourced outside Australia and New Zealand. Customer deposits provide around 63 per cent. of total funding. Customer deposits held by Westpac are comprised of both term deposits which can be withdrawn after a certain period of time and at call deposits which can be withdrawn at any time.

A shift in investment preferences could result in deposit withdrawals by customers which could increase Westpac's need for funding from other, potentially less stable, or more expensive, forms of funding.

If market conditions deteriorate due to economic, financial, political or other reasons, there may also be a loss of confidence in bank deposits and Westpac could experience unexpected deposit withdrawals. In this situation Westpac's funding costs may be adversely affected and its liquidity and its funding and lending activities may be constrained.

If Westpac's current sources of funding prove to be insufficient, Westpac may be forced to seek alternative financing. The availability of such alternative financing, and the terms on which it may be available, will depend on a variety of factors, including prevailing market conditions, the availability of credit, Westpac's credit ratings and credit market capacity. Even if available, these alternatives may be more expensive or on unfavourable terms, which could adversely affect Westpac's financial performance, liquidity, capital resources or financial condition. There is no assurance that Westpac will be able to obtain adequate funding, do so at acceptable prices, or that Westpac will be able to recover any additional costs.

If Westpac is unable to source appropriate funding, it may also be forced to reduce its lending or begin selling liquid securities. Such actions may adversely impact Westpac's business, prospects, liquidity, capital resources, financial performance or financial condition. If Westpac is unable to source appropriate funding for an extended period, or if it can no longer sell liquid securities, there is a risk that Westpac will be unable to pay its debts as and when they become due and payable.

Westpac enters into collateralised derivative obligations, which may require Westpac to post additional collateral based on movements in market rates, which has the potential to adversely affect Westpac's liquidity or ability to use derivative obligations to hedge its interest rate, currency and other financial instrument risks.

Sovereign risk may destabilise financial markets adversely

Sovereign risk is the risk that governments will default on their debt obligations, will be unable to refinance their debts as they fall due or will nationalise parts of their economy including assets of financial institutions such as Westpac. Sovereign defaults could negatively impact the value of Westpac's holdings of high quality liquid assets. There may also be a cascading effect to other markets and countries, the consequences of which, while difficult to predict, may be similar to or worse than those experienced during the Global Financial Crisis. Such an event could destabilise global financial markets, adversely affecting Westpac's liquidity, financial performance or financial condition. Failure to maintain credit ratings could adversely affect Westpac's cost of funds, liquidity, competitive position and access to capital markets.

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

Credit ratings are independent opinions on Westpac's creditworthiness. Westpac's credit ratings can affect the cost and availability of its funding from capital markets and other funding sources and they may be important to customers or counterparties when evaluating Westpac's products and services. Therefore, maintaining high credit ratings is important.

The credit ratings assigned to Westpac by rating agencies are based on an evaluation of a number of factors, including Westpac's financial strength, the quality of its governance, structural considerations regarding the Australian financial system and the credit rating of the Australian Government. A credit rating downgrade could be driven by a downgrade of the Australian Government, the occurrence of one or more of the other risks identified in this section or by other events including changes to the methodologies used by the rating agencies to determine ratings.

A downgrade or series of downgrades to Westpac's credit ratings could have an adverse effect on its cost of funds and related margins, collateral requirements, liquidity, competitive position and Westpac's access to capital markets. The extent and nature of these impacts would depend on various factors, including the extent of any ratings change, whether Westpac's ratings differ among agencies (split ratings) and whether any ratings changes also impact Westpac's competitors or the sector.

A systemic shock in relation to the Australian, New Zealand or other financial systems could have adverse consequences for Westpac or its customers or counterparties that would be difficult to predict and respond to

There is a risk that a major systemic shock could occur that causes an adverse impact on the Australian, New Zealand or other financial systems.

As outlined above, during the past decade the financial services industry and capital markets have been, and may continue to be, adversely affected by market volatility, global economic conditions, geopolitical instability (such as threats of or actual conflict occurring around the world) and political developments. In particular, there are significant and ongoing global political developments that have the potential to impact major global economies, including Brexit and the introduction of tariffs and other protectionist measures by various countries, such as the US and China. A shock to one of the major global economies could again result in currency and interest rate fluctuations and operational disruptions that negatively impact the Westpac Group.

Any such market and economic disruptions could adversely affect financial institutions such as Westpac because consumer and business spending may decrease, unemployment may rise and demand for the products and services Westpac provides may decline, thereby reducing Westpac's earnings. These conditions may also affect the ability of Westpac's borrowers to repay their loans or its counterparties to meet their obligations, causing Westpac to incur higher credit losses and affect investors' willingness to invest in the Westpac Group. These events could also result in the undermining of confidence in the financial system, reducing liquidity, impairing Westpac's access to funding and impairing Westpac's customers and counterparties and their businesses. If this were to occur, Westpac's business, prospects, financial performance or financial condition could be adversely affected.

The nature and consequences of any such event are difficult to predict and there can be no certainty that Westpac could respond effectively to any such event.

Declines in asset markets could adversely affect Westpac's operations or profitability

Declines in Australian, New Zealand or other asset markets, including equity, residential and commercial property and other asset markets, could adversely affect Westpac's operations and profitability.

Declining asset prices also impact Westpac's wealth management business. Earnings in Westpac's wealth management business are, in part, dependent on asset values because Westpac typically receives fees based on the value of securities and/or assets held or managed. A decline in asset prices could negatively impact the earnings of this business.

Declining asset prices could also impact customers and counterparties and the value of security (including residential and commercial property) Westpac holds against loans and derivatives. This may impact Westpac's ability to recover amounts owing to it if customers or counterparties were to default. It may also affect Westpac's level of provisioning which in turn impacts its profitability and financial condition.

Westpac's business is substantially dependent on the Australian and New Zealand 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 various factors including economic growth, business investment, business and consumer sentiment, levels of employment, interest rates, asset prices and trade flows in the countries in which Westpac operates.

Westpac conducts the majority of its business in Australia and New Zealand and, consequently, Westpac's performance is influenced by the level and cyclical nature of lending in these countries. These factors are in turn impacted by both domestic and international economic conditions, natural disasters and political events. A significant decrease in Australian and New Zealand housing valuations could adversely impact Westpac's home lending activities because borrowers with loans in excess of their property value show a higher propensity to default. In the event of defaults Westpac's security may be eroded, causing it to incur higher credit losses. The demand for Westpac's home lending products may also decline due to adverse changes in tax legislation (such as changes to tax rates, concessions or deductions), regulatory requirements or other buyer concerns about decreases in values.

Adverse changes to economic and business conditions in Australia and New Zealand and other countries such as China, India, Japan and the United States could also adversely affect the

Australian economy and Westpac's customers. In particular, due to the current economic relationship between Australia and China, particularly in the mining and resources sectors, a slowdown in China's economic growth, including as the result of the implementation of tariffs or other protectionist trade measures, could negatively impact the Australian economy. Changes in commodity prices, Chinese government policies and broader economic conditions could, in turn, result in reduced demand for Westpac's products and services and affect the ability of Westpac's borrowers to repay their loans. If this were to occur, it could negatively impact Westpac's business, prospects, financial performance or financial condition.

Monetary policy can also significantly affect the Westpac Group. Interest rate settings (including low or negative rates), as well as other actions taken by central banks (such as quantitative easing), may adversely affect Westpac's cost of funds and the values of Westpac's lending and investments and margins. Monetary policies also impact the broader economic conditions of the various jurisdictions that the Westpac Group operates or obtains funding in. These policies could affect demand for Westpac's products and services and/or have a negative impact on the Westpac Group's customers and counterparties, potentially increasing the risk that they will default on their obligations to the Westpac Group. All of these factors could adversely affect Westpac's business, prospects, financial performance or financial condition.

Risks related to Westpac's business activities and industry

An increase in defaults in credit exposures could adversely affect Westpac's liquidity, capital resources, financial performance or financial condition

Credit risk is the risk of financial loss where a customer or counterparty fails to meet their financial obligations to Westpac. It is a significant risk and arises primarily from Westpac's lending activities.

Westpac establishes provisions for credit impairment based on current information and Westpac's expectations. If economic conditions deteriorate outside of Westpac's expectations, some customers and/or counterparties could experience higher levels of financial stress and Westpac may experience a significant increase in defaults and write-offs, and be required to increase its provisioning. Such events would diminish available capital and could adversely affect Westpac's liquidity, capital resources, financial performance or financial condition.

Credit risk also arises from certain derivative, clearing and settlement contracts Westpac enters into, and from its dealings with, and holdings of, debt securities issued by other banks, financial institutions, companies, clearing houses, governments and government bodies, the financial conditions of which may be affected to varying degrees by economic conditions in global financial markets.

Westpac faces intense competition in all aspects of its business

The financial services industry is highly competitive. Westpac competes, both domestically and internationally, with a range of firms, including retail and commercial banks, asset managers, investment banking firms, brokerage firms, other financial service firms and businesses in other industries with emerging financial services aspirations. This includes specialist competitors that may not be subject to the same capital and regulatory requirements and therefore may be able to operate more efficiently. Digital technologies are changing consumer behaviour and the competitive environment. The use of digital channels by customers to conduct their banking continues to rise and emerging competitors are increasingly utilising new technologies and seeking to disrupt existing business models, including in relation to digital payment services. The Westpac Group faces

competition from established providers of financial services as well as from banking businesses developed by non-financial services companies.

The competitive environment may also change as a result of legislative reforms. If Westpac is unable to compete effectively in the increasingly competitive environment in which its various businesses operate, Westpac's market share may decline. This may adversely affect Westpac by diverting business to its competitors or creating pressure to lower margins and fees.

Increased competition for deposits could also increase Westpac's cost of funding and lead Westpac to seek access to other types of funding or reduce lending. Westpac relies on bank deposits to fund a significant portion of its balance sheet and deposits have been a relatively stable source of funding. Westpac competes with banks and other financial services firms for such deposits. To the extent that Westpac is not able to successfully compete for deposits, Westpac would be forced to rely more heavily on other, potentially less stable or more expensive forms of funding, or reduce lending.

Westpac is also dependent on its ability to offer products and services that match evolving customer preferences. If Westpac is not successful in developing or introducing new products and services or responding or adapting to changes in customer preferences and habits, it may lose customers to Westpac's competitors. This could adversely affect Westpac's business, prospects, financial performance or financial condition.

Westpac could suffer losses due to market volatility

Westpac is exposed to market risk as a consequence of its trading activities in financial markets, its defined benefit plan and through the asset and liability management of its financial position. This is the risk of an adverse impact on earnings resulting from changes in market factors, such as foreign exchange rates, commodity prices, equity prices, and interest rates including the potential for low or negative interest rates. This includes interest rate risk in the banking book, such as the risk to interest income from a mismatch between the duration of assets and liabilities that arises in the normal course of business activities.

Changes in market factors could be driven by a number of developments. As an example, in July 2017, the FCA, which regulates LIBOR, announced that it would not require panel banks to continue to submit rates for the calculation of the LIBOR benchmark after 2021. Accordingly, the continuation of LIBOR in its current form will not be guaranteed after 2021, and it appears likely that LIBOR will be discontinued or modified by 2021. Any such developments or future changes in the administration of LIBOR or any other benchmarks could result in adverse consequences to the return on, value of and market for securities and other instruments whose returns are linked to any such benchmark, including those securities or other instruments issued by the Westpac Group.

If Westpac were to suffer substantial losses due to any market volatility (including changes in the return on, value of or market for, securities or other instruments) it may adversely affect Westpac's business, prospects, liquidity, capital resources, financial performance or financial condition.

Westpac has and could suffer losses due to operational risks

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It also includes, among other things, reputational risk, technology risk, model risk and outsourcing risk, as well as the risk of business disruption due to external events such as natural disasters, environmental hazard, damage to critical utilities, and targeted activism

and protest activity. These events can potentially result in financial losses or other damages to Westpac, including damage to reputation.

While Westpac has policies, processes and controls in place to manage these risks, these may not always have been, or continue to be, effective. Ineffective processes and controls have resulted in, and could in the future result in, an adverse outcome for Westpac's customers. A process breakdown could result in a customer not receiving a product on the terms and conditions, or at the pricing, they agreed to. Inadequate record keeping may prevent Westpac from demonstrating that a past decision was appropriate at the time it was made or that a particular action or activity was undertaken. If this was to occur, Westpac may incur significant costs in paying refunds and compensation to customers, as well as remediating any underlying process breakdown. Failed processes could result in Westpac incurring losses because it is not able to enforce its contractual rights. This could arise in circumstances where Westpac did not correctly document their rights or failed to perfect a security interest. These types of operational failures, may also result in increased regulatory scrutiny and depending on the nature of the failure and its impact, result in a regulator potentially commencing an investigation and/or taking other enforcement, administrative or supervisory action. Westpac could incur losses from fraudulent applications for loans or from incorrect or fraudulent payments and settlements, particularly real-time payments. Fraudulent conduct can also emerge from external parties seeking to access the bank's systems and customers' accounts. If systems, procedures and protocols for managing fraud fail, or are ineffective, they could lead to losses which could adversely affect Westpac's customers, as well as its business, prospects, reputation, financial performance or financial condition.

Westpac also relies on a number of suppliers, both in Australia and overseas, to provide services to it and its customers. Failure by these suppliers to deliver services as required could disrupt services and adversely impact Westpac's operations, profitability or reputation. The Westpac Group could also be adversely affected by events that cause disruption within the banking and financial services industry. For example, there is a risk that if central banks adopt negative interest rates in the future, the technology systems used by the Westpac Group, its counterparties and/or financial infrastructure providers may fail to operate correctly and this may cause loss or damage to the Westpac Group and/or its counterparties. Operational risks can impact Westpac's reputation and result in financial losses (including through decreased demand for Westpac's products and services) which would adversely affect Westpac's financial performance or financial condition.

Operational risk, technology risk, conduct risk or compliance risk events have required, and could in the future require, Westpac to undertake customer remediation activity

Westpac relies on a large number of policies, processes, procedures, systems and people to conduct its business. Breakdowns or deficiencies in one of these areas (arising from one or more operational risk, technology risk, conduct risk or compliance risk events) have resulted, and could in the future result in, adverse outcomes for customers which Westpac is required to remediate. These events could require the Westpac Group to incur significant remediation costs (which may include compensation payments to customers and costs associated with correcting the underlying issue) and result in reputational damage.

There are significant challenges and risks involved in customer remediation activities. Westpac's ability to investigate an adverse customer outcome that may require remediation could be impeded if the issue is a legacy matter spanning beyond Westpac's record retention period, or if Westpac's record keeping is otherwise inadequate. Depending on the nature of the issue, it may be difficult to quantify and scope the remediation activity.

Determining how to properly and fairly compensate customers can also be a complicated exercise involving numerous stakeholders, such as the affected customers, regulators and industry bodies. The Westpac Group's proposed approach to a remediation may be affected by a number of events, such as a group of affected customers commencing class action proceedings on behalf of the broader population of affected customers, or a regulator exercising their powers to require that a particular approach to remediation be taken. These factors could impact the timeframe for completing the remediation activity, potentially resulting in Westpac failing to execute the remediation in a timely manner. A failure of this type could lead to a regulator commencing enforcement action against the Westpac Group. The ineffective or slow completion of a remediation also exposes the Westpac Group to reputational damage, with the Westpac Group potentially being criticised by regulators, affected customers, the media and other stakeholders, resulting in reputational damage.

The significant challenges and risks involved in scoping and executing remediations in a timely way also create the potential for remediation costs actually incurred to be higher than those initially estimated by the Westpac Group.

If the Westpac Group cannot effectively scope, quantify or implement a remediation activity in a timely way, there could be a negative impact on Westpac's business, prospects, reputation, financial performance or financial condition.

A failure or interruption of Westpac's data practices could adversely affect its business, results of operations and financial condition

Accurate and complete data is critical to ensure that Westpac's systems (both customer facing and back-office), and financial reporting processes operate effectively. In some areas of its business and operations, Westpac is affected by poor data quality. This has arisen, and could in the future arise, in a number of ways, including through inadequacies in systems, processes and policies. This could lead to deficiencies or failings in customer service, risk management, financial reporting (including in the calculation of risk weighted assets), credit systems and processes, compliance with legal obligations (including obligations to provide data to regulators) and also result in poor decision making, including in relation to the provision of credit and the terms on which it is provided. Poor data quality could affect the ability of Westpac to improve systems and processes. Westpac is also exposed to model risk, being the risk of loss arising from errors or inadequacies in data or a model, or in the control and use of a model.

Westpac is required to retain and access data and documentation for specific retention periods in order to satisfy its compliance obligations. In some cases, Westpac also retains data to enable it to demonstrate that a past decision was appropriate at the time it was made. Failings in systems, processes and policies could all adversely affect Westpac's ability to retain and access data.

In recent times, financial services entities have been increasingly sharing data with third parties, such as suppliers and regulators (both domestic and offshore), in order to conduct their business activities and meet regulatory obligations. A breakdown in a process or control related to the transfer, storage or protection of data transferred to a third party, or the failure of a third party to use and handle this data correctly, could result in the Westpac Group failing to meet a compliance obligation (including any relevant privacy obligations) and/or have an adverse impact on Westpac's customers and the Westpac Group.

Westpac has and could suffer losses due to conduct risk

Conduct risk is the risk that Westpac's provision of services and products results in unsuitable or unfair outcomes for its stakeholders or undermines market integrity. Conduct risk could occur through the provision of products and services to Westpac's customers that do not meet their needs or do not support market integrity, as well as the poor conduct of Westpac's employees, contractors, agents, authorised representatives and external service providers, which could include deliberate attempts by such individuals to circumvent Westpac's controls, processes and procedures. This could occur through a failure to meet professional obligations to specific clients (including fiduciary and suitability requirements), poor product design and implementation, failure to adequately consider customer needs or selling products and services outside of customer target markets. Conduct risk may also arise where there has been a failure to adequately provide a product or service that Westpac had agreed to provide a customer.

While Westpac has frameworks, policies, processes and controls that are designed to manage poor conduct outcomes, these policies and processes may not always have been or continue to be effective. The failure of these policies and processes could result in financial losses and reputational damage and this could adversely affect Westpac's business, prospects, financial performance or financial condition.

Westpac could suffer losses and its business has been and could be adversely affected by the failure to adopt and implement effective risk management

Westpac has implemented risk management strategies, policies and internal controls involving processes and procedures intended to identify, monitor and manage risks facing the Westpac Group. However, Westpac's risk management framework has not always been, or may not in the future prove to be, effective. This could be because the design of the framework may be inadequate which could result in key information not being provided to decision-makers in the right form and in a timely manner, or because of weaknesses in underlying data. There is also the possibility that key risk management policies, controls and processes may be ineffective, either due to inadequacies in their design, or because of the poor implementation of these policies, controls and processes. There are also inherent limitations with any risk management framework as there may exist, or emerge in the future, risks that Westpac has not anticipated or identified and Westpac's controls may not be effective.

Risk management frameworks may also prove ineffective because of weaknesses in risk culture, which may result in risks and control weaknesses not being identified, escalated and acted upon. Further, while the development of appropriate remuneration structures can play an important role in supporting a sound risk culture, a deficiency in the design or operation of Westpac's remuneration structures could have a negative effect, potentially resulting in staff engaging in excessive risk taking behaviours.

Risk management failings of the type outlined above could adversely impact the Westpac Group in numerous ways, with the Westpac Group potentially being exposed to higher levels of risk than expected, which may result in the Westpac Group incurring unexpected losses, breaches of compliance obligations and reputational damage.

As part of the Westpac Group's risk management framework, the Westpac Group measures and monitors risks against its risk appetite. Where the Westpac Group identifies a risk as being out-of-appetite, the Westpac Group needs to take steps to bring this risk back into appetite in a timely way. However, the Westpac Group may not always be able to achieve this within the proposed

timeframes, such as where the Westpac Group experiences delays in enhancing its information technology systems to better manage the out-of-appetite risk, or in recruiting sufficient numbers of appropriately trained risk management staff or to undertake required activities. It is also possible that because of external factors beyond the Westpac Group's control, certain risks may be inherently outside of appetite for periods of time. In addition, the Westpac Group is required to periodically review its risk management framework to determine whether it remains appropriate.

If the Westpac Group is unable to bring risks back into appetite, or if it is determined that the Westpac Group's risk management framework is no longer appropriate, the Westpac Group may incur unexpected losses and be required to undertake considerable remedial work. The failure to remedy this situation could result in increased scrutiny from regulators, who could take supervisory action such as requiring the Westpac Group to hold additional capital or directing the Westpac Group to spend money to enhance its risk management systems and controls. The Westpac Group has been adversely affected by weaknesses in risk management systems and controls in the recent past, with APRA requiring Westpac to hold additional capital following the completion of its Compliance, Governance and Accountability self-assessment. Inadequacies in addressing risks or in the Westpac Group's risk management framework could also result in the Westpac Group failing to meet a compliance obligation and/or financial losses.

If any of Westpac's governance or risk management processes and procedures prove ineffective or inadequate or are otherwise not appropriately implemented, Westpac could suffer unexpected losses and reputational damage which could adversely affect its business, prospects, financial performance or financial condition.

Climate change may have adverse effects on Westpac's business

Westpac, its customers and external suppliers may be adversely affected by the physical risks of climate change, including increases in temperatures, sea levels, and the frequency and severity of adverse climatic events including fires, storms, floods and droughts. These effects, whether acute or chronic in nature, may directly impact Westpac and its customers through reputational damage, environmental factors, insurance risk and business disruption and may have an adverse impact on financial performance (including through an increase in defaults in credit exposures).

Initiatives to mitigate or respond to adverse impacts of climate change may impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect Westpac's business, prospects, reputation, financial performance or financial condition.

Westpac could suffer losses due to environmental factors

Westpac and its customers operate businesses and hold assets in a diverse range of geographic locations. Any significant environmental change or external event (including fire, storm, flood, earthquake, pandemic, civil unrest or terrorism) in any of these locations has the potential to disrupt business activities, impact on Westpac's operations, damage property and otherwise affect the value of assets held in the affected locations and Westpac's ability to recover amounts owing to it. In addition, such an event could have an adverse impact on economic activity, consumer and investor confidence, or the levels of volatility in financial markets, all of which could adversely affect Westpac's business, prospects, financial performance or financial condition.

Westpac could suffer losses due to insurance risk

Westpac has exposure to insurance risk in its life insurance, general insurance and lenders mortgage insurance businesses, which may adversely affect Westpac's business, operations or financial condition.

Insurance risk is the risk in Westpac's licensed regulated insurance entities of lapses being greater than expected, or the costs of claims being greater than expected due to a failure in product design, underwriting, reinsurance arrangements or an increase in the severity and/or frequency of insured events.

In the life insurance business, risk arises primarily through mortality (death) and morbidity (illness and injury) risks, the costs of claims relating to those risks being greater than was anticipated when pricing those risks and policy lapses (including through an unexpected or sustained increase in the rate of policy lapses).

In the general insurance business, insurance risk arises mainly through environmental factors (including storms, floods and bushfires) and other calamities, such as earthquakes, tsunamis and volcanic activity, as well as general variability in home and contents insurance claim amounts. The frequency and severity of external events such as natural disasters is difficult to predict and it is possible that the amounts Westpac reserves for potential losses from existing events, such as those arising from natural disaster events, may not be adequate to cover actual claims that may arise.

In the lenders mortgage insurance business, insurance risk arises primarily from unexpected downturns in economic conditions leading to higher levels of mortgage defaults from unemployment or other economic factors.

If Westpac's reinsurance arrangements are ineffective, this could lead to greater risk, and more losses than anticipated. There is also a risk that Westpac will not be able to renew an expiring reinsurance arrangement on similar terms, including in relation to the cost, duration and amount of reinsurance cover provided under that arrangement.

Changes in critical accounting estimates and judgements could expose the Westpac Group to losses

The Westpac Group is required to make estimates, assumptions and judgements when applying accounting policies and preparing its financial statements, particularly in connection with the calculation of provisions (including those related to remediations or credit losses) and the determination of the fair value of financial instruments. A change in a critical accounting estimate, assumption and/or judgement resulting from new information or from changes in circumstances or experience could result in the Westpac Group incurring losses greater than those anticipated or provided for. This may have an adverse effect on the Westpac Group's financial performance, financial condition and reputation. The Westpac Group's financial performance and financial condition may also be impacted by changes to accounting standards or to generally accepted accounting principles.

Westpac could suffer losses due to impairment of capitalised software, goodwill and other intangible assets that may adversely affect Westpac's business, operations or financial condition

In certain circumstances Westpac may be exposed to a reduction in the value of intangible assets. As at 30 September 2019, Westpac carried goodwill principally related to its investments in Australia, other intangible assets principally relating to assets recognised on acquisition of subsidiaries and capitalised software balances.

Westpac is required to assess the recoverability of the goodwill and other intangible asset balances on at least an annual basis or wherever an indicator of impairment exists. For this purpose, Westpac uses a discounted cash flow calculation. Changes in the methodology or assumptions upon which the calculation is based, together with changes expected in future cash flows, could materially impact this assessment, resulting in the potential write-off of part or all of the intangible assets.

In the event that an asset is no longer in use, or its value has been reduced or that its estimated useful life has declined, an impairment will be recorded, adversely impacting the Westpac Group's financial condition. The estimates and assumptions used in assessing the useful life of an asset can be affected by a range of factors including changes in strategy and the rate of external changes in technology and regulatory requirements.

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

As a financial intermediary, Westpac underwrites listed and unlisted debt and equity securities. Underwriting activities include the development of solutions for corporate and institutional customers who need capital and investor customers who have an appetite for certain investment products. Westpac may guarantee the pricing and placement of these facilities. Westpac could suffer losses if it fails to syndicate or sell down its risk to other market participants. This risk is more pronounced in times of heightened market volatility.

Certain strategic decisions may have adverse effects on Westpac's business

Westpac, at times, evaluates and may implement strategic decisions and objectives including diversification, innovation, divestment or business expansion initiatives.

The expansion or integration of a new business, or entry into a new business, can be complex and costly and may require Westpac to comply with additional local or foreign regulatory requirements which may carry additional risks.

Westpac also acquires and invests in businesses owned and operated by external parties. These transactions involve a number of risks for the Westpac Group. For example, Westpac may incur financial losses if a business it invests in does not perform as anticipated or subsequently proves to be overvalued at the time that the transaction was entered into.

In addition, Westpac may be unable to successfully divest businesses or assets. These activities may, for a variety of reasons, not deliver the anticipated positive business results and could have a negative impact on Westpac's business, prospects, reputation, engagement with regulators, financial performance or financial condition.

Electing not to pursue a course of action could have an adverse effect on the Westpac Group. If Westpac fails to appropriately respond to changes in the business environment it operates in

(including changes related to economic, geopolitical, regulatory, technological, social and competitive factors) this could have a range of adverse effects on the Westpac Group's business, such as being unable to increase or maintain market share as well as creating pressure on margins and fees, any of which could have a negative impact on the Westpac Group's business, prospects, financial performance or financial condition.

Limitation on Independent Registered Public Accounting Firm's Liability

The liability of PricewaterhouseCoopers Australia (an Australian partnership which Westpac refers to as "**PwC Australia**"), with respect to claims arising out of its audit report in Westpac's 2019 Annual Report, is subject to the limitations set forth in the *Professional Standards Act 1994* of New South Wales, Australia, as amended (the "**Professional Standards Act**") and Chartered Accountants Australia and New Zealand (NSW) scheme adopted by Chartered Accountants Australia and New Zealand and approved by the New South Wales Professional Standards Council pursuant to the *Professional Standards Act* (the "**NSW Accountants Scheme**"). For matters occurring on or prior to 8 October 2019, the liability of PwC Australia may be subject to the limitations set forth in predecessor schemes. The current NSW Accountants Scheme expires on 7 October 2024 unless further extended or replaced.

The *Professional Standards Act* and the NSW Accountants Scheme may 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 to be done in the performance of its professional services for Westpac, including, without limitation, its audits of Westpac's financial statements. The extent of the limitation depends on the timing of the relevant matter and is:

- in relation to matters occurring on or after 8 October 2013, a maximum liability for audit work of A\$75 million; or
- in relation to matters occurring on or prior to 7 October 2013, 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 limitations do not apply to claims for breach of trust, fraud or dishonesty.

In addition, there is equivalent professional standards legislation in place in other states and territories 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. Accordingly, liability for acts or omissions by PwC Australia in Australian states or territories other than New South Wales may be limited in a manner similar to that in New South Wales. These limitations of liability may limit recovery upon the enforcement in Australian courts of any judgement under English or other foreign laws rendered against PwC Australia based on or related to its audit report on Westpac'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 extensive judicial consideration and therefore how the limitation might be applied by the courts and the effect of the limitation remain untested in a number of respects, including its effect in respect of the enforcement of foreign judgements.

2. 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.

3. Risks related to Instruments generally

Instruments subject to redemption for tax reasons

The Issuer may, subject to certain conditions and in accordance with the Terms and Conditions of the Instruments, redeem outstanding affected Instruments prior to their Maturity Date (as defined in the Terms and Conditions of the Instruments) at the Early Redemption Amount (Tax) (as defined in the Terms and Conditions of the Instruments), together with interest accrued (if any), if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) (see Condition 6.2 (*Redemption for tax reasons*)).

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. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or administrative practice after the date of this Base Prospectus.

LIBOR-linked instruments

In a speech on 27 July 2017, Andrew Bailey, the Chief Executive of the FCA, announced the FCA's intention to cease using its influence to persuade, or its legal powers to compel, panel banks to contribute to LIBOR from the end of 2021. It is possible that the LIBOR administrator, ICE Benchmark Administration, and the panel banks could continue to produce LIBOR on the current basis after 2021. However, the survival of LIBOR in its current form, or at all, is not guaranteed after 2021. The potential elimination of LIBOR or changes to the manner in which LIBOR is administered could lead to unanticipated consequences in respect of any Floating Rate Instruments that are linked to LIBOR. Any such events could adversely affect the value of or return on such Floating Rate Instruments.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of interest rates and indices which are deemed to be "benchmarks" (including the application of Regulation (EU) 2016/1011, which has applied from 1 January 2018), could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations. This may have the effect of discouraging market participants from continuing to administer or contribute to the benchmark, trigger changes in the rules or methodologies used to calculate or determine the benchmark, or lead to the disappearance of the benchmark. Any such events could adversely affect the value of or return on such Instruments.

In particular, investors should be aware that if LIBOR, or any other benchmark, were discontinued or otherwise unavailable, the rate of interest on Floating Rate Instruments which are linked to such benchmarks or the interest rate on Fixed Rate Notes which are reset by reference to a mid-swap rate linked to such benchmarks will be determined for the relevant period by the fallback provisions under Condition 5 (*Interest*) of the Terms and Conditions of the Instruments. These fallback arrangements may require or result in adjustments to the interest calculation provisions of the Terms and Conditions of the Instruments.

Where Screen Rate Determination is specified in the applicable Final Terms, the fallback arrangements will include the possibility that:

- (A) the relevant interest rate (or, as applicable, component thereof) could be set or, as the case may be, determined by reference to a successor rate or an alternative rate (as applicable); and

- (B) such successor rate or alternative rate (as applicable) may be adjusted (if required) by the relevant Independent Adviser or the Issuer (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors as a result of the replacement of the relevant benchmark.

No consent of the Holders shall be required in connection with effecting any successor rate or alternative rate (as applicable). In addition, no consent of the Holders shall be required in connection with any other related adjustments and/or amendments to the Terms and Conditions of the Instruments (or any other document) which are made in order to effect any successor rate or alternative rate (as applicable). Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Holder, any such adjustment will be favourable to each Holder.

In certain circumstances, the ultimate fallback for a particular Interest Accrual Period (as defined in the Terms and Conditions of the Instruments), including where no successor rate or alternative rate (as applicable) is determined, may be that the interest rate for the last preceding Interest Accrual Period is used for the following Interest Accrual Period. This may result in the effective application of a fixed rate for any Floating Rate Instruments, and any Fixed Rate Instruments for which the interest rate was due to be reset, being the Interest Rate which was applicable as at the last preceding Interest Determination Date or as at the last preceding reset date (as applicable), or, if none, at the Interest Commencement Date. In addition, due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any affected Instruments and could affect the ability of the Issuer to meet its obligations under the relevant Instruments or could have a material adverse effect on the value or liquidity of, and the amount payable under, such Instruments.

Prospective investors should note that, in the case of affected Instruments, the relevant Independent Adviser or the Issuer (as applicable) will have discretion to adjust the relevant successor rate or alternative rate (as applicable) in the circumstances described above.

The market continues to develop in relation to SONIA and SOFR as a reference rate for Floating Rate Instruments

Investors should be aware that the market continues to develop in relation to SONIA and SOFR as reference rates in the capital markets and their adoption as an alternative to LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA and SOFR, including term reference rates (which seek to measure the market's forward expectation of an average rate over a designated term).

SOFR is published by the Federal Reserve Bank of New York (the "**Federal Reserve**") and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities and a current preferred replacement rate to USD LIBOR. Publication of SOFR began on 3 April 2018 and it therefore has a very limited history. In addition, the future performance of SOFR cannot be predicted based on its historical performance. The level of SOFR over the term of Floating Rate Instruments may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behaviour of market variables, such as correlations, may change in the future. While some pre-publication hypothetical performance data has been published by the Federal Reserve, such data inherently involves assumptions, estimates and approximations. Since the initial

publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in other benchmark or market rates, such as LIBOR, during corresponding periods. In addition, although changes in compounded SOFR generally are not expected to be as volatile as changes in daily levels of SOFR, the return on and value of Floating Rate Instruments linked to or which reference a SOFR rate may fluctuate more than floating rate debt securities that are linked to less volatile rates.

The market or a significant part thereof may adopt an application of SONIA and/or SOFR that differs significantly from that set out in the terms and conditions of the Instruments and used in relation to Floating Rate Instruments that reference a SONIA or SOFR rate issued under this Offering Memorandum. The Issuer may in the future also issue Floating Rate Instruments referencing SONIA or SOFR that differ materially in terms of interest determination when compared with any previous Floating Rate Instruments referencing SONIA or SOFR under this Programme.

As each of SONIA and SOFR is published and calculated by third parties based on data received from other sources, the Issuer has no control over their respective determinations, calculations or publications. There can be no guarantee that SONIA and/or SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Instruments linked to or which reference a SONIA rate or a SOFR rate (or that any applicable benchmark fallback provisions provided for in the Terms and Conditions will provide a rate which is economically equivalent for Holders). Neither the Bank of England nor the Federal Reserve has an obligation to consider the interests of Holders in calculating, adjusting, converting, revising or discontinuing SONIA or SOFR, respectively. If the manner in which SONIA and/or SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on such Floating Rate Instruments and the trading prices of such Floating Rate Instruments. Furthermore, the Rate of Interest payable on Floating Rate Instruments which reference a SONIA rate or a SOFR rate is only capable of being determined at the end of the relevant Observation Period (as defined in the Terms and Conditions of the Instruments) and shortly prior to the relevant Interest Payment Date (as defined in the Terms and Conditions of the Instruments). It may therefore be difficult for investors in Floating Rate Instruments which reference a SONIA rate or a SOFR rate to reliably estimate the amount of interest which will be payable on such Floating Rate Instruments.

Further, in contrast to LIBOR-based Floating Rate Instruments, if Floating Rate Instruments referencing SONIA or SOFR become due and payable as a result of an Event of Default under Condition 9 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Floating Rate Instruments shall only be determined on or immediately prior to the date on which the Floating Rate Instruments become due and payable and shall not be reset thereafter.

Investors should also be aware that the manner of adoption or application of SONIA or SOFR as reference rates in the international debt capital markets may differ materially compared with the application and adoption of SONIA and SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA or SOFR as reference rates across these markets may impact any hedging or other arrangements which they may put in place in connection with any acquisition, holding or disposal of Floating Rate Instruments linked to or which reference a SONIA rate or a SOFR rate.

Since SONIA and SOFR are relatively new market indices, Floating Rate Instruments linked to or which reference a SONIA rate or a SOFR rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities linked to or which reference a SONIA rate or a SOFR rate may evolve over time and

trading prices of such Floating Rate Instruments may be lower than those of the later issued Floating Rate Instruments that are linked to or which reference a SONIA rate or a SOFR rate as a result. Further, if SONIA or SOFR do not prove to be widely used in securities like the Floating Rate Instruments, the trading price of Floating Rate Instruments linked to or which reference a SONIA rate or a SOFR rate may be lower than those of Floating Rate Instruments linked to or which reference indices that are more widely used. Investors in such Floating Rate Instruments may not be able to sell such Floating Rate Instruments at all or may not be able to sell such Floating Rate Instruments at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Investors should consider these matters when making their investment decision with respect to any such Floating Rate Instruments linked to or which reference a SONIA rate or a SOFR rate.

The Interest Payment Dates for any series of Floating Rate Instruments for which Payment Delay is specified in the applicable Final Terms as the Observation Method for SOFR will be a number of business days (as may be specified in the applicable Final Terms) after the Interest Period End Date in respect of the relevant Interest Period

The Interest Payment Dates for Floating Rate Instruments for which Payment Delay is specified as the Observation Method for SOFR in the applicable Final Terms ("**Payment Delay Instruments**") will be a number of business days (as may be specified in the applicable Final Terms) after the Interest Period End Date in respect of the relevant Interest Period. This convention differs from the convention that has been used historically for floating rate debt securities linked to other benchmark or market rates, such as LIBOR, where interest typically has been paid on the last day of an interest period. As a result, holders of Payment Delay Instruments will receive payments of interest on a delayed basis as compared to other Floating Rate Instruments in which they may have previously invested.

With respect to any Payment Delay Instruments, in determining the Rate of Interest in the final Interest Period, the SOFR rate for any day from, and including, the Cut-off Date to, but excluding, the Maturity Date (or the Optional Redemption Date (Put) or the Optional Redemption Date (Call), if and as applicable) will be the SOFR rate in respect of the relevant Cut-off Date

For the final Interest Period with respect to any Payment Delay Instruments, the SOFR rate for any day from, and including, the Cut-off Date to, but excluding, the Maturity Date (or the Optional Redemption Date (Put) or the Optional Redemption Date (Call), if and as applicable) will be the SOFR rate in respect of the Cut-off Date. The Cut-off Date will be a date which is a number of business days prior to the Maturity Date (or the Optional Redemption Date (Put) or the Optional Redemption Date (Call), if and as applicable) as specified in the applicable Final Terms. Therefore holders of Payment Delay Instruments will not receive the benefit of any increase in the level of SOFR on any date subsequent to the Cut-Off Date, which could reduce the amount of interest that may be payable.

4. 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 may also be true prior to any redemption period.

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.

Fixed Rate Reset Instruments

Fixed Rate Reset Instruments will initially earn interest at the Initial Rate of Interest (as defined in the Terms and Conditions of the Instruments) until (but excluding) the first Fixed Rate Reset Date (as defined in the Terms and Conditions of the Instruments). On the first Fixed Rate Reset Date, however, and on each Fixed Rate Reset Date (if any) thereafter, the interest rate will be reset to (i) a different fixed rate of interest per annum or (ii) a rate per annum equal to the sum of the applicable Mid-Market Swap Rate (as defined in the Terms and Conditions of the Instruments) and the Mid-Swap Re-Offer Spread (as defined in the Terms and Conditions of the Instruments) (each such rate a "**Subsequent Reset Rate**"). The Subsequent Reset Rate for any Reset Period could be less than the Initial Rate of Interest or the Reset Rate for prior Reset Periods and could affect the market value of an investment in the Fixed Rate Reset Instruments.

Ranking of the Instruments

The 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 certain obligations of the Issuer to APRA arising under *Division 2AA of Part II of the Banking Act 1959*, to protected account holders, to the Reserve Bank of Australia and to counterparties of certain bank industry support contracts. Accordingly, other unsecured creditors will rank after APRA, protected account holders, the Reserve Bank of Australia and certain industry support contract counterparties in relation to claims against the Issuer's Australian assets.

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.

There can be no assurance by the Issuer, any Dealer or any manager of any issuance of Instruments under the Programme that the use of an amount equal to the net proceeds from the offer and sale of any Green Bonds will be suitable for the investment criteria of an investor

Prospective investors in any Green Bonds (as defined in "Use of Proceeds" below) should refer to the information set forth under "Use of Proceeds" and make such other investigation such investor deems necessary in order to determine the suitability of an investment in the Green Bonds. The use of an amount equal to the net proceeds from the offer and sale of any Green Bonds to finance or refinance any Nominated Project (as defined in "Use of Proceeds" below) may not satisfy, either in whole or in part, any present or future investor expectations or requirements with respect to any investment criteria or guidelines with which that investor or its investments are required to comply, whether by any present or future applicable law or regulation or by its own governing documents or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, that are the subject of or related to the relevant Nominated Projects. Furthermore, there is currently no clear definition (legal, regulatory or otherwise) of, or market consensus as to what constitutes, a "green", "environmentally sustainable", "climate change solution" or equivalently-labelled project or as to the attributes that are required for a particular project to be defined as such. A clear definition or consensus may not develop over time. Westpac has a Green Bond Framework relating to its commitment to invest in "climate change solutions" and equivalently-labelled projects, however, Westpac may revise or terminate that framework at any time. Accordingly, projects or uses that are the subject of, or related to, any of the Nominated Projects may not meet any or all investor expectations with respect to "green", "environmentally sustainable", "climate change solution" or other equivalently-labelled performance objectives. Adverse environmental, social and/or other impacts may occur during the implementation of the projects or uses that are the subject of, or related to, any Nominated Projects or the projects or uses may become controversial or criticized by activist groups or other stakeholders.

Pending allocation of the net proceeds from the offer and sale of any Green Bonds to finance or refinance, in whole or in part, one or more Nominated Projects, or in the event that the value of all available Nominated Projects falls below the amount of the net proceeds from the offer and sale of the Green Bonds, Westpac will invest an amount equal to the balance of those net proceeds in investment instruments that are cash or cash equivalent instruments. The investment of those net proceeds may not satisfy, either in whole or in part, any present or future investor expectations or requirements with respect to any investment criteria or guidelines with which that investor or its investments are required to comply, whether by any present or future applicable law or regulation or by its own governing documents or investment portfolio mandates.

Any Green Bonds may not comply, or continue to comply, with the Climate Bonds Standard and the Issuer has no contractual obligation to the holders of any Green Bonds to maintain such compliance

No assurance or representation can be given by the Issuer, any Dealer or any manager of any issuance of Instruments under the Programme as to the ability of any Green Bonds to comply, or to continue to comply, with the Climate Bonds Standard (as described in “Use of Proceeds” below) (including in circumstances where Westpac is unable to find any Nominated Projects or the dollar value of all available Nominated Projects falls below the amount of the net proceeds from the offer and sale of the Green Bonds), or as to the suitability or reliability of any report provided by a third-party assurance provider. In addition, although the current version 2.1 of the Climate Bonds Standard aligns with the 2016 update of the Green Bond Principles published by the International Capital Markets Association, the Climate Bonds Standard may not align with subsequent updates of the Green Bond Principles, including the most recent update of the Green Bond Principles dated June 2018.

Furthermore, the Issuer is not contractually obliged to the holders of any Green Bonds to use an amount equal to the net proceeds to finance or refinance, in whole or in part, one or more Nominated Projects or to comply with the Climate Bonds Standard, nor is it under any contractual obligation to obtain or provide annual reports from a third party assurance provider or to provide periodic impact reports as described under “Use of Proceeds”. Any failure to comply with the Climate Bonds Standard, including a failure to use an amount equal to the net proceeds from the offer and sale of any Green Bonds to finance or refinance Nominated Projects, to obtain and provide annual reports from a third party assurance provider or to provide periodic impact reports will not constitute an Event of Default under any Green Bonds. Any such failure may have an adverse effect on the value of the Green Bonds or result in adverse consequences for investors, particularly those investors with portfolio mandates to invest in instruments the proceeds of which are to be used for a particular purpose.

5. Risks related to CNY Instruments

There are certain special risks associated with investing in any CNY Instruments. The Issuer believes that the factors described below represent the principal risks inherent in investing in CNY Instruments issued, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with CNY Instruments may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding CNY Instruments are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Memorandum and reach their own views prior to making any investment decision.

The Renminbi is not freely convertible and there are significant restrictions on remittance of Renminbi into and outside the PRC (as defined in the Terms and Conditions of the Instruments)

The Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between the Renminbi and foreign currencies, despite the significant reduction over the years by the PRC government of control over trade transactions involving import and export of goods and services as well as other routine foreign exchange transactions under current accounts. However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities and designated foreign exchange banks on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although since 1 October 2016 the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC government will liberalise the control over cross-border Renminbi remittances in the future or that new PRC regulations will not be promulgated in the future which would have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. The Issuer may need to source Renminbi offshore to finance its obligations under the CNY Instruments, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC. Further, since the remittance of Renminbi by way of investment or loans are now categorised as capital account items, such remittances will need to be made subject to the specific requirements or restrictions set out in the relevant State Administration of Foreign Exchange, Ministry of Commerce of the PRC and People's Bank of China ("**PBOC**") rules.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the CNY Instruments and the Issuer's ability to source Renminbi outside China to service the CNY Instruments

As a result of the restrictions imposed by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited.

While the PBOC has entered into agreements ("**Settlement Agreements**") on the clearing of Renminbi business with financial institutions in a number of financial centres and cities ("**Renminbi Clearing Banks**"), including but not limited to Hong Kong, and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi-denominated financial assets outside China is limited.

Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC. The relevant Renminbi Clearing Bank will only have access to onshore liquidity support from PBOC to square open positions of participating banks for limited types of transactions and is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended in the future, which will have the effect of restricting

availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the CNY Instruments. To the extent that the Issuer is required to source Renminbi in the offshore market to service the CNY Instruments, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all. If the Renminbi is not available in certain circumstances as described under “*Terms and Conditions – Payments - Inconvertibility, Non-transferability or Illiquidity*”, the Issuer can make payments under the CNY Instruments in a currency other than Renminbi.

Investment in the CNY Instruments is subject to exchange rate risks

The value of the Renminbi against the U.S. dollar, the Hong Kong dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable interest rate. Subject to the Terms and Conditions of the CNY Instruments, and, in particular, the Issuer’s right to make payments in certain circumstances in other currencies, the Issuer will make all payments of interest and principal with respect to the CNY Instruments in Renminbi. As a result, the value of these Renminbi payments in foreign currency may vary with the prevailing exchange rates in the marketplace. For example, when an investor buys CNY Instruments, such investor may need to convert foreign currency to Renminbi at the exchange rate available at that time. If the value of Renminbi depreciates against the relevant foreign currency between then and the time that the Issuer pays back the principal of the CNY Instruments in Renminbi at maturity, the value of the investment in the relevant foreign currency will have declined.

Payments in respect of the CNY Instruments will only be made to investors in the manner specified in the CNY Instruments

All payments to investors in respect of the CNY Instruments will be made solely by (i) when the CNY Instruments are represented by a temporary global instrument or a permanent global instrument, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and procedures of Euroclear, Clearstream, Luxembourg or CMU as applicable, or (ii) when the CNY Instruments are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations.

The Issuer cannot be required to make a payment by any other means (including in any other currency (unless this is specified in the Final Terms of the CNY Instruments) or by transfer to a bank account in the PRC).

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Memorandum should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Offering Memorandum and which have been approved by the FCA or filed with it:

1. the consolidated audited annual financial statements (including the directors' remuneration report, auditors' report thereon and the notes thereto) appearing on pages 48 to 75 (inclusive), pages 141 to 265 (inclusive) and pages 267 to 275 (inclusive) of the Issuer's 2018 Annual Report in respect of the year ended 30 September 2018;
2. the consolidated audited annual financial statements (including the directors' remuneration report, auditors' report thereon and the notes thereto) appearing on pages 44 to 72 (inclusive), pages 135 to 279 (inclusive) and pages 281 to 287 (inclusive) of the Issuer's 2019 Annual Report in respect of the year ended 30 September 2019;
3. the "Terms and Conditions of the Instruments" section on pages 17 to 47 (inclusive) of the base prospectus dated 24 November 2005 with Westpac Banking Corporation and WestpacTrust Securities NZ Limited as issuers;
4. the "Terms and Conditions of the Instruments" section on pages 17 to 47 (inclusive) of the base prospectus dated 24 November 2006 with Westpac Banking Corporation and WestpacTrust Securities NZ Limited as issuers;
5. the "Terms and Conditions of the Instruments" section on pages 19 to 50 (inclusive) of the base prospectus dated 9 November 2007 with Westpac Banking Corporation and WestpacTrust Securities NZ Limited as issuers;
6. the "Terms and Conditions of the Instruments" section on pages 19 to 50 (inclusive) of the base prospectus dated 7 November 2008 with Westpac Banking Corporation as issuer;
7. the "Terms and Conditions of the Instruments" section on pages 21 to 53 (inclusive) of the base prospectus dated 16 November 2009 with Westpac Banking Corporation as issuer;
8. the "Terms and Conditions of the Instruments" section on pages 18 to 50 (inclusive) of the base prospectus dated 17 November 2010 with Westpac Banking Corporation as issuer;
9. the "Terms and Conditions" section on pages 20 to 53 (inclusive) of the base prospectus dated 16 November 2011 with Westpac Banking Corporation as issuer;
10. the "Terms and Conditions of the Instruments" section on pages 34 to 70 (inclusive) of the base prospectus dated 16 November 2012 with Westpac Banking Corporation as issuer;
11. the "Terms and Conditions of the Instruments" section on pages 47 to 95 (inclusive) of the base prospectus dated 15 November 2013 with Westpac Banking Corporation as issuer;
12. the "Terms and Conditions of the Instruments" section on pages 50 to 99 (inclusive) of the base prospectus dated 14 November 2014 with Westpac Banking Corporation as issuer;
13. the "Terms and Conditions of the Instruments" section on pages 46 to 94 (inclusive) of the base prospectus dated 12 November 2015 with Westpac Banking Corporation as issuer;
14. the "Terms and Conditions of the Instruments" section on pages 46 to 94 (inclusive) of the base prospectus dated 10 November 2016 with Westpac Banking Corporation as issuer;

15. the “Terms and Conditions of the Instruments” section on pages 55 to 103 (inclusive) of the base prospectus dated 10 November 2017 with Westpac Banking Corporation as issuer; and
16. the “Terms and Conditions of the Instruments” section on pages 64 to 120 (inclusive) of the base prospectus dated 8 November 2018 with Westpac Banking Corporation as issuer.

Such documents shall be deemed to be incorporated in, and form part of, this Base Prospectus.

Any information contained in a document incorporated by reference herein which is not incorporated in, and does not form part of, this Base Prospectus is either not relevant for investors or is contained elsewhere in this Base Prospectus. For the purposes of the Prospectus Regulation, any information contained in documents incorporated by reference by documents which are themselves incorporated by reference in this Base Prospectus, shall not form part of this Base Prospectus.

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.

Use of non-AAS financial information:

In its 2019 Annual Report, Westpac refers to the following non-Australian Accounting Standards (“*non-AAS*”):

Cash earnings

In assessing financial performance, including divisional results, the Westpac Group uses a measure of performance referred to as ‘cash earnings’. Cash earnings is viewed as a measure of the level of profit that is generated by ongoing operations and is therefore considered in assessing distributions, including dividends. Cash earnings is neither a measure of cash flow nor net profit determined on a cash accounting basis, as it includes both cash and non-cash adjustments to statutory net profit.

The Issuer believes that this allows the Westpac Group to more effectively assess performance for the current period against prior periods and to compare performance across business divisions and across peer companies. To determine cash earnings, three categories of adjustments are made to reported results:

- material items that key decision makers at the Westpac Group believe do not reflect ongoing operations;
- items that are not considered when dividends are recommended, such as the amortisation of intangibles, impact of Treasury shares and economic hedging impacts; and
- accounting reclassifications between individual line items that do not impact reported results.

Average Ordinary Equity

Average ordinary equity is calculated as the daily average of total equity less average non-controlling interests. The Issuer believes this measure of average ordinary equity is useful in the calculation of

return on equity as it removes the impact of equity attributable to non-controlling interests. Other companies may use different methodologies to calculate average ordinary equity or similar non-AAS financial measures.

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 204 of this Base Prospectus and from the registered head office of Westpac Banking Corporation. Copies of the documents incorporated by reference herein have also been made available at: <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

TERMS AND CONDITIONS OF THE INSTRUMENTS

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

The senior 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 15 November 2013, as supplemented by way of a supplemental issue and paying agency agreement on 14 November 2014 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 Mellon S.A./N.V. Luxembourg Branch 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 Mellon S.A./N.V. Luxembourg Branch 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 endorsed 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 by the Final Terms.

1. Interpretation

Definitions

1.1 In these Terms and 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 following formula:

“N” divided by “D” where:

“N” is the number of calendar days in the relevant Observation Period where the Applicable Swap Rate is within the thresholds specified in the Final Terms; and

“D” is the total number of calendar days in the relevant Observation Period.

“Applicable Swap Rate” means the USD-ISDA-Swap Rate or such other rate set out in the ISDA Definitions and specified in the relevant Final Terms.

“USD-ISDA-Swap Rate” is the rate determined in accordance with the ISDA Definitions, with the following modifications:

- (i) the Designated Maturity (as defined in the ISDA Definitions) is, in respect of each Interest Accrual Period, a period specified for such Interest Accrual Period in the relevant Final Terms; and
- (ii) the words “Reset Date” shall be replaced with the words “Calculation Date”, the words “on the day that is two U.S. Government Securities Business Days preceding that Reset Date” shall be replaced with “on that Calculation Date”, and the words “as the applicable Floating Rate Option” shall be replaced with “as defined in the ISDA Definitions”.

“Calculation Date” means for each calendar day in the relevant Observation Period, that calendar day, provided that, if that calendar day is not a New York and London Banking Day (as defined below), the relevant Calculation Date will be the immediately preceding New York and London Banking Day (as defined below).

“Observation Period” means the period specified as such in the relevant Final Terms.

“New York and London Banking Day” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York and London.

In the event that no quotations are available pursuant to USD-ISDA-Swap Rate with the relevant Designated Maturity, including the fall back option of “USD-CMS-Reference Banks” (as defined in the ISDA Definitions), or the Calculation Agent determines that no suitable Reference Bank (as defined in the ISDA Definitions) which is prepared to quote is available, then the Issuer or Independent Adviser appointed by the Issuer shall reasonably determine the applicable rate (or method for determining such rate) in its sole and absolute discretion, taking into consideration all available information that it in good faith and in a commercially reasonable manner deems appropriate;

“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;

“Adjustment Spread” means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which is required to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) as a result of the replacement of the Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (a) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (b) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or
- (c) if no such customary market usage is recognised or acknowledged, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

- (d) if no such industry standard is recognised or acknowledged, the relevant Independent Adviser or the Issuer (as applicable) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

“**ADI**” means Authorised Deposit-taking Institution;

“**Alternative Reference Rate**” means the rate which the Independent Adviser and the Issuer agree has replaced the Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Accrual Periods, or, if the relevant Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Reference Rate;

“**APRA**” means the Australian Prudential Regulation Authority;

“**Benchmark Event**” means, in respect of any Reference Rate:

- (i) the relevant Reference Rate ceasing to be published for a period of at least five Business Days; or
- (ii) a public statement by the administrator of the relevant Reference Rate that it will, by a specified date within the following six months (or, if later, the next Interest Determination Date), cease, or that it has ceased, publishing the relevant Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the relevant Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, that the relevant Reference Rate has been or will, by a specified date within the following six months (or, if later, the next Interest Determination Date), be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate that means the relevant Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months (or, if later, the next Interest Determination Date); or
- (v) it has become unlawful for any Paying Agent, the Issuer or any other party to calculate any payments due to be made to any holder of the Instruments using the relevant Reference Rate; or
- (vi) a public statement or publication of information by the supervisor of the administrator of the relevant Reference Rate announcing that the Reference Rate is no longer representative.

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

“Business Day” means:

- (i) for the purposes of Condition 7A.5 (*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:
 - (a) where such sum is payable in a currency other than euro or Renminbi, 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 the Principal Financial Centre which, if the relevant currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively, and any Additional Business Centre(s) specified in the relevant Final Terms; or
 - (b) 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 the Principal Financial Centre, each (if any) Additional Business Centre(s) specified in the relevant Final Terms and a TARGET Settlement Day; or
 - (c) where such sum is payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong;
- (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 the Principal Financial Centre and any Additional Business Centre(s) specified in the relevant Final Terms;

“Business Day Convention”, in relation to any particular date, has the meaning given in the relevant Final Terms 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;

“Calculation Amount” has the meaning given in the relevant Final Terms or, where no such amount is specified, means (i) if there is only one Denomination, the Denomination of the relevant Instruments, and (ii) if there are several Denominations, the highest common factor of these Denominations. Note there must be a common factor in the case of two or more Denominations;

“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 Terms and 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:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D¹” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D¹ will be 30; and

“D²” 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 D¹ is greater than 29, in which case D² 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:

“Y¹” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y²” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M¹” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M²” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D¹” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D¹ will be 30; and

“D²” 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 D² 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:

“Y¹” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y²” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“M¹” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M²” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“D¹” 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 D¹ will be 30; and

“D²” 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 D² will be 30.

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

“**EURIBOR**” means the Euro Interbank Offered Rate;

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

“**FATCA**” means sections 1471 to 1474 of the *United States Internal Revenue Code of 1986*, as amended, including any regulations or official interpretations issued, agreements (including, without limitation, intergovernmental agreements) entered into or non-U.S. laws enacted with respect thereto;

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

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

“**Fixed Rate Reset Date**” has the meaning given in the relevant Final Terms;

“**Independent Adviser**” means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets;

“**Initial Rate of Interest**” 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 per Calculation Amount 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 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 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, the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Instruments;

“Interest Rate” or **“Rate of Interest”** 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 Terms and Conditions and/or the relevant Final Terms;

“ISDA Definitions” means the 2006 ISDA Definitions as amended and updated as at the Issue Date 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;

“**LIBOR**” means the London Interbank Offered Rate;

“**Liquidator**” means the liquidator or other official responsible for the conduct and administration of a Winding-Up;

“**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;

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

“**Maturity Date**” means the date specified as such in 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;

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

“**Mid-Market Swap Rate**” means for any Reset Period the arithmetic mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Instruments during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (a) has a term equal to the relevant Reset Period and commencing on the relevant Fixed Rate Reset Date, (b) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (c) has a floating leg based on the Mid-Swap Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

“**Mid-Swap Benchmark Rate**” means EURIBOR if the Specified Currency is euro, LIBOR if the Specified Currency is Sterling or the interbank offered rate for the Specified Currency if the Specified Currency is neither euro nor Sterling;

“**Mid-Swap Maturity**” has the meaning given in the relevant Final Terms;

“**Mid-Swap Re-Offer Spread**” 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;

“**NCDSURVEY10AM**” means the reference rate produced by the Australian Financial Markets Association which may be used for ISDA purposes as may be specified 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 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 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 in relation to euro, it means the principal financial centre of such Member State of the European Union 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 Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or the final Instalment Amount;

“Reference Banks” has the meaning given in the relevant Final Terms or, if none is specified, four major banks selected by the Issuer or the Independent Adviser appointed by the Issuer in the market that is most closely connected with the Reference Rate or Reset Reference Rate, as applicable;

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

“Reference Rate” means either “USD LIBOR”, “GBP LIBOR”, “CAD LIBOR”, “EURIBOR”, “CHF LIBOR”, “JPY LIBOR”, “SIBOR”, “SOFR”, “SONIA”, “HIBOR”, “CNH HIBOR” or “NZD LIBOR”, in each case for the relevant period, as may be specified 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 Nominating Body**” means, in respect of any Reference Rate:

- (a) the central bank for the currency to which such Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such Reference Rate; or
- (b) any working group or committee established, approved or sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which such Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of such Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof.

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, the Reuters 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;

“**Reset Determination Date**” means for each Reset Period the date as specified in the applicable Final Terms falling on or before the commencement of such Reset Period on which the Rate of Interest applying during such Reset Period will be determined;

“Reset Period” means the period from (and including) the Fixed Rate Reset Date to (but excluding) the Maturity Date if there is only one Reset Period or, if there is more than one Reset Period, each period from (and including) one Fixed Rate Reset Date (or the first Fixed Rate Reset Date) to (but excluding) the next Fixed Rate Reset Date (or the Maturity Date);

“Reset Rate” for any Reset Period means either (i) the rate per annum specified in the applicable Final Terms or (ii), in the event (i) above does not apply, a rate per annum equal to the sum of (a) the applicable Reset Reference Rate and (b) the Mid-Swap Re-Offer Spread;

“Reset Rate Time” has the meaning given in the applicable Final Terms;

“Reset Reference Rate” means, if Mid-Market Swap Rate is specified in the applicable Final Terms, the Mid-Market Swap Rate appearing on the Relevant Screen Page at or around the Reset Rate Time on the relevant Reset Determination Date for the relevant Reset Period;

“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” means 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;

“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;

“Successor Reference Rate” means the rate which has been formally published, endorsed, approved, recommended or recognised as a successor or replacement to the relevant Reference Rate by any Relevant Nominating Body;

“Talon” means a talon for further Coupons;

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises 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**” means the legal procedure for the liquidation of the Issuer commenced when:

- (i) a court order is made for the winding-up of the Issuer; or
- (ii) an effective resolution is passed by shareholders or members for the winding-up of the Issuer,

other than in connection with a Solvent Reconstruction.

A Winding-Up must be commenced by a court order or an effective resolution of shareholders or members. Neither (i) the making of an application, the filing of a petition, or the taking of any other steps for the winding-up of the Issuer (or any other procedure whereby the Issuer may be dissolved, liquidated, sequestered or cease to exist as a body corporate), nor (ii) the appointment of a receiver, administrator, administrative receiver, compulsory manager, ADI statutory manager or other similar officer (other than a Liquidator) in respect of the Issuer, constitutes a Winding-Up for the purposes of these Terms and Conditions; and

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

Interpretation

1.2 In these Terms and 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;
- (v) references to Instruments being “outstanding” shall be construed in accordance with the Issue and Paying Agency Agreement;
- (vi) 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; and

- (vii) any reference to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

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 Subject to the final sentence of this paragraph, 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 specify 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 specify 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 specify 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 while 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 S.A. ("**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 Instruments 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 in both cases at the cost and expense of the Issuer. 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 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 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.
- 2.9 Where a Temporary Global Instrument, issued in bearer form, 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.
- 2.10 If the Temporary Global Instrument, issued in bearer form, 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).

Denomination of Registered Instruments

- 2.11 Registered Instruments are in the minimum denomination specified in the Final Terms or integral multiples thereof.
- 2.12 Where a Temporary Global Instrument, issued in registered form, 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.
- 2.13 If the Temporary Global Instrument, issued in registered form, 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).

Currency of Instruments

- 2.14 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

- 2.15 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 one 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

Status

- 4.1 The Instruments constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and, in a Winding-Up, 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, Sections 13A(3) and 16(2) of the *Banking Act 1959 of Australia* (the “**Banking Act**”) and Section 86 of the *Reserve Bank Act 1959 of Australia* (the “**Reserve Bank Act**”)).

General

- 4.2. *The Issuer is an ADI as that term is defined under the Banking Act. Under Sections 13A(3) and 16(2) of the Banking Act and section 86 of the Reserve Bank Act certain debts of the Issuer are preferred by law as described below.*

Section 13A(3) of the Banking Act provides that, in the event that an ADI becomes unable to meet its obligations or suspends payment, the ADI’s assets in Australia are available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including, in the case of the Instruments, the Issuer). These specified liabilities include certain obligations of the ADI to APRA in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the Reserve Bank of Australia (“RBA”) and certain other debts to APRA.

A “protected account” is either (a) an account where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account, or (b) another account or financial product prescribed by regulation. Certain assets, such as the assets of the Issuer in a cover pool for covered bonds issued by the Issuer, are excluded from constituting assets in Australia for the purposes of section 13(A) of the Banking Act, and those assets are subject to the prior claims of the covered bond holders and certain other secured creditors in respect of the covered bonds.

Under Section 16(2) of the Banking Act, certain other debts of the ADI due to APRA, shall in a winding-up of an ADI have, subject to Section 13A(3) of the Banking Act, priority over all other unsecured debts of that ADI. Further, Section 86 of the Reserve Bank Act provides that, in a winding-up of the ADI, debts due by the ADI to the RBA shall, subject to Section 13A(3) of the Banking Act, have priority over all other debts of the ADI.

The Instruments are not protected accounts for the purposes of the Banking Act. Unless expressly stated in Condition 4.1 or otherwise, the Issuer does not make any representation as to whether the Instruments, or any of them, would constitute deposit liabilities in Australia for the purposes of the Banking Act.

The liabilities which are preferred by law to the claim of a Holder in respect of an Instrument may be substantial and these Terms and Conditions do not limit the amount of such liabilities which may be incurred or assumed by the Issuer from time to time. In addition, the Instruments are not guaranteed or insured by the Australian Government or under any compensation scheme of the Australian Government, or by any other government, under any other compensation scheme or by any government agency or any other party.

5. Interest

Interest

- 5.1 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*).

Fixed Rate Instrument Provisions

- 5.2 *This Condition 5.2 applies to Fixed Rate Instruments only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5.2 for full information on the manner in which interest is calculated on Fixed Rate Instruments. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Interest Rate, the Interest Payment Date(s), the Interest Period End Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Business Day Convention and the Day Count Fraction.*

- (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, 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).

- (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).
- (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 Calculation 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 Calculation 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.

Fixed Rate Reset Instrument Provisions

5.3 *This Condition 5.3 applies to Fixed Rate Reset Instruments only. The applicable Final Terms contains provisions applicable to the determination of fixed rate reset interest and must be read in conjunction with this Condition 5.3 for full information on the manner in which interest is calculated on Fixed Rate Reset Instrument Provisions. In particular, the applicable Final Terms will identify the Interest Commencement Date, the Initial Rate of Interest, the Fixed Rate Reset Date(s), the Reset Rate(s), the Reset Reference Rate, the Interest Payment Dates, the Interest Period End Date(s), the Business Day Convention, the Day Count Fraction, the Accrual Feature, the Mid-Swap Re-Offer Spread, the Reset Determination Date(s) and the Reset Rate Time.*

- (i) *Application:* This Condition 5.3 is applicable to the Instruments only if the Fixed Rate Reset Instrument Provisions are specified in the relevant Final Terms as being applicable.
- (ii) *Accrual of interest:* The Instruments bear interest:
 - (a) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the Fixed Rate Reset Date (or, if there is more than one Reset Period, the first Fixed Rate Reset Date occurring after the Interest Commencement Date), at the rate per annum equal to the Initial Rate of Interest; and

- (b) in respect of the Reset Period (or, if there is more than one Reset Period, each successive Reset Period thereafter), at such rate per annum as is equal to the relevant Reset Rate, as determined by the Calculation Agent on the relevant Reset Determination Date in accordance with this Condition 5.3,

and such interest is payable in arrear on each Interest Payment Date, subject as provided in Condition 7 (*Payments*).

- (iii) *Reset Reference Rate determination – Relevant Screen Page:* If the Reset Reference Rate does not appear on the Relevant Screen Page at or around the Reset Rate Time on the relevant Reset Determination Date, or, if the Relevant Screen Page is unavailable, except as provided in Condition 5.7 (*Benchmark Replacement*) below, the Calculation Agent will request the principal Relevant Financial Centre office of the Reference Banks to provide a quotation of the Mid-Market Swap Rate at approximately the Reset Rate Time on the relevant Reset Determination Date.

If two or more of the Reference Banks provide quotations as requested by the Calculation Agent, the Mid-Market Swap Rate will be the arithmetic mean of the provided quotations, expressed as a percentage and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards).

If on any Reset Determination Date:

- (a) only one of the Reference Banks provides a quotation as requested by the Calculation Agent, the Mid-Market Swap Rate shall be a rate equal to the quotation provided by such Reference Bank; or
- (b) none of the Reference Banks provides a quotation as requested by the Calculation Agent, the Mid-Market Swap Rate shall be a rate equal to the Initial Rate of Interest less the Mid-Swap Re-Offer Spread.
- (iv) *Fixed Coupon Amount:* The amount of interest payable in respect of each Instrument in respect of the period from (and including) the Interest Commencement Date to (but excluding) the Fixed Rate Reset Date (or, if there is more than one Reset Period, the first Fixed Rate Reset Date occurring after the Interest Commencement Date) 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 applicable 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.
- (v) *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 by the Calculation Agent. The Calculation Agent will, as soon as practicable after the time at which the Interest Rate is to be determined in relation to the relevant Interest Accrual Period, calculate the Interest Amount payable in respect of each Instrument for such Interest Accrual Period (i) by

applying the Interest Rate to the principal amount outstanding of such Instrument and multiplying the product by the relevant Day Count Fraction or (ii) if so specified in the applicable Final Terms, by applying the Interest Rate to the principal amount outstanding of such Instrument, 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.

- (vi) *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.
- (vii) *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.

Floating Rate Instrument Provisions

- 5.4 *This Condition 5.4 applies to Floating Rate Instruments only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5.4 for full information on the manner in which interest is calculated on Floating Rate Instruments. In particular, the applicable Final Terms will identify Interest Payment Date(s), the Interest Period End Date(s), the Maturity Date, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centre(s), whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s) and Relevant Screen Page.*

- (i) *Application:* This Condition 5.4 is applicable to the Instruments only if the Floating 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, 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).

- (iii) *Screen Rate Determination – Term Rate:* If Screen Rate Determination – Applicable (Term Rate) is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, save where the Reference Rate is SONIA or SOFR (in which case Condition 5.4(iv) shall apply), 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, except as provided in Condition 5.7 below, 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;

- (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) *Screen Rate Determination – Overnight Rate*

(i) SONIA

If Screen Rate Determination – Applicable (Overnight Rate) is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined and the Reference Rate is specified in the relevant Final Terms as being SONIA, the Rate of Interest applicable to the Instruments for each Interest Accrual Period will be the rate of return of a daily compounded interest investment plus or minus (as indicated in the relevant Final Terms) the Margin, as calculated by the Calculation Agent on the Interest Determination Date as follows, with the resulting percentage rounded if necessary to the fifth decimal place (with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where for the purposes of this Condition 5.4(iv)(i):

“**d**” is the number of calendar days in the relevant Interest Accrual Period;

“**d_o**” is the number of London Banking Days in the relevant Interest Accrual Period;

“*T*” is a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Accrual Period to, but excluding, the last London Banking Day in the relevant Interest Accrual Period;

“**Lock-out Period**” means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

“**London Banking Day**” or “**LBD**” means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business and to settle payments in London.

“*n_i*”, for any London Banking Day “*i*”, means the number of calendar days from and including such London Banking Day “*i*” up to but excluding the following London Banking Day;

“**Observation Look-back Period**” means the number of days specified as such in the applicable Final Terms;

“**Observation Method**” means the method specified as such in the applicable Final Terms;

“**Observation Period**” means, in respect of an Interest Accrual Period, the period from and including the date falling “*p*” London Banking Days prior to the first day of the relevant Interest Accrual Period and ending on, but excluding, the date which is “*p*” London Banking Days prior to the Interest Payment Date for such Interest Accrual Period (or the date falling “*p*” London Banking Days prior to such earlier date, if any, on which the Instruments become due and payable);

“*p*” means, for any Interest Accrual Period:

- (a) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days included in the Observation Look-Back Period specified in the applicable Final Terms (or if no such number is specified, five London Banking Days); or
- (b) where “Lock-out” is specified as the Observation Method in the applicable Final Terms, zero;

“**SONIA**” means:

- (a) where in the applicable Final Terms “Lag” is specified as the Observation Method, in respect of any London Banking Day, SONIA in respect of such London Banking Day;

(b) where in the applicable Final Terms “Lock-out” is specified as the Observation Method:

- (1) in respect of any London Banking Day “i” that is a Reference Day, SONIA in respect of the London Banking Day immediately preceding such Reference Day; and
- (2) in respect of any London Banking Day “i” that is not a Reference Day (being a London Banking Day in the Lock-out Period), SONIA in respect of the London Banking Day immediately preceding the last Reference Day of the relevant Interest Accrual Period (such last Reference Day coinciding with the Interest Determination Date),

where SONIA in respect of any London Banking Day is equal to the daily Sterling Overnight Index Average rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, provided that:

- (a) if, in respect of any London Banking Day in the relevant Observation Period, the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be: (i) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate;
- (b) notwithstanding the paragraph above, and subject to Condition 5.7 below, in the event that the Bank of England publishes guidance as to (i) how the SONIA rate is to be determined or (ii) any rate that is to replace the SONIA rate, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA, for purposes of the Floating Rate Instruments for so long as the SONIA rate is not available or has not been published by the authorised distributors; and
- (c) in the event that SONIA cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 5.7, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different

Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Floating Rate Instruments for the first Interest Accrual Period had the Floating Rate Instruments been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period),

and for the avoidance of doubt, the preceding paragraphs in this definition of SONIA will apply prior to the application of Condition 5.7 (if applicable);

“**SONIA_{t-pBD}**” means the applicable SONIA rate set out in the definition of “SONIA” above for, where “Lag” is specified as the Observation Method in the applicable Final Terms, the London Banking Day (being a London Banking Day falling in the relevant Observation Period) falling “p” London Banking Days prior to the relevant London Banking Day “i” or, where “Lock-out” is specified as the Observation Method in the applicable Final Terms, the relevant London Banking Day “i”;

“**Reference Day**” means each London Banking Day in the relevant Interest Accrual Period, other than any London Banking Day in the Lock-out Period;

(II) SOFR

If Screen Rate Determination – Applicable (Overnight Rate) is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined and:

- (a) the Reference Rate is specified in the relevant Final Terms as being SOFR and the Averaging Method is specified in the relevant Final Terms as being Compounded Daily, the Rate of Interest applicable to the Instruments for each Interest Accrual Period will be Compounded Daily SOFR plus or minus (as indicated in the relevant Final Terms) the Margin; or
- (b) the Reference Rate is specified in the relevant Final Terms as being SOFR and the Averaging Method is specified in the relevant Final Terms as being Weighted Average, the Rate of Interest applicable to the Instruments for each Interest Accrual Period will be Weighted Average SOFR plus or minus (as indicated in the relevant Final Terms) the Margin,

in each case as calculated by the Calculation Agent on the Interest Determination Date, with the resulting percentage rounded if necessary to the fifth decimal place (with 0.000005 being rounded upwards), where for the purposes of this Condition 5.4(iv)(II):

“Compounded Daily SOFR” means the rate of return of a daily compound interest investment (with SOFR as the reference rate for the calculation of interest) as calculated by the Calculation Agent on the Interest Determination Date as follows, with the resulting percentage rounded if necessary to the fifth decimal place (with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_{i-USD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

“Weighted Average SOFR” means:

- (a) where “Lag” is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of “SOFR” in effect for each calendar day during the relevant Observation Period, calculated by multiplying the relevant rate by the number of days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period (and for these purposes, “SOFR” in respect of any calendar day which is not a Reference Day shall be deemed to be the rate in respect of the Reference Day immediately preceding such calendar day);
- (b) where “Lock-out” is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of “SOFR” in effect for each calendar day during the relevant Interest Accrual Period, calculated by multiplying the relevant rate by the number of days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Accrual Period (and for these purposes, “SOFR” in respect of any calendar day which is not a Reference Day shall be deemed to be the rate in respect of the Reference Day immediately preceding such calendar day), provided however that for any calendar day of such Interest Accrual Period falling in the Lock-out Period, “SOFR” shall be deemed to be the rate in respect of the Reference Day immediately preceding the relevant Interest Determination Date; and
- (c) where “Payment Delay” is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of “SOFR” in effect for each calendar day during the relevant Interest Accrual Period, calculated by multiplying the relevant rate by the number of days

such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Accrual Period (and for these purposes, "SOFR" in respect of any calendar day which is not a Reference Day shall be deemed to be the rate in respect of the Reference Day immediately preceding such calendar day), provided however that for any calendar day of the final Interest Accrual Period falling in the Cut-off Period, "SOFR" shall be deemed to be the rate in respect of the Cut-off Date;

"Averaging Method" means the method specified as such in the applicable Final Terms;

"Cut-off Date" has the meaning given in the applicable Final Terms;

"Cut-off Period" means the period from, and including, the day following the Cut-off Date to, but excluding, the Maturity Date, Optional Redemption Date (Call) or Optional Redemption Date (Put), as applicable;

"d" is the number of calendar days in the relevant Interest Accrual Period;

"do" is the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

"i" is a series of whole numbers from one to do, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Accrual Period to, but excluding, the last U.S. Government Securities Business Day in the relevant Interest Accrual Period;

"Lock-out Period" means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

"ni", for any U.S. Government Securities Business Day "i", means the number of calendar days from and including such U.S. Government Securities Business Day "i" up to but excluding the following U.S. Government Securities Business Day;

"New York Fed's Website" means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org> or any successor website of the Federal Reserve Bank of New York;

"Observation Look-back Period" means the number of days specified as such in the applicable Final Terms;

"Observation Method" means the method specified as such in the applicable Final Terms;

“Observation Period” means, in respect of an Interest Accrual Period, the period from and including the date falling “p” U.S. Government Securities Business Days prior to the first day of the relevant Interest Accrual Period and ending on, but excluding, the date which is “p” U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Accrual Period (or the date falling “p” U.S. Government Securities Business Days prior to such earlier date, if any, on which the Instruments become due and payable);

“p” means, for any Interest Accrual Period:

- (a) where “Lag” is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days included in the Observation Look-Back Period specified in the applicable Final Terms (or if no such number is specified, five U.S. Government Securities Business Days);
- (b) where “Lock-out” is specified as the Observation Method in the applicable Final Terms, zero; or
- (c) where “Payment Delay” is specified as the Observation Method in the applicable Final Terms, zero;

“Reference Day” means each U.S. Government Securities Business Day in the relevant Interest Accrual Period or Observation Period (as applicable), other than any U.S. Government Securities Business Day in the Lock-out Period (in respect of any Instruments for which “Lock-out” is specified as the Observation Method in the applicable Final Terms) or the Cut-off Period (in respect of any Instruments for which “Payment Delay” is specified as the Observation Method in the applicable Final Terms);

“SOFR” means:

- (a) where “Lag” is specified as the Observation Method in the applicable Final Terms, SOFR in respect of such U.S. Government Securities Business Day;
- (b) where “Lock-out” is specified as the Observation Method in the applicable Final Terms:
 - (1) in respect of any U.S. Government Securities Business Day “i” that is a Reference Day, SOFR in respect of the U.S. Government Securities Business Day immediately preceding such Reference Day; and
 - (2) in respect of any U.S. Government Securities Business Day “i” that is not a Reference Day (being a U.S. Government Securities Business Day in the Lock-out Period), SOFR in respect of the U.S. Government

Securities Business Day immediately preceding the last Reference Day of the relevant Interest Accrual Period (such last Reference Day coinciding with the Interest Determination Date); or

- (c) where "Payment Delay" is specified as the Observation Method in the applicable Final Terms:
- (1) in respect of any U.S. Government Securities Business Day "i" that is a Reference Day, SOFR in respect of such U.S. Government Securities Business Day; and
 - (2) in respect of any U.S. Government Securities Business Day "i" that is not a Reference Day (being a U.S. Government Securities Business Day in the Cut-off Period), SOFR in respect of the Cut-off Date,

where SOFR shall be a reference rate equal to:

- (1) the daily Secured Overnight Financing Rate as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) (the "**daily Secured Overnight Financing Rate**") on the New York Fed's Website at or about 8:00 a.m. (New York City time) on the next succeeding U.S. Government Securities Business Day; or
- (2) if the daily Secured Overnight Financing Rate is not published and the Issuer has not determined that a SOFR Index Cessation Event has occurred, the SOFR for the first preceding U.S. Government Securities Business Day on which the SOFR was published on the New York Fed's Website; or
- (3) if the daily Secured Overnight Financing Rate is not published and the Issuer determines that a SOFR Index Cessation Event has occurred, the Reference Rate will be the rate (inclusive of any spreads or adjustments) that was recommended as the replacement for the daily Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or by a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the daily Secured Overnight Financing Rate (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator), provided that:

(A) subject to sub-paragraph (B) below, if the Issuer determines that a SOFR Index Cessation Event has occurred and no such rate has been recommended within one U.S. Government Securities Business Day of the occurrence of the SOFR Index Cessation Event, then the Reference Rate will be determined as if, for each U.S. Government Securities Business Day occurring on or after the date of such SOFR Index Cessation Event, references to:

(x) “SOFR” were references to the daily Overnight Bank Funding Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate), on the New York Fed’s Website on or about 9:00 a.m. (New York City time) on each day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City (“**New York City Banking Day**”) in respect of the New York City Banking Day immediately preceding such day (“**OBFR**”); and

(y) “U.S. Government Securities Business Day” were references to “New York City Banking Day”, and

(B) if the rate specified in sub-paragraph (A) above is not provided and if the Issuer determines that a Benchmark Event has occurred with respect to OBFR (the “**OBFR Benchmark Event**”), then the Reference Rate will be determined as if, for each Business Day occurring on or after the date of such OBFR Benchmark Event, references in this definition to:

(x) “SOFR” were references to the short-term interest rate target set by the Federal Open Market Committee and published on the website of the Board of Governors of the Federal Reserve System currently at <http://www.federalreserve.gov>, or any successor website of the Board of Governors of the Federal Reserve System (the “**Federal Reserve’s**”

Website) or, if the Federal Open Market Committee does not target a single rate, the midpoint of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve's Website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place, 0.005 being rounded upwards);

(y) "U.S. Government Securities Business Day" were references to "New York City Banking Day"; and

(z) the "New York Fed's Website" were references to the "Federal Reserve's Website",

and for the avoidance of doubt, limb (3) of this definition of SOFR will apply prior to the application of Condition 5.7 (if applicable);

"SOFR_{i-pUSBD}" means the applicable SOFR rate set out in the definition of "SOFR" above for:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day (being a U.S. Government Securities Business Day falling in the relevant Observation Period) falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i";

(b) where "Lock-out" is specified as the Observation Method in the applicable Final Terms, the relevant U.S. Government Securities Business Day "i"; or

(c) where "Payment Delay" is specified as the Observation Method in the applicable Final Terms, the relevant U.S. Government Securities Business Day "i";

"SOFR Index Cessation Event" means the occurrence of one or more of the following events:

(a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate) announcing that it has ceased or will cease to publish or provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor

administrator that will continue to publish or provide a daily Secured Overnight Financing Rate;

- (b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the daily Secured Overnight Financing Rate) has ceased or will cease to provide the daily Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time there is no successor administrator that will continue to publish or provide the daily Secured Overnight Financing Rate; or
- (c) a public statement by a U.S. regulator or other U.S. official sector entity prohibiting the use of the daily Secured Overnight Financing Rate that applies to, but need not be limited to, all swap transactions, including existing swap transactions;

“USBD” or **“U.S. Government Securities Business Day”** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If the Floating Rate Instruments become due and payable in accordance with Condition 9, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Instruments became due and payable and the Rate of Interest on such Floating Rate Instruments shall, for so long as any such Instrument remains outstanding, be that determined on such date.

- (v) *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 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.

- (vi) *BBSW Rate Determination*: If BBSW Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Instruments for each Interest Accrual Period will be the sum of the Margin and the BBSW Rate where BBSW Rate in relation to any Interest Accrual Period means the rate for prime bank eligible securities having a tenor closest to the Interest Accrual Period as displayed as the “AVG MID” on the Thomson Reuters Screen BBSW page (or any designation which replaces that designation on that page, or any page that replaces that page) at 12 p.m. (Sydney time) on the first day of that Interest Accrual Period. However, if such rate does not appear on the Thomson Reuters Screen BBSW Page (or any designation which replaces that designation on that page, or any page that replaces that page) by 12 p.m. (Sydney time) on that day, or it does appear but the Issuer or the Independent Adviser appointed by the Issuer determines that there is an obvious error in that rate, BBSW Rate means the rate determined by the Issuer or the Independent Adviser (as applicable) in good faith and in a commercially reasonable manner having regard to comparable indices in customary market usage. The rate calculated or determined by the Issuer or the Independent Adviser will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001 per cent.).

Notwithstanding the above, if the Issuer or the Independent Adviser (as applicable) determines that the BBSW Rate has been permanently discontinued, BBSW Rate means the rate which the Calculation Agent is directed by the Issuer or the Independent Adviser (as applicable) to substitute for the BBSW Rate (“**Alternative Rate**”), which will be the rate specified by ISDA to be the relevant fallback rate for the BBSW Rate, or such successor or substitute rate which is consistent with accepted market practice. As part of such substitution, the Issuer or the Independent Adviser (as applicable) shall direct the Calculation Agent to make such adjustments to the Alternative Rate or the spread thereon, as well as the Business Day Convention, Interest Determination Dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such Alternative Rate for debt obligations such as the Floating Rate Instruments.

The rate must be expressed as a percentage per annum.

- (vii) *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.
- (viii) *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 Calculation 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 Calculation

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.

- (ix) *Calculation of other amounts:* If the relevant Final Terms specify 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.
- (x) *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.
- (xi) *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.

Zero Coupon Instrument Provisions

5.5

- (i) *Application:* This Condition 5.5 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).

Coupon Switch Option Provisions

5.6

- (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.

Benchmark Replacement

- 5.7 Notwithstanding the foregoing provisions of this Condition 5, if the Issuer determines that a Benchmark Event has occurred in respect of a Reference Rate where any Interest Rate (or any component thereof) remains to be determined by reference to such Reference Rate, then the following provisions shall apply to the relevant Instruments (provided that limb (3) of the definition of SOFR shall apply prior to the provisions of this Condition 5.7):
- (a) the Issuer shall use reasonable endeavours to appoint an Independent Adviser, at the Issuer's own expense, to determine a Successor Reference Rate or, if such Independent Adviser is unable so to determine a Successor Reference Rate, an

Alternative Reference Rate and, in each case, an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) for the purposes of determining the Interest Rate applicable to the Instruments for all future Interest Accrual Periods (subject to the subsequent operation of this Condition 5.7);

- (b) subject to paragraph (c) of this Condition 5.7, if
- (1) the relevant Independent Adviser (acting in good faith and in a commercially reasonable manner), no later than five Business Days prior to the Interest Determination Date relating to the next Interest Accrual Period (the "**IA Determination Cut-off Date**") determines a Successor Reference Rate or, if such Independent Adviser fails so to determine a Successor Reference Rate, an Alternative Reference Rate and, in each case, an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) for the purposes of determining the Interest Rate applicable to the Instruments for all future Interest Accrual Periods (subject to the subsequent operation of this Condition 5.7 during any other future Interest Accrual Period(s)); or
 - (2) the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 5.7 fails to determine a Successor Reference Rate or an Alternative Reference Rate prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner), no later than three Business Days prior to the Interest Determination Date relating to the next Interest Accrual Period (the "**Issuer Determination Cut-off Date**"), determines a Successor Reference Rate or, if the Issuer fails to determine a Successor Reference Rate, an Alternative Reference Rate (as applicable) and, in each case, an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) for the purposes of determining the Interest Rate applicable to the Instruments for all future Interest Accrual Periods (subject to the subsequent operation of this Condition 5.7 during any other future Interest Accrual Period(s));
- then:
- (3) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate for all future Interest Accrual Periods (subject to the subsequent operation of this Condition 5.7 during any other future Interest Accrual Period(s)).

Without prejudice to the definitions thereof, for the purposes of determining a Successor Reference Rate or Alternative Reference Rate, the Issuer will take into account relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets and such other materials as the Issuer, acting in good faith and in a commercially reasonable manner, considers appropriate; and

- (4) If the relevant Independent Adviser or the Issuer (as applicable), acting in good faith and in a commercially reasonable manner:
- I. determines that an Adjustment Spread is required to be applied to the Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Interest Accrual Periods (subject to the subsequent operation of this Condition 5.7); or
 - II. is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, or determines that no such Adjustment Spread is required, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Interest Accrual Periods (subject to the subsequent operation of this Condition 5.7).

Without prejudice to the definition thereof, for the purposes of determining an Adjustment Spread (if any), the Issuer will take into account relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets and such other materials as the Issuer, acting in good faith and in a commercially reasonable manner, considers appropriate.

- (c) Notwithstanding paragraph (b) above, if
- (1) the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 5.7 notifies the Issuer prior to the IA Determination Cut-off Date that it has determined that no Successor Reference Rate or Alternative Reference Rate exists;
 - (2) the Independent Adviser appointed by the Issuer in accordance with paragraph (a) of this Condition 5.7 fails to determine a Successor Reference Rate or an Alternative Reference Rate prior to the relevant IA Determination Cut-off Date, without notifying the Issuer as contemplated in sub-paragraph (c)(1) of this Condition 5.7, and the Issuer (acting in good faith and in a commercially reasonable manner) determines prior to the IA Determination Cut-off Date that no Successor Reference Rate or Alternative Reference Rate exists; or
 - (3) neither a Successor Reference Rate nor an Alternative Reference Rate is otherwise determined in accordance with paragraph (2) above prior to the Issuer Determination Cut-off Date,

the Interest Rate applicable to the Instruments shall be (in respect of Floating Rate Notes) the Interest Rate as at the last preceding Interest Determination Date or (in respect of a reset of the Interest Rate for Fixed Rate Instruments) the Interest Rate as at the last preceding reset date or, if none, as at the Interest Commencement Date.

This paragraph (c) shall apply to the relevant Interest Accrual Period or reset date only. Any subsequent Interest Accrual Period(s) or reset date(s) shall be subject to the operation of this Condition 5.7.

- (d) An Independent Adviser appointed pursuant to this Condition 5.7 will act in good faith and in a commercially reasonable manner, and (in the absence of bad faith, gross negligence or wilful misconduct) shall have no liability whatsoever to the Issuer, the Calculation Agent, any Paying Agent or the holders of a Series of Instruments for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 5.7.
- (e) The Principal Registrar, the First Alternative Registrar, the Second Alternative Registrar, each Paying Agent and any other agent appointed from time to time under the Issue and Paying Agency Agreement shall, at the direction and expense of the Issuer, effect such waivers and consequential amendments to the Issue and Paying Agency Agreement, these Terms and Conditions and any other document as may be necessary to give effect to any application of this Condition 5.7 (or any determination of SOFR in accordance with limb (3) of the definition of "SOFR"), including, but not limited to:
- (1) changes to these Terms and Conditions which the relevant Independent Adviser or the Issuer (as applicable) acting in good faith and in a commercially reasonable manner determines may be necessary in order to follow market practice (determined according to factors including, but not limited to, public statements, opinions and publications of industry bodies and organisations) in relation to SOFR, such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (1) the relevant Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reference Banks, Relevant Financial Centre, Relevant Screen Page and/or Relevant Time applicable to the Instruments and (2) the method for determining the fallback to the Interest Rate in relation to the Instruments if SOFR (as determined in accordance with limb (c) of the definition of "SOFR"), such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and
 - (2) any other changes which the relevant Independent Adviser or the Issuer (as applicable) acting in good faith and in a commercially reasonable manner determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable).

No consent of the Holders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate as described in this Condition 5.7 or such other relevant adjustments pursuant to this Condition 5.7, or any Adjustment Spread, including for the execution of, or amendment to, any documents or the taking of other steps by the Issuer or any of the parties to the Issue and Paying Agency Agreement (if required).

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 the Final Terms), on the Maturity Date, as provided in Condition 7 (*Payments*).

Redemption for tax reasons

6.2 The Instruments may be redeemed at the option of the Issuer in whole, but not in part:

- (i) at any time (if the Floating Rate Instrument Provisions are specified in the relevant Final Terms as not being applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Instrument Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 or 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, regulations or rulings (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 date of issue of the first Tranche of the Instruments 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 amendment to, the laws, regulations or rulings of New Zealand or any political subdivision thereof or any authority or 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 date of issue of the first Tranche of the Instruments,

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:

- (1) 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
- (2) 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 and that:

- (i) (in the case of paragraph (i) above) the relevant obligation arises as result of any such change or amendment as is specified in sub-paragraph (i)(a) above and cannot be avoided by the Issuer taking reasonable measures available to it;
- (ii) (in the case of sub-paragraph (ii)(a) above) the relevant obligation cannot be avoided by the Issuer paying New Zealand approved issuer levy at a rate not exceeding the Approved Issuer Levy Rate or taking any other reasonable measures available to it (not including the payment of any additional approved issuer levy); or
- (iii) (in the case of sub-paragraph (ii)(b) above) in order to avoid the relevant obligation, the Issuer would be obliged, as a result of any such change or amendment as is specified in the sub-paragraph, to pay approved issuer levy at a rate exceeding the Approved Issuer Levy Rate or to incur any other cost in excess of that applicable under New Zealand law at the date of the issue of the first Tranche of the Instruments.

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 6.5 (*Redemption at the option of Holders*).

Redemption at the option of the Issuer

This Condition 6.3 applies to Instruments which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an "Issuer Call". The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Instruments which can be redeemed and the applicable notice periods.

- 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 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 five or more than 60 days' notice 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 6.5 (*Redemption at the option of Holders*).

Partial redemption

6.4 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

This Condition 6.5 applies to Instruments which are subject to redemption prior to the Maturity Date at the option of the Holders, such option being referred to as an "Investor Put". The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6.5 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

6.5 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 6.5, the Holder of an Instrument must, not less than 45 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.6 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 6.5, 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 6.5 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 6.5, 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 Condition 6.3 (*Redemption at the option of the Issuer*).

No other redemption

- 6.6 The Issuer shall not be entitled to redeem the Instruments otherwise than as provided in Conditions 6.1 to 6.5 above.

Early redemption of Zero Coupon Instruments

- 6.7 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 6.7 or, if none is so specified, a Day Count Fraction of 30/360.

The figure resulting from such calculation shall be rounded 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.

Purchase

- 6.8 The Issuer or any of its Subsidiaries may 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.

Cancellation

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

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 outside the United States 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. Notwithstanding the above, in the case of any payment in Renminbi, payment shall be made by transfer to a Renminbi account maintained by or on behalf of the Holder with a bank in Hong Kong.

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 outside the United States 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 outside the United States 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 outside the United States 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.7 (*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 on business days

- 7A.5 If the due date for payment of any amount in respect of any Instrument, Receipt 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.6 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 specify that this paragraph (i) of Condition 7A.6 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 specify that this paragraph (ii) of Condition 7A.6 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.6 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.7 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 Terms and 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.8 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.9 If a Paying Agent makes a partial payment in respect of any Instrument, Receipt 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 the close of business (local time in the place of the Specified Office of the Registrar) on the clearing system business day immediately prior to the date for payment, where for the purposes of this Condition 7B.3 “clearing system business day” means Monday to Friday inclusive except 25 December and 1 January in the case of any payment made in a currency other than Renminbi or, in the case of any payment made in Renminbi, on the fifth Relevant Banking Day (as defined in Condition 3.6) before the due date for such payment (either such date being 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 (other than Renminbi) 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. Payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments to be made in Renminbi will be made by transfer to the registered account of 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. 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.

For the purposes of this Condition 7B.4, “registered account” means the Renminbi account maintained by or on behalf of the Holder with a bank in Hong Kong, details of which appear in the Register at the close of business on the Record Date (as defined in Condition 7B.3 above).

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 Payments will, without prejudice to the provisions of Condition 8 (*Taxation*), be subject in all cases to any applicable fiscal or other laws and any other directives, agreements and

administrative practices and procedures of fiscal and other authorities in relation to tax, anti-money laundering and other requirements which may apply to the payment of amounts due (whether in respect of principal, Redemption Amount, Interest Amount or otherwise) in respect of the Instruments (including, without limitation, any withholding or deduction arising under or in connection with FATCA). No Commissions or expense shall be charged to the Holder(s) of the Instruments, the Receipts or the Coupons in respect of such payments.

If any withholding or deduction arises under or in connection with FATCA, the Issuer will not be required to pay any additional amount under Condition 8 (*Taxation*) on account of such withholding or deduction and, accordingly, the Issuer shall be acquitted and discharged of so much money as is represented by any such withholding or deduction as if such sum had been actually paid to the Holder(s) of the Instruments, the Receipts or the Coupons.

Except to the extent that the Issuer is required to pay any additional amount under Condition 8 (*Taxation*) on account of a withholding or deduction, the Issuer will not be required to pay any additional amount on account of a withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature required by law. If any such withholding or deduction is required, then the Issuer shall pay the amounts payable net of, and after deducting the applicable amount of, such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted and, accordingly, the Issuer shall be acquitted and discharged of so much money as is represented by any such withholding or deduction as if such sum had been actually paid to the Holder(s) of the Instruments, the Receipts or the Coupons.

7C.3 For purposes of Section 7A, the “United States”, when being used as a location, shall include the United States and its possessions.

7D. Payments – Inconvertibility, Non-transferability or Illiquidity

Notwithstanding any other provision in these Terms and Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity (each a “**Renminbi Disruption Event**”) as determined by the Issuer acting in good faith and in a commercially reasonable manner, the Issuer is not able, or it would be impracticable for it, to satisfy (in whole or in part) any payment due under the Instruments or the Coupons in Renminbi in Hong Kong, the Issuer may, in its sole and absolute discretion:

- a) postpone payment of such amounts to two Business Days after the date on which the Renminbi Disruption Event ceases to exist or, if such payment would not be possible or it would be impracticable (as determined by the Issuer acting in good faith and in a commercially reasonable manner), as soon as reasonably practicable thereafter, unless the Renminbi Disruption Event continues to exist for 14 consecutive calendar days from the original date that, but for the occurrence of the Renminbi Disruption Event, would have been the date of such payments;
- b) (if the Renminbi Disruption Event continues to exist for 14 consecutive calendar days from the original date that, but for the occurrence of the Renminbi Disruption Event, would have been the date of such payments) on giving not less than five days’ irrevocable notice to the Holders, settle any such payment (in whole or in part) in U.S. dollars on the date that is three Business Days after the expiration of the

aforementioned 14 calendar day period at the U.S. Dollar Equivalent of any such Renminbi denominated amount or, if such payment would not be possible or it would be impracticable (as determined by the Issuer acting in good faith and in a commercially reasonable manner), as soon as reasonably practicable thereafter; and/or

- c) on giving not less than five and not more than 30 days' irrevocable notice to the Holders prior to the due date for the relevant payment, settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of the relevant Renminbi denominated amount.

Upon the occurrence of a Renminbi Disruption Event, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Condition 14 (*Notices*) stating the occurrence of the Renminbi Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

Holders will not be entitled to further interest or other payment in respect of any such postponement of the payment of any such amounts.

Any such payment of the U.S. Dollar Equivalent of the relevant amounts due under the Instruments, the Receipts or the Coupons shall be made in accordance with Condition 7A (*Payments – Bearer Instruments*) or Condition 7B (*Payments – Registered Instruments*) as applicable.

Any payment made under such circumstances in U.S. dollars will constitute valid payment and will not constitute a default in respect of the Instruments.

In this Condition 7D:

“Governmental Authority” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the PRC or Hong Kong (including the Hong Kong Monetary Authority);

“Illiquidity” means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy (in whole or in part) its obligation to make any payment due under the Instruments or the Coupons, as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation (if practicable) with two Renminbi Dealers;

“Inconvertibility” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Instruments or the Coupons in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the date on which agreement is reached to issue the first Tranche of Instruments and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

“Non-transferability” means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside

Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong (including where the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the date on which agreement is reached to issue the first Tranche of Instruments and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

“**PRC**” means the People’s Republic of China, excluding Hong Kong Special Administrative Region of the People’s Republic of China, Macau Special Administrative Region of the People’s Republic of China and Taiwan;

“**Rate Calculation Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange) in Hong Kong, Sydney, London, Beijing and New York City;

“**Rate Calculation Date**” means the day which is two Rate Calculation Business Days before the due date for any payment of the relevant amount under these Terms and Conditions;

“**Renminbi**” means the lawful currency of the PRC;

“**Renminbi Dealer**” means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;

“**U.S. Dollar Equivalent**” means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date; and

“**Spot Rate**”, for a Rate Calculation Date, means the spot rate between Renminbi and U.S. dollars as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on such date in good faith and in a reasonable commercial manner; and if a spot rate is not readily available, the Issuer or Independent Adviser appointed by the Issuer may determine the rate taking into consideration all available information which the Issuer or Independent Adviser appointed by the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the PRC domestic foreign exchange market.

8. Taxation

Gross up

- 8.1 All payments of principal and interest in respect of the Instruments, the Receipts 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:

- (i) presented for payment or held 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 Withholding Taxes 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 through which the Issuer is acting 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) presented for payment or held 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 withholding or deduction 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) presented for payment more than 30 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 30 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(9) of the *Income Tax Assessment Act 1936 of Australia* (the "**Australian Tax Act**"); or
- (v) in respect of Instruments issued by the Issuer acting through its New Zealand branch or Instruments in respect of which payments are payable in New Zealand Dollars, on account of: (i) New Zealand resident withholding tax (as defined in the *Income Tax Act 2007 of New Zealand*); and/or (ii) New Zealand non-resident withholding tax (as defined in the *Income Tax Act 2007 of New Zealand*) imposed at a resident withholding tax rate as a consequence of a Holder or beneficial owner deriving interest under an Instrument jointly with one or more other persons at least one of which is a resident of New Zealand for income tax purposes; or
- (vi) presented for payment or held 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 a “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) presented for payment 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 would have been able to avoid such withholding or deduction by presenting (or procuring that a third party presents) the relevant Instrument, Receipt or Coupon to another Paying Agent; or
- (ix) for or on account of any withholding or deduction arising under or in connection with FATCA.

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 (as defined in the *Income Tax Act 2007 of New Zealand*) issued to it or otherwise does not have exempt status 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 (a) that the New Zealand Holder is the holder of an Instrument and (b) 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 account holders 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 or the jurisdiction, country or territory in which the branch through which the Issuer is acting (as specified in the relevant Final Terms) is located, references to Australia in Condition 6.2 (*Redemption for tax reasons*) and this Condition 8 shall be substituted by references to or (as the case may be) shall be construed as including references to such other taxing jurisdiction(s).

9. Events of Default

- 9.1 The following events or circumstances (each an "**Event of Default**") shall be acceleration events in relation to the Instruments:
- (i) the Issuer fails to pay any amount of principal in respect of the Instruments of the relevant Series or any of them within seven 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) a Winding-Up; or
- (iv) the Issuer ceases to carry on all or substantially all of its business other than under or in connection with 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 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.

- 9.2 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 6.7 (*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.

For the avoidance of doubt, no Event of Default in respect of any Instruments shall occur solely as a result of (a) any failure by the Issuer to perform or observe any of its obligations in relation to the suspension of any payments on, or (b) the taking of any proceeding in respect of, any share, note or other security or instrument constituting Tier 1 Capital or Tier 2 Capital of the Issuer (as defined by APRA from time to time).

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.7 (*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 Financial Conduct 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) and (vii) 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. 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 as determined by the Issuer (acting reasonably). 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 airmail 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, Receipts 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*) and the Substituted Debtor has the benefit of rights in terms corresponding to Condition 6.2 (*Redemption for tax reasons*) 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, Receipt 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, Receipt or Coupon in respect of such Instrument, Receipt 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, Receipt 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, Receipts 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, Receipt 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 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 Subject as provided in Condition 19.4, the courts of England and Wales have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with the Instruments.
- 19.3 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.
- 19.4 Condition 19.2 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.
- 19.5 The Issuer agrees that if at any time it ceases to be registered under Part 34 of the *Companies Act 2006* it will appoint a person with a registered office in London as its agent to accept service of process in the United Kingdom 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 €100,000 (or its equivalent in another currency), amended (if necessary) and completed to reflect the particular terms of the relevant Instruments and their issue.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.]¹

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]²

[NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE – The Instruments are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]³

¹ Legend to be included on front of the Final Terms if the Instruments potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

² Legend to be included where the Issuer and/or the Dealer(s) are Manufacturers for MiFID II purposes.

³ Issuer to determine whether the Instruments remain as prescribed capital markets products at each drawdown. Legend for prescribed capital markets products should be used unless Issuer determines otherwise.

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****Legal Entity Identifier (LEI): EN5TNI6CI43VEPAMHL14**

[The Base Prospectus dated 11 November 2019 referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Instruments with a minimum denomination of less than €100,000 (or its equivalent in any other currency) will (i) only be admitted to trading on an [EEA/European Economic Area (“**EEA**”)] regulated market (as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)/MiFID II]), or a specific segment of an EEA regulated market, to which only qualified investors (as defined in [Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”)/the Prospectus Regulation]) can have access (in which case they shall not be offered or sold to persons who are not qualified investors (as defined in the Prospectus Regulation)) or (ii) only be offered to the public in a Member State of the EEA pursuant to an exemption under Article 1(4) of the Prospectus Regulation. Accordingly, any person making or intending to make an offer of those 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 Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do any of them authorise, the making of any offer of Instruments in any other circumstances.

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 11 November 2019 [and the supplement to the base prospectus dated [●], which [together] constitute[s]] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Instruments described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus is available for viewing at Camomile Court, 23 Camomile Street, London EC3A 7LL, United Kingdom, and at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> 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]/[[•] branch]
2. Syndicated: [Applicable/Not Applicable]
 - (i) If syndicated, names of Dealers [Not Applicable/[•]]
[and underwriting commitments]:
 - (ii) Date of Subscription Agreement: [•]
3. If not syndicated, Relevant Dealer/Lead Manager: [Name [and address/Not Applicable]
4. Date of Board Approval of the Issuer: [•]/[Not Applicable, save as discussed in Section 2 of the “General Information” section in the Base Prospectus]
5. Status: Senior
6. Specified Currency:
 - (i) of denomination: [•]
 - (ii) of payment: [•]/[•] for the payment of any Interest Amount, and [•] for the payment of any other amount in respect of the Instruments, including the Redemption Amount
7. Aggregate Principal Amount of Tranche: [•]
8. If interchangeable with existing Series, Series No.: [•]
9. (i) Issue Date: [•]
 - (ii) Interest Commencement Date: [•]
10. Issue Price: [•]
11. Maturity Date: [•], subject to adjustment in accordance with the Business Day Convention specified in paragraph [21(iv), 22(iv) or 24(vii)].
12. Expenses: [•]

13. (i) Form of Instruments: [Bearer/Registered]
- (ii) Bearer Instruments exchangeable for Registered Instruments: [Yes/No]
14. If issued in bearer form:
- (i) Initially represented by a Temporary Global Instrument or Permanent Global Instrument: [Temporary Global Instrument]/[Permanent 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 Instruments and Registered Instruments) Registered Instruments: [Yes/No]
[The Exchange Date shall be [•]]
- (iii) Specify date (if any) from which exchanges for Registered Instruments will be made: [•]/[Exchanges may be made at any time]
- (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)]
- (v) Talons for future Coupons to be attached to Definitive Instruments: [Yes/No] [As the Instruments have more than 27 Coupons, Talons may be required if, on exchange into definitive form, more than 27 Coupon payments are still to be made]
- (vi) Receipts to be attached to Instalment Instruments which are Definitive Instruments: [Yes/No] [The following Receipts will be attached to the Instruments: [•]]
15. If issued in registered form: [Regulation S Global Note (U.S.\$/€[•] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/the Central Moneymarkets Unit Service operated by the

- Hong Kong Monetary Authority]]
- [Rule 144A Global Note (U.S.\$[*] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority]]
16. Denomination(s): [[*] and integral multiples of [*] in excess thereof up to and including [*]. No Definitive Instruments will be issued with a denomination above [*]]
17. Calculation Amount: [*]
18. Partly Paid Instruments: [Yes/No]
- (i) Number of instalments: [*]
- (ii) Amount of each instalment: [*]
- (iii) Date(s) of payment: [*]
- (iv) Method of payment: [*]
- (v) First Forfeiture Date: [*]
19. If issued in registered form:
- Registrar: [*]
20. Interest: [[*] per cent. Fixed Rate]
- [[*] month
- [[[USD LIBOR/GBP LIBOR/CAD LIBOR/EURIBOR/CHF LIBOR/JPY LIBOR/NZD LIBOR/CNH HIBOR/HIBOR /SIBOR/SONIA/SOFR] [+/- [*]] per cent. Floating Rate]
- [Zero Coupon]
- [Fixed Rate Reset]
21. Fixed Rate Instrument Provisions: [Applicable/Not Applicable/Applicable for the period from and including [*] to but excluding

- [•]]
- (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 21(iv)/No
Adjustment]
- (iii) Interest Period End Date(s): [•]/Interest Payment Dates
- (iv) Business Day Convention: [Floating Rate Convention/Following Business
Day Convention/Modified Following Business
Day Convention/Preceding Business Day
Convention/ FRN Convention/Eurodollar
Convention/No Adjustment]
- [- for Interest Payment Dates: [•]]
- [- for Interest Period End Dates: [•]]
- [- for Maturity Date: [•]]
- [- any other date: [•]]
- (v) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (vi) Day Count Fraction: [“Actual/Actual
(ICMA)”/“Actual/365”/“Actual/Actual
(ISDA)”/“Actual/365
(Fixed)”/“Actual/360”/“30/360”/“30E/360”/
“Eurobond Basis”/ “30E/360 (ISDA)”]
- (vii) Broken Amount(s): [•] per Calculation Amount, payable on the
Interest Payment Date falling [in/on][•]
- (viii) Accrual Feature: [Not Applicable]/[Applicable]
- Applicable Swap Rate: [USD-ISDA-Swap Rate/[•] (as defined in the
ISDA Definitions)]
- Applicable Rate thresholds: Greater than or equal to [•] per cent. and less
than or equal to [•] per cent.
- Observation Period: [the period which starts [•]New York and
London Banking Days prior to the beginning
of the relevant Interest Accrual Period and

	ends [•] New York and London Banking Days prior to the end of such Interest Accrual Period]/ [Interest Accrual Period]
- Designated Maturity:	[•]
(ix) Additional Business Centre(s):	[Not Applicable/[•]]
22. Fixed Rate Reset Instrument Provisions:	[Applicable/Not Applicable]
(i) Initial Rate of Interest:	[•] per cent. per annum payable [annually/semi-annually/quarterly/monthly/other] in arrear
(ii) Fixed Rate Reset Date(s):	[•]
(iii) Reset Rate(s):	[[•] per cent. per annum payable [annually/semi-annually/quarterly/monthly/other] in arrear]/[A rate per annum equal to the sum of (a) the Reset Reference Rate and (b) the Mid-Swap Re-Offer Spread]
(iv) Reset Reference Rate:	[Mid-Market Swap Rate]/[Not Applicable]
- Relevant Screen Page:	[•]/[Not Applicable]
- Mid-Swap Maturity:	[•]/[Not Applicable]
(v) Interest Payment Dates:	[•]
(vi) Interest Period End Date(s):	[•]
(vii) Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No adjustment]
- [for Interest Payment Dates:	[•]]
- [for Interest Period End Dates:	[•]]
- [for Maturity Date:	[•]]
(viii) Additional Business Centre(s):	[Sydney, Australia/London, United Kingdom]

	[•]
(ix) Fixed Coupon Amount(s):	[•] per [•]
(x) Broken Amount(s):	[•]/[Not Applicable]
(xi) Day Count Fraction:	[Actual/365] [Actual/365 (Fixed)] [30/360] [Actual/Actual (ICMA)] [Actual/360] [30E/360] [30E/360 (ISDA)] [RBA Bond Basis/Australian Bond Basis] [Eurobond Basis] [Not adjusted]
(xii) Accrual Feature:	[Applicable]/[Not Applicable]
– Applicable Swap Rate:	[USD-ISDA-Swap Rate/[•] (as defined in the ISDA Definitions]
– Applicable Swap Rate thresholds:	Greater than or equal to [•] per cent. and less than or equal to [•] per cent.
– Observation Period:	[Interest Accrual Period]/[[•]New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ending [•] New York and London Banking Days prior to the end of the relevant Interest Accrual Period]
– Designated Maturity:	[•]
(xiii) Determination Date:	[•]
(xiv) Mid-Swap Re-Offer Spread:	[•]
(xv) Reset Determination Date(s):	[•]/[Not Applicable]
(xvi) Reset Rate Time:	[•]/[Not Applicable]
23. Floating Rate Instrument Provisions:	[Applicable/Not Applicable/Applicable for the period from and including [•] to but excluding [•]]
(i) Specified Period(s):	[•] [•], subject to adjustment in accordance with

- (ii) Interest Payment Dates: the Business Day Convention specified in paragraph 22(iv)
- (iii) Interest Period End Dates or (if the applicable Business Day Convention below is the FRN Convention) Interest Accrual Period: [•]/Interest Payment Dates
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No Adjustment]
- [- for Interest Payment Dates: [•]]
- [- for Interest Period End Dates: [•]]
- [- for Maturity Date: [•]]
- [- any other date: [•]]
- (v) Additional Business Centre(s): [Not Applicable/[•]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/BBSW Rate Determination]
- (vii) Screen Rate Determination: [Applicable/Applicable (Overnight Rate)/Applicable (Term Rate)/Not Applicable]
- Reference Rate: [•] month [•] [except for the Interest Period ending on [•] in which the Interest Rate will be determined using a linear interpolation between [•] month [•] and [•] month [•]]
 - Relevant Screen Page: [•] [Not Applicable]
 - Interest Determination Date(s): [•] [[•] Banking Days/London Banking Days (if SONIA)/U.S. Government Securities Business Days (if SOFR) prior to the end of each Interest Accrual Period] [[•] U.S. Government Securities Business Days following the end of each Interest Accrual Period, provided that in respect of the final Interest Accrual Period, the Interest Determination Date shall be [•] U.S. Government Securities Business Days

- [SOFR Averaging Method: following the Cut-off Date]
 - [Observation Look-Back Period: [Compounded Daily] [Weighted Average]]
 - [•] London Banking Days (*if SONIA*)/U.S. Government Securities Business Days (*if SOFR*)
 - [Observation Method: [Lag] [Lock-out] [Payment Delay] [Not Applicable]]
 - [Cut-off Date: [•] U.S. Government Securities Business Days prior to the Maturity Date [or Optional Redemption Date [(Call)/(Put)], as applicable]]
 - Relevant Time: [•] [Not Applicable]
 - Relevant Financial Centre: [•]
 - [•]
 - [•]
- (viii) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [•]
 - Designated Maturity: [•] [except for the Interest Period ending on [•] in which the Interest Rate will be determined using a linear interpolation between a Designated Maturity of [•] months and [•] months]
 - Reset Date: [•]
- (ix) Margin(s): [+/-][•] per cent. per annum
- (x) Minimum Interest Rate: [•] per cent. per annum
- (xi) Maximum Interest Rate: [•] per cent. per annum
- (xii) Day Count Fraction: [“Actual/Actual (ICMA)”/“Actual/365”/“Actual/Actual (ISDA)”/“Actual/365 (Fixed)”/“Actual/360”/“30/360”/“30E/360”/“Eurobond Basis”/ “30E/360 (ISDA)”]
- (xiii) Accrual Feature: [Not Applicable]/[Applicable]

- Applicable Swap Rate: [USD-ISDA-Swap Rate/[•]]
 - Applicable Swap Rate thresholds: Greater than or equal to [•] per cent. and less than or equal to [•] per cent.
 - Observation Period: [the period which starts [•] New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ends [•] New York and London Banking Days prior to the end of such Interest Accrual Period]/[Interest Accrual Period]
 - Designated Maturity: [•]
- (xiv) Broken Amounts: [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
24. Zero Coupon Instrument Provisions: [Applicable/Not Applicable]
- (i) Accrual Yield: [•] per cent. per annum
 - (ii) Reference Price: [•]
 - (iii) Day Count Fraction: [“Actual/Actual (ICMA)”/“Actual/365”/“Actual/Actual (ISDA)”/“Actual/365 (Fixed)”/“Actual/360”/“30/360”/“30E/360”/“Eurobond Basis”/ “30E/360 (ISDA)”]
 - (iv) Additional Business Centre(s): [Not Applicable/[•]]
25. Dates for payment of Instalment Amount (Instalment Instruments) [•]
26. Final Redemption Amount of each Instrument: As determined in accordance with Condition [•] / [•] per Calculation Amount
27. Instalment Amounts: [•]
28. Early Redemption for Tax Reasons: [Applicable/Not Applicable]
- (a) Early Redemption Amount of each Instrument (Tax): [•] per Calculation Amount
 - (b) Date after which changes in law, etc. entitle Issuer to redeem: [•]/[Issue Date]
29. Coupon Switch Option: [Applicable/Not Applicable]

30. Coupon Switch Option Date: [•]
31. Redemption at the option of the Issuer (Call): [Applicable/Not Applicable]
- (i) Optional Redemption Date (Call): [•]
- (ii) Series redeemable in part: [Yes/No]
- (iii) Optional Redemption Amount (Call) of each instrument [•] per Calculation Amount
- (iv) Notice period: [•]
32. Partial redemption (Call): [Applicable/Not Applicable]
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
- (c) Notice period: [•]
33. Redemption at the option of the Holders (Put): [Applicable/Not Applicable]
- (i) Optional Redemption Date (Put): [•]
- (ii) Optional Redemption Amount (Put) of each Instrument: [•] per Calculation Amount
- (iii) Notice period: [•]
34. Events of Default:
- Early Termination Amount: [•]
35. Payments:
- Unmatured Coupons missing upon Early Redemption: [Condition 7A.6 (i) applies]/[Condition 7A.6 (ii) applies]
36. Replacement of Instruments: [•]
37. Calculation Agent: [•]/[Not Applicable]
38. Notices: Condition 14 applies

39. Selling Restrictions:

United States of America: [Regulation S Category 2 restrictions apply to the Instruments]

[[TEFRA C/TEFRA D] Rules apply to the Instruments]/[TEFRA Not Applicable]

Instruments [are/are not] Rule 144A eligible

[Exchange Date is [•]]

Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

(If the Instruments clearly do not constitute “packaged” products, or the Instruments do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Instruments may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)

[THIRD PARTY INFORMATION]

[•] has been extracted from [•]. 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 [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

WESTPAC BANKING CORPORATION

By:

Name:

Date:

PART B: Other information

1. Listing

- (i) Listing: [Yes, to be admitted to the Official List of the UK Financial Conduct Authority]
- (ii) Admission to trading: [Application has been made for the Instruments to be admitted to trading on the London Stock Exchange's regulated market with effect from [•]]

2. Ratings

- [(i)] [Ratings of the Instruments: [S&P Global Ratings Australia Pty Limited: [•]]
- [Moody's Investors Service Pty Limited: [•]]

Neither S&P Global Ratings Australia Pty Limited nor Moody's Investors Service Pty Limited is established in the European Union or has applied for registration under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"). However, S&P Global Ratings Australia Pty Limited is endorsed by S&P Global Ratings Europe Limited and Moody's Investors Service Pty Limited is endorsed by Moody's Investors Service Ltd, each of which is established in the European Union and registered under the CRA Regulation.

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

[•]/[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.]

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

- (i) Reasons for the offer and use of proceeds: [•] [The Instruments are specified as "Green Bonds" and the net proceeds from the issuance of the Instruments will be used as described in "Use of Proceeds – Green Bonds"]

(See "Use of Proceeds" wording in the Offering Memorandum – if the reasons for the offer are different, include reasons here. In the case of Green Bonds, Nominated Projects will need to be specified.)

(ii) Estimated net proceeds: [•]

(iii) Estimated total expenses: [•]

5. Yield

Indication of yield: [•]

6. Historical interest, FX and other rates

Details of historical [•]/[USD – ISDA Swap Rate]/[AUD/JPY exchange] rates can be obtained from [Reuters]/[•].

7. Description of the Underlying

[The USD-ISDA Swap Rate is: [•]]

[The bid and offered rate for AUD/JPY is the spot price from time to time of the Australian Dollar as against the Japanese Yen.]/[•]

8. Operational information

ISIN: [•]

Common Code: [•]

CFI: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable".)

Common Depository/Lodging Agent: [•]

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority: [Not Applicable]/[•]

CMU Service Instrument Number:	[Not Applicable]/[•]
Settlement Procedures:	[•]
[Delivery]:	[Delivery [against/free of] payment]
Names and addresses of additional Paying Agent(s) (if any):	[•]
9. Other terms or special conditions	[•]

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 €100,000 (or its equivalent in another currency), amended (if necessary) and completed to reflect the particular terms of the relevant Instruments and their issue.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MIFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]⁴

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MIFID II**”); and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]⁵

[NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE – The Instruments are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]⁶

FINAL TERMS

Series No.: []

⁴ Legend to be included on front of the Final Terms if the Instruments potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

⁵ Legend to be included where the Issuer and/or the Dealer(s) are Manufacturers for MiFID II purposes.

⁶ Issuer to determine whether the Instruments remain as prescribed capital markets products at each drawdown. Legend for prescribed capital markets products should be used unless Issuer determines otherwise.

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

Legal Entity Identifier (LEI): EN5TNI6CI43VEPAMHL14

[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 11 November 2019 [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 (the “**Base Prospectus**”) for the purposes of *Regulation (EU) 2017/1129* (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Instruments described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus is available for viewing at Camomile Court, 23 Camomile Street, London EC3A 7LL, United Kingdom, and at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> 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]/[•] branch] | |
| 2. Date of Board Approval of Issuer: | [•]/[Not Applicable, save as discussed in Section 2 of the "General Information" section of the Base Prospectus] | |
| 3. Status: | Senior | |
| 4. Specified Currency: | | |
| (i) of denomination: | [•] | |
| (ii) of payment: | [•]/[•] for the payment of any Interest Amount | |
| 5. Aggregate Principal Amount of Tranche: | [•] | |
| 6. If interchangeable with existing Series, Series No.: | [•] | |
| 7. (i) Issue Date: | [•] | |
| (ii) Interest Commencement Date: | [•] | |
| 8. Issue Price: | [•] | |
| 9. Maturity Date: | [•], subject to adjustment in accordance with the Business Day Convention specified in paragraph [19(iv), 20(iv) or 22(vii)] | |
| 10. Expenses: | [•] | |
| 11. (i) Form of Instruments: | [Bearer/Registered] | |
| (ii) Bearer Instruments exchangeable for | Registered Instruments: [Yes/No] | |
| 12. If issued in bearer form: | | |
| (i) Initially represented by a Temporary Global Instrument or Permanent Global Instrument: | [Temporary Instrument]/[Permanent Instrument] | Global
Global |
| (ii) Temporary Global Instrument exchangeable for a Permanent Global Instrument or for Definitive Instruments | [Yes/No] | |

- and/or (if the relevant Series comprises both Bearer Instruments and Registered Instruments) Registered Instruments: [The Exchange Date shall be [•]]
- (iii) Specify date (if any) from which exchanges for Registered Instruments will be made: [•]/[Exchanges may be made at any time]
- (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)]
- (v) Talons for future Coupons to be attached to Definitive Instruments: [Yes/No] [As the Instruments have more than 27 Coupons, Talons may be required if, on exchange into definitive form, more than 27 Coupon payments are still to be made]
- (vi) Receipts to be attached to Instalment Instruments which are Definitive Instruments: [Yes/No] [The following Receipts will be attached to the Instruments: [•]]
- 13. If issued in registered form:** [Regulation S Global Note (U.S.\$/€[•] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority]
- [Rule 144A Global Note (U.S.\$[•] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority]
- 14. Denomination(s):** [[•] and integral multiples of [•] in excess thereof up to and including [•]. No Definitive Instruments will be issued with a denomination above [•]]
- 15. Calculation Amount:** [•]

- 16. Partly Paid Instruments:** [Yes/No]
- (i) Number of instalments: [•]
- (ii) Amount of each instalment: [•]
- (iii) Date(s) of payment: [•]
- (iv) Method of payment: [•]
- (v) First Forfeiture Date: [•]
- 17. If issued in registered form: Registrar:** [•]
- 18. Interest:** [[•] per cent. Fixed Rate]
- [•] month
- [[USD LIBOR/GBP LIBOR/CAD
LIBOR/EURIBOR/CHF LIBOR/JPY
LIBOR/NZD LIBOR/CNH
HIBOR/HIBOR/SIBOR/SONIA/SOFR][+/-
[•]] per cent. Floating Rate]
- [Zero Coupon]
- [Fixed Rate Reset]
- 19. Fixed Rate Instrument Provisions:** [Applicable/Not Applicable/Applicable for the period from and including [•] to but excluding [•]]
- (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 19(iv)/No Adjustment]
- (iii) Interest Period End Date(s): [•]/Interest Payment Dates
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ FRN Convention/Eurodollar Convention/No Adjustment]

[- for Interest Payment Dates:	[•]]
[- for Interest Period End Dates:	[•]]
[- for Maturity Date:	[•]]
[- any other date:	[•]]
(v) Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
(vi) Day Count Fraction:	["Actual/Actual (ICMA)"/"Actual/365"/"Actual/Actual (ISDA)"/"Actual/365 (Fixed)"/"Actual/360"/"30/360"/"30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"]
(vii) Broken Amount(s):	[•] per Calculation Amount payable on the Interest Payment Date falling [in/on][•]
(viii) Accrual Feature	[Not Applicable]/[Applicable]
– Applicable Swap Rate:	[USD-ISDA-Swap Rate/[•] (as defined in the ISDA Definitions)]
– Applicable Swap Rate thresholds:	Greater than or equal to [•] per cent. and less than or equal to [•] per cent.
– Observation Period:	[The period which starts [•] New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ends [•] New York and London Banking Days prior to the end of such Interest Accrual Period]/[Interest Accrual Period]
– Designated Maturity	[•]
(ix) Additional Business Centre(s):	[Not Applicable/[•]]
20. Fixed Rate Reset Instrument Provisions:	[Applicable/Not Applicable]
(i) Initial Rate of Interest:	[•] per cent. per annum payable [annually/semi- annually/quarterly/monthly/other] in arrear
(ii) Fixed Rate Reset Date(s):	[•]

(iii) Reset Rate(s):	[[•] per cent. per annum payable [annually/semi-annually/quarterly/monthly/other] in arrear]/[A rate per annum equal to the sum of (a) the Reset Reference Rate and (b) the Mid-Swap Re-Offer Spread]
(iv) Reset Reference Rate:	[Mid-Market Swap Rate]/[Not Applicable]
– Relevant Screen Page:	[•]/[Not Applicable]
– Mid-Swap Maturity:	[•]/[Not Applicable]
(v) Interest Payment Dates:	[•]
(vi) Interest Period End Date(s):	[•]
(vii) Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No adjustment]
– [for Interest Payment Dates:	[•]]
– [for Interest Period End Dates:	[•]]
– [for Maturity Date:	[•]]
(viii) Additional Business Centre(s):	[Sydney, Australia/London, United Kingdom]
	[•]
(ix) Fixed Coupon Amount(s):	[•] per [•]
(x) Broken Amount(s):	[•]/[Not Applicable]
(xi) Day Count Fraction:	[Actual/365] [Actual/365 (Fixed)] [30/360] [Actual/Actual (ICMA)] [Actual/360] [30E/360] [30E/360 (ISDA)] [RBA Bond Basis/Australian Bond Basis] [Eurobond Basis] [Not adjusted]

(xii) Accrual Feature:	[Applicable]/[Not Applicable]
– Applicable Swap Rate:	[USD-ISDA-Swap Rate/[•] (as defined in the ISDA Definitions]
– Applicable Swap Rate thresholds:	Greater than or equal to [•] per cent. and less than or equal to [•] per cent.
– Observation Period:	[Interest Accrual Period]/[[•]New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ending [•] New York and London Banking Days prior to the end of the relevant Interest Accrual Period]
– Designated Maturity:	[•]
(xiii) Determination Date:	[•]
(xiv) Mid-Swap Re-Offer Spread:	[•]
(xv) Reset Determination Date(s):	[•]/[Not Applicable]
(xvi) Reset Rate Time:	[•]/[Not Applicable]
21. Floating Rate Instrument Provisions:	[Applicable/Not Applicable/Applicable for the period from and including [•] to but excluding [•]]
(i) Specified Period(s):	[•]
(ii) Interest Payment Dates:	[•], subject to adjustment in accordance with the Business Day Convention specified in paragraph 20(iv)
(iii) Interest Period End Dates or (if the applicable Business Day Convention below is the FRN Convention) Interest Accrual Period:	[•]
(iv) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No Adjustment]
[– for Interest Payment Dates:	[•]]
[– for Interest Period End Dates:	[•]]

[– for Maturity Date:	[•]
[– any other date:	[•]
(v) Additional Business Centre(s):	[Not Applicable/[•]]
(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/BBSW Rate Determination]
(vii) Screen Rate Determination:	[Applicable/Applicable (Overnight Rate)/Applicable (Term Rate)/Not Applicable]
– Reference Rate:	[•] month [•] [except for the Interest Period ending on [•] in which the Interest Rate will be determined using a linear interpolation between [•] month [•] and [•] month [•]]
– Relevant Screen Page:	[•] [Not Applicable]
– Interest Determination Date(s):	[•] [[•] Banking Days/London Banking Days (if SONIA)/U.S. Government Securities Business Days (if SOFR) prior to the end of each Interest Accrual Period] [•] U.S. Government Securities Business Days following the end of each Interest Accrual Period, provided that in respect of the final Interest Accrual Period, the Interest Determination Date shall be [•] U.S. Government Securities Business Days following the Cut-off Date]
– [SOFR Averaging Method:	[Compounded Daily] [Weighted Average]]
– [Observation Look-Back Period:	[[•]London Banking Days (if SONIA)/U.S. Government Securities Business Days (if SOFR)]
– [Observation Method:	[Lag] [Lock-out] [Payment Delay] [Not Applicable]]
– [Cut-off Date:	[•] U.S. Government Securities Business Days prior to the Maturity Date [or Optional Redemption Date [(Call)/(Put)], as applicable]]
– Relevant Time:	[•] [Not Applicable]
– Relevant Financial Centre:	[•]

(viii) ISDA Determination:	[Applicable/Not Applicable]
– Floating Rate Option:	[•]
– Designated Maturity:	[•] [except for the Interest Period ending on [•] in which the Interest Rate will be determined using a linear interpolation between a Designated Maturity of [•] months and [•] months]
– Reset Date:	[•]
(ix) Margin(s):	[+/-][•] per cent. per annum
(x) Minimum Interest Rate:	[•] per cent. per annum
(xi) Maximum Interest Rate:	[•] per cent. per annum
(xii) Day Count Fraction:	["Actual/Actual (ICMA)"/"Actual/365"/"Actual/Actual (ISDA)"/"Actual/365 (Fixed)"/"Actual/360"/"30/360"/"30E/360"/"Eurobond Basis"/"30E/360 (ISDA)"]
(xiii) Accrual Feature:	[Not Applicable]/[Applicable]
– Applicable Swap Rate:	[USD-ISDA-Swap Rate/[•]]
– Applicable Swap Rate thresholds:	Greater than or equal to [•] per cent. and less than or equal to [•] per cent.
– Observation Period:	[the period which starts [•] New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ends [•] New York and London Banking Days prior to the end of such Interest Accrual Period]/[Interest Accrual Period]
– Designated Maturity:	[•]
(xiv) Broken Amounts:	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
22. Zero Coupon Instrument Provisions:	[Applicable/Not Applicable]
(i) Accrual Yield:	[•] per cent. per annum
(ii) Reference Price:	[•]

(iii) Day Count Fraction:	["Actual/Actual (ICMA)"/"Actual/365"/"Actual/Actual (ISDA)"/"Actual/365 (Fixed)"/"Actual/360"/"30/360"/"30E/360"/"Eurobond Basis"/ "30E/360 (ISDA)"]
(iv) Additional Business Centre(s):	[Not Applicable/[•]]
23. Dates for payment of Instalment Amounts (Instalment Instruments):	[•]
24. Final Redemption Amount of each Instrument:	As determined in accordance with Condition [•] / [•] per Calculation Amount
25. Instalment Amounts:	[•]
26. Early Redemption for Tax Reasons:	[Applicable/Not Applicable]
(a) Early Redemption Amount of each Instrument (Tax):	[•] per Calculation Amount
(b) Date after which changes in law, etc. entitle Issuer to redeem:	[[•]/Issue Date]
27. Coupon Switch Option:	[Applicable/Not Applicable]
28. Coupon Switch Option Date:	[•]
29. Redemption at the option of the Issuer (Call):	[Applicable/Not Applicable]
(i) Optional Redemption Date (Call):	[•]
(ii) Series redeemable in part:	[Yes/No]
(iii) Optional Redemption Amount (Call) of each Instrument:	[•] per Calculation Amount
(iv) Notice period:	[•]
30. Partial redemption (Call):	[Applicable/Not Applicable]
(i) Minimum Redemption Amount:	[•] per Calculation Amount
(ii) Maximum Redemption Amount:	[•] per Calculation Amount
(iii) Notice period:	[•]
31. Redemption at the option of the	[Applicable/Not Applicable]

Holders (Put):

- [•]
- (i) Optional Redemption Date (Put): [•] per Calculation Amount
- (ii) Optional Redemption Amount (Put) of each Instrument: [•]
- (iii) Notice period: [•]

32. Events of Default:

Early Termination Amount [•]

33. Payments:

Unmatured Coupons missing upon Early Redemption: [Condition 7A.6 (i) applies]/[Condition 7A.6 (ii) applies]

34. Replacement of Instruments: [•]

35. Calculation Agent: [•]/[Not Applicable]

36. Notices: Condition 14 applies

37. Selling Restrictions:

United States of America: [Regulation S Category 2 restrictions apply to the Instruments]

[[TEFRA C/TEFRA D] Rules apply to the Instruments]/[TEFRA Not Applicable]

Instruments [are/are not] Rule 144A eligible

[Exchange Date is [•]]

Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

(If the Instruments clearly do not constitute “packaged” products, or the Instruments do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Instruments may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)

[THIRD PARTY INFORMATION

[●] has been extracted from [●]. 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 [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

WESTPAC BANKING CORPORATION

By:

Name:

Date:

PART B: Other information

1. Listing

- (i) Listing: [Yes, to be admitted to the Official List of the UK Financial Conduct Authority]
- (ii) Admission to trading: [Application has been made for the Instruments to be admitted to trading on the London Stock Exchange's regulated market with effect from [•]]

2. Ratings

[(i)] [Ratings of the Instruments: [S&P Global Ratings Australia Pty Limited: [•]]

[Moody's Investors Service Pty Limited: [•]]

Neither S&P Global Ratings Australia Pty Limited nor Moody's Investors Service Pty Limited is established in the European Union or has applied for registration under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"). However, S&P Global Ratings Australia Pty Limited is endorsed by S&P Global Ratings Europe Limited and Moody's Investors Service Pty Limited is endorsed by Moody's Investors Service Ltd, each of which is established in the European Union and registered under the CRA Regulation.

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

[•]/[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.]

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

- (i) Reasons for the offer and use of proceeds: [•] [The Instruments are specified as "Green Bonds" and the net proceeds from the issuance of the Instruments will be used as described in "Use of Proceeds – Green Bonds"]

(See "Use of Proceeds" wording in the Offering Memorandum – if the reasons for the offer are different, include reasons here. In the case of Green Bonds, Nominated Projects will need to be specified.)

- (ii) Estimated net proceeds: [•]

(iii) Estimated total expenses: [•]

5. Yield

Indication of yield: [•]

6. Operational information

ISIN: [•]

Common Code: [•]

CFI: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable".)

Common Depository/Lodging Agent: [•]

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority: [Not Applicable]/[•]

CMU Service Instrument Number: [Not Applicable]/[•]

Names and addresses of additional Paying Agent(s) (if any): [•]

7. Description of the Underlying

[The USD-ISDA Swap Rate is [•]]

[The bid and offered rate for AUD/JPY is the spot price from time to time of the Australian Dollar as against the Japanese Yen.]/[•]

USE OF PROCEEDS

Instruments generally

The net proceeds of the issue of each Tranche of Instruments will be used by the Issuer for general funding purposes or such other purposes as may be specified in the relevant Final Terms.

Green Bonds

The Final Terms may state that the Issuer expects to use the proceeds of the issuance of that Tranche of Instruments to finance or refinance, in whole or in part, Nominated Projects (as defined below) that fall into investment areas set forth in the Climate Bonds Standard including, but not limited to Energy-Solar, Energy-Wind, Transport-Rail and Low Carbon Buildings. Such Instruments may also be referred to as “**Green Bonds**” (as specified in the relevant Final Terms).

Eligible Projects and Assets

Only Instruments, the proceeds of which are used to finance or refinance, in whole or in part, projects and assets that qualify as “Eligible Projects and Assets” under the terms of the Climate Bonds Standard (as described below), can be referred to as Green Bonds. “**Eligible Projects and Assets**” are projects or physical assets, or indebtedness incurred to finance such projects or physical assets that contribute to the delivery of a low-carbon economy and satisfy the prescribed eligibility criteria within the terms of the Climate Bonds Standard and sector-specific technical criteria published by the Climate Bonds Initiative (the “**CBI**”). The Eligible Projects and Assets with which a Green Bond is associated are defined as the “**Nominated Projects**”.

CBI is an international not-for-profit organisation which was launched in December 2009. As part of its stated aim to promote large-scale investments that will deliver a global low-carbon economy, CBI developed eligibility criteria for certain bonds known as the Climate Bonds Standard.

In addition, the Green Bond Principles are a set of voluntary guidelines published by the International Capital Markets Association for the issuance of green bonds. The Green Bond Principles are coordinated by a committee of issuers, investors and intermediaries in the green bond market and are intended to promote integrity in the green bond market through guidelines that recommend transparency, disclosure and reporting. The Green Bond Principles have four components: (i) use of proceeds for qualifying projects with environmentally sustainable benefits, (ii) disclosure and use of a process for project evaluation and selection, (iii) management of proceeds through a formal process to ensure they are allocated to qualifying projects and (iv) reporting on the allocation of such proceeds, including on the projects for which funds have been used and their expected environmental impact. The latest version of the Climate Bonds Standard (version 2.1) aligns with the 2016 update of the Green Bond Principles.

Project Evaluation and Selection

The Nominated Projects are identified and selected via a Sustainable Finance Working Group, comprised of participants from various functional areas within the Issuer including the Corporate and Institutional Bank group, Sustainable Finance group and Group Treasury. The Sustainable Finance Working Group evaluates and determines project eligibility against the prescribed eligibility criteria under the terms of the Climate Bonds Standard.

Management of Proceeds

The Issuer intends to use an amount equal to the net proceeds of any issuance of Green Bonds to finance or refinance, in whole or in part, one or more Nominated Projects. For so long as the relevant Green Bonds are outstanding, the Issuer's internal records will show an amount equal to the net proceeds from the offering of the Green Bonds as allocated to the assets that the Issuer classifies as Nominated Projects.

Pending allocation of an amount equal to the net proceeds from the offer and sale of any Green Bonds to finance or refinance, in whole or in part, one or more Nominated Projects, or in the event that the value of all available Nominated Projects falls below the amount of the net proceeds from the offer and sale of all Green Bonds, the Issuer will invest an amount equal to the balance of such net proceeds in investment instruments that are cash or cash equivalent instruments.

Payment of principal and interest on any Green Bonds will be made from the Issuer's general funds and will not be directly linked to the performance of any Nominated Projects.

The Issuer will review and update, on a semi-annual basis, the Nominated Projects to which an amount equal to the net proceeds from the offer and sale of any Green Bonds is allocated. Any proceeds allocated to projects that have been sold, prepaid, amortized or otherwise become ineligible shall be reallocated to other Nominated Projects.

Reporting

For so long as any Green Bonds remain outstanding, the Issuer will retain a CBI-approved third party assurance provider to perform an assurance engagement in relation to the compliance of its Green Bond Programme, including the Green Bonds, as at the relevant balance date with the requirements of the Climate Bonds Standard and sector-specific technical criteria published by CBI. Subject to the outcome of the assurance engagement, the third party assurance provider will prepare reports, at least on an annual basis, that will provide a reasonable assurance opinion on the matters referred to above. The annual assurance engagement will be conducted in accordance with the Climate Bonds Standard, as well as the Australian Standard on Assurance Engagements (ASAE3000) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the Australian Standard on Assurance Engagements (ASAE 3100) Compliance Engagements issued by the Auditing and Assurance Standards Board. The reports of the third party assurance provider will be prepared solely to comply with those Australian standards and not the standards or practices of any jurisdictions outside Australia, including the United States of America.

Further, for so long as any Green Bonds remain outstanding, the Issuer intends to provide holders of Green Bonds with periodic reports, at least on an annual basis, on the use of proceeds and expected environmental impact of each category of the Nominated Projects.

To the extent that reports of the third party assurance provider or periodic impact reports are published on the Issuer's website, they (together with any other information included on the Issuer's website) are not, and should not be deemed to be, a part of this Base Prospectus. In addition, the Climate Bond Standard is not, and should not be deemed to be, a part of this Base Prospectus.

Details of actual Nominated Projects with which Green Bonds may be associated at any given time may be subject to obligations of confidentiality that would preclude the Issuer from disclosing those details to holders of the relevant Green Bonds. Investors should further note that the Issuer may, at

any time and from time to time, change the composition of its Nominated Projects. Additional Nominated Projects may be added to, or used to substitute or replenish, the portfolio of Nominated Projects.

WESTPAC BANKING CORPORATION

Overview

Westpac is one of the four major banking organisations in Australia and one of the largest banking organisations in New Zealand. Westpac provides a broad range of banking and financial services in these markets, including consumer,⁷ business and institutional banking and wealth management services.

Westpac has branches, affiliates and controlled entities⁸ (the “**Westpac Group**”) throughout Australia, New Zealand and in the Pacific region, and maintains branches and offices in some of the key financial centres around the world.

Westpac was founded in 1817 and was the first bank 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 following its merger with the Commercial Bank of Australia. On 23 August 2002, Westpac was registered as a public company limited by shares under the *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.

As at 30 September 2019, Westpac’s market capitalisation was A\$103 billion⁹ and it had total assets of A\$907 billion.

Westpac’s operations comprise the following key customer-facing business divisions operating under multiple brands:

Consumer is responsible for sales and service to consumer customers in Australia. Consumer is also responsible for the Westpac Group’s insurance business which covers the manufacture and distribution of life, general and lenders mortgage insurances. The division also uses a third party to manufacture certain general insurance products. Banking products are provided under the Westpac, St. George, BankSA, Bank of Melbourne, and RAMS brands, while insurance products are provided under the Westpac and BT brands. Consumer works with Business and Westpac Institutional Bank (“**WIB**”) in the sales, service, and referral of certain financial services and products including superannuation, platforms, auto lending and foreign exchange. The revenue from these products is mostly retained by the product originators.

Business provides business banking and wealth facilities and products for customers across Australia. Business is responsible for manufacturing and distributing facilities to small to medium sized enterprises (“**SME**”) and commercial business customers (including Agribusiness) generally for

⁷ A consumer is defined as a person who uses products and services. It does not include business entities.

⁸ Refer to note 31 of Westpac’s 2019 audited consolidated financial statements (which are incorporated by reference in this Base Prospectus) for a list of Westpac’s material controlled entities as at 30 September 2019.

⁹ Market capitalisation is based on the closing share price of Westpac’s ordinary shares on the ASX as at 30 September 2019.

up to A\$150 million in exposure. SME customers include relationship managed and non-relationship managed SME customers (generally between A\$100,000-A\$250,000 facilities). The division offers a wide range of banking products and services to support their borrowing, payments and transaction needs. In addition, specialist services are provided for cash flow finance, trade finance, automotive and equipment finance and property finance. The division is also responsible for Private Wealth and the manufacture and distribution of investments (including margin lending and equities broking), superannuation and retirement products as well as wealth administration platforms. Business operates under the Westpac, St.George, BankSA, Bank of Melbourne, and BT brands. Business works with Consumer and WIB in the sale, referral and service of select financial services and risk management products (including corporate superannuation, foreign exchange and interest rate hedging). The revenue from these products is mostly retained by the product originators.

WIB delivers a broad range of financial products and services to commercial, corporate, institutional and government customers operating in, or with connections to Australia and New Zealand. WIB operates through dedicated industry relationship and specialist product teams, with expert knowledge in transactional banking, and financial and debt capital markets. Customers are supported throughout Australia and via branches and subsidiaries located in New Zealand, the United States, United Kingdom and Asia. WIB is also responsible for Westpac Pacific providing a full range of banking services in Fiji and Papua New Guinea. WIB works with all the Westpac Group's divisions in the provision of markets related financial needs including foreign exchange and fixed interest solutions.

Westpac New Zealand is responsible for sales and service of banking, wealth and insurance products for consumer, business and institutional customers in New Zealand. Westpac conducts its New Zealand banking business through two banks: Westpac New Zealand Limited ("**WNZL**"), which is incorporated in New Zealand and Westpac Banking Corporation (New Zealand Branch), which is incorporated in Australia. Westpac New Zealand operates via an extensive network of branches and ATMs across both the North and South Islands. Business and institutional customers are also served through relationship and specialist product teams. Banking products are provided under the Westpac brand while insurance and wealth products are provided under Westpac Life and BT brands, respectively. Westpac New Zealand also maintains its own infrastructure, including technology, operations and treasury.

Group Businesses include:

- Treasury, which is responsible for the management of the Westpac Group's balance sheet including wholesale funding, capital and the management of liquidity. Treasury also manages the interest rate risk and foreign exchange risks inherent in the balance sheet, including managing the mismatch between the Westpac Group's assets and liabilities. Treasury's earnings are primarily sourced from managing the Westpac Group's balance sheet and interest rate risk, (excluding Westpac New Zealand) within set risk limits;
- Group Technology, which is responsible for technology strategy and architecture, infrastructure and operations, applications development and business integration in Australia;
- Core Support, which comprises functions performed centrally, including Australian banking operations, property services, strategy, finance, risk, compliance, legal, human resources, and customer and corporate relations; and
- Following the Westpac Group's decision to restructure its wealth operations and exit its Advice business in March 2019, the residual Advice operations (including associated remediation) and certain support functions of BT Financial Group (Australia) have been transferred to Group Businesses.

Group Technology costs are fully allocated to other divisions in the Westpac Group. Core Support costs are partially allocated to other divisions, while Group Head Office costs are retained in Group Businesses.

Group Businesses also includes earnings on capital not allocated to divisions, certain intra-group transactions that facilitate the presentation of the performance of the Westpac Group's divisions, gains/losses from most asset sales, earnings and costs associated with the Westpac Group's Fintech investments, and certain other head office items such as centrally raised provisions.

Trends

The Australian economy had a below-trend year with annual growth to the June quarter 2019 at only 1.4 per cent. which was below population growth of 1.6 per cent.

Growth has been uneven as private spending contracted over the year while government spending and exports accounted for all of Australia's growth. Weakness in the private sector largely reflects a contraction in building activity, particularly centred around residential property, and continuing weakness in wages which is constraining consumer spending. The softer Australian growth combined with the slowdown in the world economy is also impacting business confidence and investment plans.

Progress in dealing with the shocks to the global outlook from the trade disputes, particularly between the United States and China, will be important for the outlook for the global economy and the flow-on effect on business confidence and investment plans in Australia.

Looking ahead, the Westpac Group expects GDP growth to lift somewhat through the remainder of 2019 and into 2020. This scenario is expected to be supported by interest rate cuts, the lower Australian dollar, targeted income tax cuts, and a recovery in housing sentiment.

Nevertheless, GDP growth is likely to remain below longer term averages (of closer to 2.75 per cent.) at 2.3 per cent. for calendar year 2019 and 2.4 per cent. for calendar year 2020. Weakness in wage growth is likely to persist while the contraction in the residential construction cycle will extend well into 2020. The Westpac Group expects the recent recovery in house prices, particularly in Sydney and Melbourne, to extend into 2020, providing some boost to households who, nevertheless, are likely to remain cautious on further increasing debt levels.

With the Commonwealth budget expected to return to surplus in 2019/20, the Commonwealth government may initiate additional stimulus in 2020 to assist the recovery as further stimulus from monetary policy appears to be limited.

With the Reserve Bank of Australia ("**RBA**") cash rate having been reduced from 1.5 per cent. to 0.75 per cent. over the course of 2019, one more rate cut is expected in early 2020 to 0.5 per cent. Following that move, if further stimulus is required, the RBA may adopt unconventional monetary policies which may include asset purchases or long term funding for financial institutions.

Credit growth for the Australian financial system slowed to 2.7 per cent. in the year to September 2019, down from 4.5 per cent. a year earlier. That included a slowdown in housing credit to 3.1 per cent. from 5.4 per cent. and business to 3.3 per cent. from 3.8 per cent. with personal credit contracting by 4.4 per cent. after declining by 1 per cent. a year earlier.

For the year ending 30 September 2020, total system credit growth is expected to lift to 3 per cent., with housing credit growth rising to 3.5 per cent. The lift in housing credit growth is expected to reflect the improving conditions in major housing markets, particularly following the more recent rise in

lending approvals. Business credit growth is likely to expand by 3 per cent. in the year to 30 September 2020 while other personal credit is expected to contract by a further 2 per cent.

Economic conditions in New Zealand have also softened over the year; in part due to the deterioration in the global back drop which has dampened conditions in export sectors. Domestic New Zealand conditions have also softened with sluggish consumer spending and weak business confidence. Conditions in New Zealand are likely to remain muted for the remainder of 2019 followed by an expected improvement in 2020 supported by lower interest rates, some fiscal stimulus, and the competitive (lower) New Zealand dollar.

The environment for financial services companies is expected to continue to be impacted by the actions flowing from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry that released its final report in February 2019. The sector will remain focused on implementing the recommendations of the Royal Commission and other company specific reviews. At the same time, regulators have indicated that they will be taking a more active position in prosecuting cases of misconduct as well as stepping up supervisory actions. This will likely see associated costs remain high for the sector in the period ahead.

In addition, regulators in Australia and New Zealand have a number of reviews underway, in many areas including mortgage pricing, remuneration, and capital/ risk weighted asset methodologies across the sector. Further clarity on these reviews is expected in the year ahead.

The Westpac Group remains focused on executing its vision of being one of the world's great service companies, with three strategic priorities assisting this transformation. These are:

- Customer franchise - continuing to build the Westpac Group's customer base while also increasing the depth of customer relationships. The Westpac Group seeks to do this via superior service, as measured by net promoter scores, and by expanding its share of customers that call it their main financial institution. The priority will be supported by Westpac's strong portfolio of brands and also recognises that leading in services requires a high quality, diverse and engaged workforce;
- Digital transformation - utilising technology to materially improve efficiency and reduce the Westpac Group's cost to income ratio to below 40 per cent. in the medium term. This will include completing the modernisation of the Westpac Group's technology platforms, and migrating more activity to digital that will assist in the continued restructuring of the Westpac Group's distribution network and create new experiences for customers. At the same time Westpac has developed some unique financial technology partnerships that will provide new services and close capability gaps; and
- Performance discipline – continuing to be prudent in the management of capital, funding and liquidity; managing returns effectively seeking to achieve a superior return on equity to the peer average and remaining disciplined and targeted on asset growth. At the same time the Westpac Group is focused on improving its ability to execute its plans with a focus on leadership.

In the period ahead, a key focus will be to resolve outstanding issues, including Westpac's response to the findings of the Royal Commission and Westpac's own Culture Governance and Accountability self-assessment. At the same time Westpac is looking to enhance its processes and controls in areas such as financial crime, end-to-end lending, compliance, and risk management. As a result, investment across these areas, is expected to lead to higher costs in 2020.

At the same time, Westpac has already provided for customer payments and refunds where it may not have, or has not been able to sufficiently demonstrate that it has, done the right thing for customers. The Westpac Group's review of historical practices will continue into 2020 and further provisions may be required. Westpac will also focus on refunding customers as quickly as practical where needed.

The low interest rate environment also has an impact on bank earnings and should interest rates be reduced further it is likely to place additional pressure on earnings and returns, as the ability to fully reprice lending and deposits to account for even lower interest rates is limited.

Westpac's lending growth is expected to be modest in the year ahead, partly reflecting the low system growth but also due to its decision to remain disciplined on margins and from low mortgage growth. Mortgage volume declined late in the 2019 financial year and is expected to ease further in the early part of the 2020 financial year. Growth should then recover through the year as the resolution of some process issues gradually sees new applications improve and outflows slow.

Wealth management income is also expected to be lower over the year, from Westpac's decisions to exit financial planning, eliminate grandfathered commission payments and change pricing on its wealth administration platforms. The impact of regulatory change may also reduce wealth and insurance income in the year ahead.

On capital, Westpac's current capital raising will further lift the Westpac Group's common equity tier 1 ("**CET1**") capital ratio and, based on the current outlook and Westpac's capital settings, the Westpac Group will increase its buffer over APRA's unquestionably strong benchmark for CET1 capital ratio of over 10.5 per cent.

Given the strength of Westpac's customer franchise, and its balance sheet, Westpac believes it is well placed to respond to any changes in the operating environment or regulatory requirements.

Looking ahead, with Westpac's strong positioning, disciplined growth, solid portfolio of businesses, and good progress on Westpac's strategic priorities, Westpac believes it is well positioned to continue delivering sound outcomes for shareholders and customers.

Significant Developments

Corporate significant developments

Royal Commission into the banking, superannuation and financial services industries

On 14 December 2017, the Australian Government established a Royal Commission into potential misconduct in Australia's banks and other financial services entities. The Royal Commission's Final Report was released on 4 February 2019 and contained 76 express recommendations. In light of Westpac's wealth strategy reset and the Government's signalled approach to implementation, 49 of those recommendations presently apply to Westpac. Of these 49 recommendations, 11 recommendations have now been implemented, with Westpac either establishing new practices and procedures to meet the recommendations or having existing practices consistent with the recommendation, and a further 11 recommendations are in the process of being implemented. Some

of these recommendations will require legislative or regulatory action before implementation can be completed.

The remaining 27 recommendations require legislative or regulatory action before implementation work can commence. Westpac is undertaking preparatory work where possible, including through participation in Government consultation.

The recommendations are broadly aimed at protecting consumers against misconduct, providing adequate redress and addressing asymmetries of power and information between financial services entities and their customers. Implementation of the recommendations is likely to continue to have a significant impact on banking and financial services entities and their regulators. Some of the most significant recommendations include those concerning the regulation of mortgage brokers, the prohibition of unsolicited sales of insurance and superannuation products and removal of grandfathered commissions.

The Government has stated that it will take action on all of the recommendations contained within the Final Report. On 19 August 2019, the Government released its Royal Commission implementation roadmap which sets out a timeline for consultation and the introduction of legislation which will implement the recommendations. The implementation roadmap foreshadows that a large number of legislative changes will be enacted into law or introduced before Parliament by mid-2020.

Other impacts arising from the Royal Commission include a number of claims being brought against financial institutions in relation to certain matters considered during the Royal Commission, and the referral of several cases of misconduct to the financial regulators by Commissioner Hayne.

Responsible lending class action proceedings

On 21 February 2019, a class action against Westpac was filed in the Federal Court of Australia. As directed by the court, the plaintiffs filed a statement of claim on 22 May 2019 and an amended statement of claim on 18 October 2019. The claims allege that Westpac did not comply with its responsible lending obligations and entered into certain home loans that it should otherwise have assessed as unsuitable. The allegations include that, during the period from 1 January 2011 to 17 February 2018, Westpac failed to: conduct reasonable inquiries about the customers' financial situation, requirements and objectives; verify the customer's financial situation; conduct assessments of suitability; and act efficiently and fairly. Westpac is defending the proceedings.

Update on provisions for customer payments and related costs expected to be incurred

Provisions in respect of compliance, regulation and remediation at 30 September 2019 include:

- customer refunds associated with certain ongoing advice service fees charged by the Westpac Group's salaried financial planners;
- customer refunds associated with certain ongoing advice service fees charged by authorised representatives of the Westpac Group's wholly owned subsidiaries, Securitor Financial Group Limited ("**Securitor**") and Magnitude Group Pty Ltd ("**Magnitude**");
- refunds for certain consumer and business customers that had interest only loans that did not automatically switch, when required, to principal and interest loans; and
- refunds to certain business customers who were provided with business loans where they should have been provided with loans covered by the National Consumer Credit Protection Act 2009.

The provisions for certain ongoing advice service fees charged by the Westpac Group's salaried financial planners and by authorised representatives of Securitor and Magnitude require significant judgement and are summarised as follows:

Customer refunds associated with certain ongoing advice service fees charged by the Group's salaried financial planners

Westpac has raised a provision for customer refunds associated with certain ongoing advice service fees charged by the Westpac Group's salaried financial planners during the period 2008 to 2018, including instances where records of financial advice are insufficient.

A number of estimates have been used and judgements have been applied in determining the provision of A\$276 million as at 30 September 2019. These include:

- total fees received by the Westpac Group in respect of salaried financial planners in the period 2008 to 2018 were approximately A\$594 million;
- the proportion of total fees that are estimated to be refunded is 26 per cent. The key assumption in this estimate relates to the nature and extent of records to evidence that services were provided; and
- the time value of money including the forecast timing over which payments are likely to be made. The provision also includes estimated costs associated with running the remediation program.

Ongoing advice service fees charged by authorised representatives of Securitor and Magnitude

The Westpac Group has estimated customer remediation costs (including interest on refunded fees and additional costs to implement the remediation program) where customers of authorised representatives of the Westpac Group's wholly owned subsidiaries Securitor and Magnitude paid ongoing advice service fees to those representatives and where it is not clear that the services were provided. The ongoing advice service fees were charged during the period from 2008 to 2018.

There are challenges involved in determining the extent of the services provided by authorised representatives who are no longer operating under the Magnitude and Securitor licences because, amongst other things, many of the former authorised representatives' files have been difficult to access particularly where authorised representatives have ceased operating under the Westpac Group's licences or have left the industry.

As a result, Westpac has conducted sample based reviews in order to develop an estimate of fees that may need to be refunded. The insights from these reviews have informed a number of the estimates that have been used and the judgements which have been applied in estimating the provision of A\$606 million at 30 September 2019. They include:

- total fees received by authorised representatives from their customers in the period 2008 to 2018 were approximately A\$936 million; and
- the proportion of fees that are estimated to be refundable under the current proposed remediation methodology is 32 per cent. The key assumptions in this estimate include:
 - the basis for refunding customers of the authorised representatives; and
 - the nature, extent and availability of records to evidence that service was provided; and

- the time value of money including the forecast timing over which payments are likely to be made. The provision also includes estimated costs associated with running the remediation programme.

The provision is necessarily based on a number of assumptions and incomplete information. Westpac is also yet to finalise its remediation approach which may change following industry and regulator discussions. It is possible that the final outcome could be below or above the provision, if the actual outcome differs to the assumptions used in estimating the provision. Remediation processes may change over time as further facts emerge and such changes could result in a change to the final exposure.

Provision of credit - reviews by and engagement with regulators

The provision and availability of credit for residential mortgage holders, property investors and businesses has continued to be a key area of Government, regulator and industry focus throughout the financial year ended 30 September 2019. Regulatory focus on credit from APRA has primarily been related to serviceability at an industry level, while ASIC has continued to consult on proposed changes to its regulatory guide on responsible lending. Judicial guidance on the extent of responsible lending obligations was also obtained from the Federal Court in its judgment in ASIC's responsible lending test case against Westpac (with the judgment currently under appeal). More information on these proceedings is set out in this section below.

APRA has also been engaging with Westpac on the adequacy of its credit risk management framework including its controls, policies and operating systems. Following feedback from APRA, the Westpac Group is making a number of changes to its systems and controls to improve its end-to-end approach in relation to its mortgage and business lending portfolios, as well as other key processes. This includes enhancing portfolio management practices, systems upgrades (including data collection and rationalisation), strengthening collateral management processes and improving assurance and oversight over Westpac's credit management frameworks. This programme of work also addresses issues identified by Westpac's internal assurance and audit teams.

Westpac will continue its work to improve its end to end credit processes and expects engagement with APRA in this regard to continue throughout the year 2020.

APRA self-assessment

On 29 November 2018, Westpac submitted to APRA its self-assessment on its frameworks and practices in relation to governance, culture and accountability. A copy of Westpac's self-assessment is available on its website.

On 22 May 2019, APRA released a report analysing self-assessments carried out by 36 banks, insurers and superannuation licensees. APRA noted a wide variation in the quality of the self-assessments, however consistent findings in the self-assessments included:

- non-financial risk management requires improvement;
- accountabilities are not always clear, cascaded and effectively enforced;
- acknowledged weaknesses are well-known and some have been long-standing; and
- risk culture is not well understood, and therefore may not be reinforcing the desired behaviours.

Westpac has a programme of work underway to address the recommendations identified in the self-assessment report which has oversight of the board of directors of Westpac. Westpac has implemented 40 per cent. of the recommendations identified in the self-assessment and expects to complete its program of work by March 2021.

Australian Competition and Consumer Commission (“ACCC”) inquiry into home loan pricing

On 14 October 2019, the ACCC was directed by the Treasurer of Australia to conduct an inquiry into home loan pricing since 1 January 2019. The inquiry has been established to:

- investigate the prices charged for home loans across the sector;
- consider how banks make pricing decisions, including their approach to passing on movements in the official cash rate;
- examine differences in the prices paid by new and existing customers;
- examine differences between the interest rates published by suppliers and the interest rates paid by customers; and
- investigate barriers that may prevent consumers from switching lenders.

An interim report is due by 30 March 2020 and a final report is due by 30 September 2020.

ACCC residential mortgage products price inquiry in relation to a new levy on ADIs (as defined below) with liabilities of at least A\$100 billion (“Bank Levy”)

The ACCC undertook a specific inquiry into the pricing of residential mortgages by those banks affected by the Bank Levy (including Westpac), which included monitoring the extent to which the Bank Levy was passed on to customers. The final report was published in December 2018 and made a number of findings about the pricing of residential mortgages, including that the banks that were the subject of the inquiry did not change residential mortgage prices specifically to recover the costs of the Bank Levy.

AFCA look back review

On 4 February 2019, the Australian Government announced that, in response to the recommendations contained in the Royal Commission’s Final Report, it would expand the remit of the Australian Financial Complaints Authority (“AFCA”) for 12 months so that it can consider customer claims dating back to 1 January 2008 and award compensation where appropriate.

AFCA has expanded its jurisdiction to consider these legacy complaints for an additional 12 month period to 30 June 2020.

Anti-Money laundering and counter-terrorism financing reforms and initiatives

In an environment of ongoing legislative reform, regulatory change and increased industry focus, Westpac continues to progress a program of work to improve its management of financial crime risks (including AML/CTF, sanctions, Anti-Bribery and Corruption, FATCA and Common Reporting Standards). This work includes a review of Westpac’s AML/CTF policies, the completeness of data feeding into Westpac’s AML/CTF systems and Westpac’s AML/CTF processes and controls. Westpac has been regularly updating AUSTRAC on progress and continues to implement a number of improvements to its AML/CTF Programme, governance, policies, systems and controls together with

related remediation work in respect of certain controls and reporting practices. These efforts relate to matters such as customer on-boarding, customer and payment screening; ongoing customer due diligence, transaction monitoring and regulatory reporting (including in relation to IFTIs, Suspicious Matter Reports and Threshold Transaction Reports).

As reported in the Issuer's 2018 Annual Report, the Westpac Group self-reported to AUSTRAC a failure to report a large number of IFTIs (as required under Australia's *AML/CTF Act*). Under the Act, the 'sender' financial institution of an IFTI transmitted out of Australia, or the 'recipient' financial institution of an IFTI transmitted into Australia, is required to report the IFTI to AUSTRAC within 10 business days of the instruction being sent or received. The majority of the IFTIs which are the subject of the Westpac Group's engagement with AUSTRAC, concern batch instructions received by Westpac through one WIB product between 2009 and 2018 from a small number of correspondent banks for payments made predominantly to beneficiaries living in Australia in Australian dollars, on behalf of clients of those correspondent banks. The majority of the payments were low value, recurring and made by foreign government pension funds and corporates.

AUSTRAC has issued a number of detailed statutory notices over the last year requiring information relating to the Westpac Group's processes, procedures and oversight.

These notices relate to a range of matters including these IFTI reporting failures and associated potential failings related to record keeping and obligations to obtain and pass on certain data in funds transfer instructions, as well as correspondent banking due diligence, risk assessments and transaction monitoring. Westpac has not yet received an indication from AUSTRAC about the nature of any enforcement action it may take. The Westpac Group is continuing to work with AUSTRAC in relation to these matters.

Any enforcement action against Westpac may include civil penalty proceedings and result in the payment of a significant financial penalty, which Westpac is currently unable to reliably estimate. Previous enforcement action by AUSTRAC against other institutions has resulted in a range of outcomes, depending on the nature and severity of the relevant conduct and its consequences.

ASIC Enforcement Review Taskforce

On 16 April 2018, the Australian Government agreed to implement all of the recommendations made by the ASIC Enforcement Review Taskforce in its review of the suitability of ASIC's existing regulatory tools.

Progress continues to be made in implementing these recommendations, including:

- the Australian Treasury releasing five draft Bills on 11 September 2019 for consultation which, if enacted, would further strengthen ASIC's enforcement and supervision powers by implementing certain recommendations relating to search warrants, access to telecommunications interception information, licensing and banning orders; and
- the Taskforce releasing a report on 2 October 2019. The report sets out ASIC's observations on director and officer oversight of non-financial risk, how directors and officers of large and complex financial services companies are discharging their duties in relation to oversight and monitoring of non-financial risk, and ways that governance practices could be improved.

Enhanced penalties for corporate and financial sector misconduct

On 12 March 2019, the *Treasury Laws Amendment (Strengthening Corporate and Financial Sector Penalties) Act 2019* ("**Treasury Laws Amendment Act**") received royal assent. The *Treasury Laws*

Amendment Act strengthens penalties for corporate and financial sector misconduct consistent with the ASIC Enforcement Review Taskforce recommendations.

Key aspects of the *Treasury Laws Amendment Act* are to:

- update the penalties for certain criminal offences in legislation administered by ASIC, including tripling the maximum imprisonment penalties for certain criminal offences (from 5 to 15 years), introducing a formula to calculate financial penalties for contraventions of civil penalty provisions by individuals and companies, and removing imprisonment as a penalty but increasing the financial penalties for all strict and absolute liability offences;
- introduce ordinary criminal offences that sit alongside strict and absolute liability offences;
- expand the civil penalty regime by making a wider range of offences subject to civil penalties, such as failures by Australian financial services licensees to act efficiently, fairly and honestly, and failures to report significant breaches within 10 days of becoming aware of the breach or of circumstances where they are likely to breach;
- introduce a new test that applies to all dishonesty offences under the *Corporations Act 2001*; and
- ensure the Courts prioritise compensating victims over ordering the payment of financial penalties.

ASIC's close and continuous monitoring programme

ASIC has continued to use a supervisory approach in which ASIC officers are embedded in major financial institutions, including Westpac, in order to actively limit future financial harm to consumers, investors and markets and to catalyse positive, consumer oriented, behavioural change.

To date, the model adopted by ASIC is for officers to make extended onsite visits to major financial institutions. ASIC's program is examining culture and processes in major financial institutions through three streams: Breach Reporting, Corporate Governance and Internal Dispute Resolution ("*IDR*"). ASIC's onsite on Breach Reporting and engagement on Corporate Governance is now complete. The IDR onsite for Westpac commenced on 15 October 2019.

Product design and distribution obligations and product intervention power

On 5 April 2019, the *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Act 2019* received royal assent. The Act amends the *Corporations Act 2001* and the *National Consumer Credit Protection Act 2009* and grants ASIC a product intervention power and introduces a new 'principles-based' product design and distribution obligation on issuers and distributors.

Banking Code of Practice

On 31 July 2018, ASIC approved the Banking Code of Practice (the "**Code**") with an implementation date of 1 July 2019 for each bank that has adopted the Code (including Westpac). The Code introduces a range of new measures including a commitment to take extra care with vulnerable customers and train staff to help, simplified loan contracts for small business written in plain English, better protection for guarantors and stronger enforcement of the Code.

The Code will be further updated with key amendments in response to the recommendations contained in the Royal Commission's Final Report, which recommended changes in relation to the protection of small businesses and having a greater focus on customers in remote areas and those with limited English. These changes include banning informal overdrafts on basic accounts without prior express agreement with the customer, abolishing dishonour fees on basic bank accounts and following AUSTRAC's guidance on the identification and verification of persons of Aboriginal or Torres Strait Islander heritage. Subject to regulatory approvals, it is expected that these updates will be effective from 1 March 2020.

Open banking regime

The Treasury Laws Amendment (Consumer Data Right) Act 2019 ("**CDR Act**") received royal assent on 12 August 2019. The CDR Act amends the *Competition and Consumer Act 2010*, the *Privacy Act 1988* and the *Australian Information Commissioner Act 2010* to introduce a consumer data right. The banking sector is the first sector to which the consumer data right will apply.

The introduction of a consumer data right in the Australian economy signifies a shift in how data is regulated. It will give customers in Australia a right to direct that their data (starting with banking data) be shared with accredited third parties and follows a growing global trend to give consumers control over their data. Data sharing is expected to facilitate competition through easier product comparison and switching. This will have significant implications for consumers and banks.

On 2 September 2019, the ACCC released the final *Competition and Consumer (Consumer Data Right) Rules 2019* ("**CDR Rules**"). The CDR Rules outline how the consumer data right is to be implemented in the banking sector. A revised timetable for the introduction of open banking was included as part of the CDR Rules.

Both the CDR Act and CDR Rules contain new, detailed privacy protections under 13 Privacy Safeguards. The Privacy Safeguards deal with the disclosure, collection, use, accuracy, storage, security and deletion of consumer data right data. There are also 58 civil penalty provisions under the CDR Rules. A breach of the Privacy Safeguards or the CDR Rules could attract civil penalties of up to the greater of A\$10 million, 3 times any benefit obtained or 10 per cent. of 12 month annual turnover for corporations.

*Comprehensive Credit Reporting ("**CCR**")*

On 15 August 2019, an updated version of the *National Consumer Credit Protection Amendment (Mandatory Comprehensive Credit Reporting) Bill 2018* was released for consultation by the Australian Treasury, following the prior introduction of the Bill into the House of Representatives in March 2018. It is expected that this updated Bill will be introduced into Parliament in late 2019.

Capital raising

On 4 November 2019, Westpac announced that it would undertake an underwritten placement of fully paid ordinary shares in Westpac to institutional investors to raise A\$2 billion. Approximately 79 million new fully paid ordinary shares in Westpac at the price of A\$25.32 per share were issued on 8 November 2019. As further announced, following the placement, Westpac will make a share purchase plan available to shareholders to raise approximately A\$500 million, subject to scaleback, and with the ability to raise less or more.

Issue of Westpac Capital Notes 6

On 18 December 2018, Westpac issued approximately A\$1.42 billion of securities known as Westpac Capital Notes 6 which qualify as Additional Tier 1 capital under APRA's capital adequacy framework.

Transfer and redemption of Westpac Capital Notes

On 18 December 2018, approximately A\$722 million of Westpac Capital Notes were transferred to the Westpac Capital Notes nominated party for A\$100 each pursuant to the Westpac Capital Notes 6 reinvestment offer. Those Westpac Capital Notes were subsequently redeemed by Westpac.

On 8 March 2019, being the optional redemption/ transfer date of the Westpac Capital Notes, the remaining A\$662 million of Westpac Capital Notes were transferred to the Westpac Capital Notes nominated party for A\$100 each. Those Westpac Capital Notes were subsequently redeemed by Westpac.

ASIC's responsible lending litigation against Westpac

On 1 March 2017, ASIC commenced Federal Court proceedings against Westpac in relation to certain home loans entered into between December 2011 and March 2015, which were automatically approved by Westpac's systems as part of its broader processes. The proceedings were heard in May 2019. On 13 August 2019, the Court handed down its judgment in the proceedings, and dismissed ASIC's case. On 10 September 2019 ASIC filed an appeal in relation to the decision.

Outbound scaled advice division proceedings

On 22 December 2016, ASIC commenced Federal Court proceedings against BT Funds Management Limited ("**BTFM**") and Westpac Securities Administration Limited ("**WSAL**") in relation to a number of superannuation account consolidation campaigns conducted between 2013 and 2016. ASIC has alleged that in the course of some of these campaigns, customers were provided with personal advice in contravention of a number of *Corporations Act 2001* provisions, and selected 15 specific customers as the focus of their claim. In December 2018 the primary court handed down a judgment in which it held that no personal advice had been provided and that BTFM and WSAL did not contravene the relevant personal advice provisions although it did make a finding that BTFM and WSAL had each contravened section 912A(1)(a) of the *Corporations Act 2001*. In February 2019, ASIC filed an appeal against this decision. On 28 October 2019, the Full Federal Court handed down its decision in ASIC's favour and made findings that BTFM and WSAL each provided personal advice on the relevant calls. Once formal declarations of contravention are made, the matter will be remitted for penalty.

ASIC's proceedings against Westpac for poor financial advice by a financial planner

On 14 June 2018, ASIC commenced proceedings in the Federal Court against Westpac in relation to alleged poor financial advice provided by a former financial planner, Mr Sudhir Sinha. Mr Sinha was dismissed by Westpac in November 2014 and subsequently banned by ASIC. Westpac has proactively initiated remediation to identify and compensate affected customers and has completed remediation activities. ASIC's proceedings relate to advice provided by Mr Sinha in respect of four specific customer files. The matter was heard by the court on 15 April 2019 and judgment has been reserved.

Class action against Westpac and Westpac Life Insurance Services Limited

On 12 October 2017, a class action was filed in the Federal Court of Australia on behalf of customers who, since February 2011, obtained insurance issued by Westpac Life Insurance Services Limited ("**WLIS**") on the recommendation of financial advisers employed within the Westpac Group. The plaintiffs have alleged that aspects of the financial advice provided by those advisers breached fiduciary and statutory duties owed to the advisers' clients, including the duty to act in the best interests of the client, and that WLIS was knowingly involved in those alleged breaches. Westpac and WLIS are defending the proceedings.

These proceedings are currently stayed by order of the Court, pending the outcome of an appeal concerning a procedural issue unrelated to the substantive claims made in the class action.

BBSW proceedings

Following ASIC's investigations into the interbank short-term money market and its impact on the setting of the BBSW, on 5 April 2016, ASIC commenced civil proceedings against Westpac in the Federal Court of Australia, alleging certain misconduct, including market manipulation and unconscionable conduct. On 24 May 2018, Justice Beach found that Westpac had not engaged in market manipulation or misleading or deceptive conduct under the *Corporations Act 2001*. His Honour also found that there was no 'trading practice' of manipulating the BBSW rate. However, the Court found that Westpac engaged in unconscionable conduct on 4 occasions and that Westpac breached certain of its duties as a financial services licensee. On 9 November 2018, the Court ordered Westpac to pay a penalty of A\$3.3 million and 50 per cent. of ASIC's costs, and have an independent expert review particular aspects of Westpac's compliance arrangements. Westpac has complied with these orders. The amount of costs recoverable by ASIC is still in the process of being determined.

In August 2016, a class action was filed in the United States District Court for the Southern District of New York against Westpac and a large number of other Australian and international banks alleging misconduct in relation to the bank bill swap reference rate. In April 2019, an amended claim was filed by the plaintiffs. Westpac is defending the proceedings with a motion to dismiss filed in May 2019.

Responsible lending class action

On 21 February 2019, a class action against Westpac was filed in the Federal Court of Australia. As directed by the court, the plaintiffs filed a statement of claim on 22 May 2019 and an amended statement of claim on 18 October 2019. The claims allege that Westpac did not comply with its responsible lending obligations and entered into certain home loans that it should otherwise have assessed as unsuitable. The allegations include that, during the period from 1 January 2011 to 17 February 2018, Westpac failed to: conduct reasonable inquiries about the customers' financial situation, requirements and objectives; verify customers' financial situation; conduct assessments of suitability; and act efficiently and fairly. Westpac is defending the proceedings.

Cash in super class action

On 5 September 2019, a class action against BTFM and WLIS was commenced in relation to aspects of BTFM's BT Super for Life cash investment option. The claim follows other industry class actions as part of Slater and Gordon's 'Get your super back' campaign.

It is alleged in the proceedings that BTFM failed to adhere to a number of obligations under the general law, the relevant trust deed and the *Superannuation Industry (Supervision) Act 1993*, and that WLIS was knowingly concerned with BTFM's alleged contraventions. The damages sought by the claim are unspecified. BTFM and WLIS are defending the proceedings.

Adoption of AASB 9 and AASB 15

The Westpac Group adopted the classification and measurement, and impairment requirements of AASB 9: Financial Instruments ("**AASB 9**") on 1 October 2018. AASB 9 includes a forward looking 'expected credit loss' impairment model, revised classification and measurement model and modifies the approach to hedge accounting.

The adoption of AASB 9 reduced the Westpac Group's retained earnings at 1 October 2018 by A\$722 million (net of tax) primarily due to the increase in impairment provisions under the new standard.

The Westpac Group also adopted AASB 15: Revenue from Contracts with Customers ("**AASB 15**") on 1 October 2018. AASB 15 provides a systematic approach to revenue recognition by introducing a five-step model governing revenue measurement and recognition. The adoption of AASB 15 reduced the Westpac Group's retained earnings at 1 October 2018 by A\$5 million (net of tax).

Transition to AASB 16

AASB 16: Leases ("**AASB 16**") replaced AASB 117: Leases from 1 October 2019. AASB 16 requires all leases of greater than 12 months duration to be presented on balance sheet by the lessee as a right-of-use asset and a lease liability. The application of AASB 16 is expected to result in the recognition of a right-of-use asset of A\$3.4 billion with a corresponding lease liability, with no impact on retained earnings.

APRA's proposed changes to capital standards

On 19 July 2017, APRA released an Information Paper titled 'Strengthening Banking System Resilience - Establishing Unquestionably Strong Capital Ratios'. In its release, APRA concluded that the four major Australian banks, including Westpac, need to have a CET1 capital ratio of at least 10.5 per cent., as measured under the existing capital framework, to be considered 'unquestionably strong'. Banks are expected to meet this new benchmark by 1 January 2020.

APRA has commenced consultation on revisions to the capital framework which includes proposals on changes to risk weighted assets, including in relation to residential mortgages as well as improving the transparency, comparability and flexibility of the framework.

As part of the proposals, APRA has proposed a minimum Leverage Ratio requirement of 3.5% for ADIs, such as Westpac, that use the internal ratings-based approach to determine capital adequacy.

APRA has indicated that it expects to finalise the suite of prudential standards to give effect to the 'unquestionably strong' benchmark in 2020-21, with the revised prudential standards likely to come into effect from 1 January 2022. In regards to the proposed revisions to the capital treatment of operational risk, APRA has proposed an earlier implementation date of 1 January 2021 for advanced IRB banks, such as Westpac.

APRA has announced that its revisions to the capital framework are not intended to necessitate further capital increases for the industry above the 10.5 per cent. benchmark. However, given the proposals include higher risk weights for certain mortgage products, such as interest only loans and loans for investment purposes, the impact on individual banks may vary. The proposals are currently under consultation and final details remain unclear, and it is therefore too soon to determine the impact on Westpac.

APRA's additional capital requirements

On 11 July 2019, Westpac received APRA's response to its self-assessment. In its response, APRA decided to apply an additional A\$500 million to Westpac's operational risk capital requirement. This follows APRA concluding that Westpac was required to improve its management and oversight of non-financial risk. The additional capital requirement will remain in place until APRA is satisfied that Westpac has completed its action plan.

The A\$500 million requirement, applied through an increase in risk weighted assets, took effect from 30 September 2019. The change reduced Westpac's Level 2 CET1 capital ratio by 16 basis points. Westpac's CET1 capital ratio at 30 September 2019 was 10.67 per cent.

APRA's proposed revisions to subsidiary capital investment treatment

On 15 October 2019, APRA released a discussion paper on proposed changes to APS 111 Capital Adequacy: Measurement of Capital. The key proposal is in relation to a parent ADI's treatment of its equity investments in banking and insurance subsidiaries (Level 1). Westpac's largest investment in banking and insurance subsidiaries is WNZL. There is no impact from this proposal on the calculation of the Westpac Group's reported regulatory capital ratios on a Level 2 basis. On a Level 1 basis, on a proforma basis as at 30 September 2019, it is estimated that applying APRA's proposed approach would reduce Westpac's Level 1 CET1 ratio by approximately 40bps (A\$1.6 billion). APRA has indicated that the updated standard will come into effect from 1 January 2021.

Associations with Related Entities

On 20 August 2019, APRA released the finalised prudential standard APS 222: Associations with Related Entities. The revised standard is intended to strengthen the ability of ADIs to monitor, limit and control risks arising from transactions and other associations with related entities. Key changes include revisions to the limit for exposure to authorised deposit-taking institutions ("**ADIs**") from 50 per cent. of total capital to 25 per cent. of Tier 1 capital. The revised standard is effective from 1 January 2021.

Westpac's largest exposure to a related entity is WNZL. As at 30 September 2019, Westpac would remain within the revised limits based on the current level of exposure to WNZL.

Additional loss absorbing capacity

In response to the Financial System Inquiry recommendations, the Australian Government agreed to further reforms regarding crisis management and establishing a framework for minimum loss-absorbing and recapitalisation capacity.

On 9 July 2019, APRA announced a requirement for the Australian major banks (including Westpac) to increase their total capital requirements by three percentage points of risk weighted assets ("**RWA**") as measured under the current capital adequacy framework. This increase in total capital will take full effect from 1 January 2024.

Based on Westpac's RWA of A\$429 billion at 30 September 2019, this represents around A\$13 billion of additional capital over the four year transition period. The additional capital is expected to be raised through Tier 2 Capital and is likely to be offset by a decrease in other forms of long term wholesale funding. Westpac has commenced progress towards the new requirements and in the financial year ended 30 September 2019 issued a total of A\$4.2 billion in Tier 2 capital.

APRA is still targeting an additional four to five percentage points of loss-absorbing capacity. Over the next four years, APRA will consider feasible alternative methods for raising the remaining 1-2 percentage points.

APRA intends to consult on a prudential framework covering both recovery and resolution planning in 2020.

APRA's proposed amendment to guidance on mortgage lending

On 5 July 2019, APRA announced that it no longer required ADIs to assess home loan applications using a minimum interest rate of at least 7 per cent. Instead, ADIs are permitted to review and set their own minimum interest rate floor for use in serviceability assessments and utilise a revised interest rate buffer of at least 2.5 per cent. over the loan's interest rate. Also on 5 July 2019, APRA also released its final version of Prudential Practice Guide APG 223 – Residential Mortgage Lending.

APRA Prudential Standard CPS 234: Information Security Management

On 1 July 2019, APRA's Prudential Standard CPS 234: Information Security came into effect, except for information assets managed by a third party which will come into effect from the earlier of the next contract renewal date or 1 July 2020. The standard is aimed at improving the ability of APRA-regulated entities to detect cyber adversaries, ensure appropriate security capabilities are in place commensurate to the risk of the information assets including responding swiftly and effectively in the event of an information security incident. Westpac continues to enhance its systems and processes to further mitigate cybersecurity risks.

APRA Prudential Standard CPS 511: Remuneration

On 23 July 2019, APRA released for consultation a new draft prudential standard and supporting discussion paper on remuneration. It is aimed at clarifying and strengthening remuneration arrangements in APRA-regulated entities. The new standard will replace existing remuneration requirements under CPS/SPS 510 Governance with a proposed implementation date of 1 July 2021.

Brexit

There continues to be uncertainty on the timing and process for the UK's withdrawal from the EU.

As Westpac's business and operations are based predominantly in Australia and New Zealand, Westpac expects that the direct impact of the UK's departure from the EU is unlikely to be material to Westpac.

However, it remains difficult to predict the impact that Brexit may have on financial markets, the global economy and the global financial services industry. Westpac has contingency planning in place and has been active in dialogue with affected customers.

OTC derivatives reform

International regulatory reforms relating to over-the-counter ("**OTC**") derivatives continue to be implemented across the globe, with a current focus on initial margin and risk mitigation practices for non-centrally cleared derivatives.

As of 1 September 2019, Westpac is required to post and collect collateral on a gross basis, held by third party custodians. Global initial margin requirements will continue to be introduced in phases until 1 September 2021.

New Zealand

Regulatory reforms and significant developments in New Zealand include:

*Reserve Bank of New Zealand ("**RBNZ**") - Revised Outsourcing Policy*

As at 30 September 2019, WNZL is compliant with the requirement in the RBNZ's revised Outsourcing Policy (BS11) ("**Revised Outsourcing Policy**") to maintain a compendium of outsourcing arrangements and work is underway to comply with the other aspects of the Revised Outsourcing Policy by 30 September 2022 in line with the regulatory timeline.

As a result of complying with the Revised Outsourcing Policy, the ongoing cost of operating the WNZL business will increase, in addition to the costs of implementing the changes.

RBNZ Capital Review

On 14 December 2018, the RBNZ released a consultation paper to seek the public's view on a proposal to set a Tier 1 capital requirement equal to 16 per cent. of risk weighted assets for banks deemed systemically important, such as WNZL. The proposal of a Tier 1 ratio of 6 per cent. of risk weighted assets as a regulatory minimum is unchanged, and of this no more than 1.5 per cent. of risk weighted assets can be contributed by Additional Tier 1 capital or redeemable preference shares. The RBNZ have also proposed changes to risk weighted asset measurements. The RBNZ have proposed a five year transition period.

The proposed changes aim to further strengthen the New Zealand banking system to protect the economy and depositors from bank failure. WNZL would be required to hold a further estimated NZ\$2.3 – 2.9 billion of Tier 1 capital (assuming a WNZL Tier 1 capital ratio of 16-17 per cent.) if the proposals were applied at 30 September 2019. WNZL is already strongly capitalised with a Tier 1 capital ratio of 13.9 per cent. at 30 September 2019.

On a pro-forma basis this change would also increase Westpac's Level 1 capital requirements by NZ\$1.2-\$1.8 billion if the proposals were applied at 30 September 2019, assuming that some of WNZL's supplementary capital can be issued externally over time and that APRA's proposed revisions to subsidiary capital investment treatment are implemented (more information on these proposed revisions is set out above). Further clarity on the proposals is expected from the RBNZ in December 2019 with implementation of any new rules starting from April 2020.

RBNZ - Review under section 95 of the Reserve Bank of New Zealand Act 1989

In June 2019, in response to a review under section 95 of the Reserve Bank of New Zealand Act 1989 of WNZL's compliance with advanced internal rating based aspects of the RBNZ's 'Capital Adequacy Framework (Internal Models Based Approach)' ("**BS2B**"), WNZL presented the RBNZ with a submission providing an overview of its credit risk rating system and activities undertaken to address compliance issues and enhance risk management practices.

On 30 October 2019, the RBNZ informed WNZL that it had accepted the submission and measures undertaken by WNZL to achieve satisfactory compliance with BS2B, and that WNZL would retain its accreditation to use internal models for credit risk in the calculation of its regulatory capital requirements. It also advised WNZL that, with effect from 31 December 2019, the RBNZ will remove the requirement imposed on WNZL since 31 December 2017 to maintain minimum regulatory capital ratios which are two percentage points higher than the ratios applying to other locally incorporated banks.

Review of the Reserve Bank of New Zealand Act

In November 2017, the New Zealand Government announced it would undertake a review of the Reserve Bank of New Zealand Act 1989 ("**RBNZ Review**"). The RBNZ Review will consist of two phases. The legislation for the recommended Phase 1 related changes to New Zealand's monetary policy framework received royal assent on 20 December 2018, and came into force on 1 April 2019.

The terms of reference for Phase 2 were released in June 2018 and will consider the overarching objectives of the RBNZ's institutional governance and decision-making, the macro-prudential framework, the current prudential supervision model, trans-Tasman coordination, supervision and enforcement and resolution and crisis management. Final policy decisions on all components of the review are expected to be made in 2020.

RBNZ/Financial Markets Authority (“FMA”) - Financial Services Conduct and Culture Review

In May 2018, the RBNZ and FMA commenced a review in respect of New Zealand's 10 major banks and 15 life insurers, including WNZL and Westpac Life-NZ- Limited, to explain why conduct issues highlighted by the Australian Royal Commission are not present in New Zealand. An industry thematic review report for the banks was released on 5 November 2018. WNZL submitted a plan responding to recommendations in the review report and in WNZL's individual feedback letters to the regulators on 29 March 2019.

The industry thematic review report into life insurers, including Westpac Life-NZ-Limited, was released on 29 January 2019. The report identified extensive weaknesses in life insurers' systems and controls, governance and management of conduct risks. Westpac Life-NZ-Limited provided its plan to address the findings to the regulators in June 2019.

Conduct of Financial Institutions Review

Following the developments and findings of the Financial Services Conduct and Culture Review and the Australian Royal Commission, the Minister of Commerce announced a proposal to introduce a conduct licensing regime for banks, insurers and non-bank deposit takers in respect of their conduct in relation to retail customers. The regime will require licensed institutions to meet a fair treatment standard, and implement effective policies, processes, systems and controls to meet this standard. The regime will also create obligations relating to remuneration and sales incentives. Legislation is expected to be introduced to parliament by the end of 2019.

Reform of Credit Contracts and Consumer Finance Legislation

In April 2019, the *Credit Contracts Legislation Amendment Bill* was introduced to parliament and is currently before the select committee. The bill introduces a number of changes to the *Credit Contracts and Consumer Finance Act*, including new duties for directors and senior managers and increased penalties and statutory damages. The bill also introduces stricter requirements around suitability and affordability assessments as well as a cap for interest and fees of 'high cost' loans (being loans with annualised interest exceeding 50 per cent.). The intention is that the bill will come into effect in March 2020.

Supervision and regulation

Australia

Within Australia, Westpac is subject to supervision and regulation by six principal agencies: APRA; the RBA; ASIC; the Australian Securities Exchange (“**ASX**”); the ACCC; and AUSTRAC.

APRA is the prudential regulator of the Australian financial services industry. It oversees banks, credit unions, building societies, general insurance, re-insurance, life insurance and private health insurance companies, friendly societies and most of the superannuation (pension) industry. APRA's role includes establishing and enforcing prudential standards and practices designed to ensure that, under all reasonable circumstances, financial promises made by the institutions it supervises are met within a stable, efficient and competitive financial system. APRA recently received new and strengthened powers under the crisis management reforms and the BEAR.

As an ADI, Westpac reports prudential information to APRA, including information in relation to capital adequacy, large exposures, credit quality and liquidity. Westpac's controlled entities in Australia that are authorised insurers and trustees of superannuation funds are also subject to the APRA regulatory regime. Reporting is supplemented by consultations, on-site inspections and targeted reviews. Westpac's external auditor also has an obligation to report on compliance with certain statutory and regulatory banking requirements and on any matters that in their opinion may have the potential to materially prejudice the interests of depositors and other stakeholders.

Australia's risk-based capital adequacy guidelines are based on the approach agreed upon by the BCBS. National discretion is then applied to that approach, which results in Australia's capital requirements being more stringent.

The RBA is responsible for monetary policy, maintaining financial system stability and promoting the safety and efficiency of the payments system. The RBA is an active participant in the financial markets, manages Australia's foreign reserves, issues Australian currency notes and serves as banker to the Australian Government.

ASIC is the national regulator of Australian companies and consumer protection within the financial sector. Its primary responsibility is to regulate and enforce company, consumer credit, financial markets and financial products and services laws that protect consumers, investors and creditors. With respect to financial services, it promotes fairness and transparency by providing consumer protection, using regulatory powers to enforce laws relating to deposit-taking activities, general insurance, life insurance, superannuation, retirement savings accounts, securities (such as shares, debentures and managed investments) and futures contracts and financial advice. ASIC has responsibility for supervising trading on Australia's domestic licensed markets and of trading participants. ASIC has recently had its existing powers strengthened to provide ASIC with a product intervention power.

The ASX operates Australia's primary national market for trading of securities issued by listed companies. Some of Westpac's securities (including Westpac's ordinary shares) are listed on the ASX and Westpac therefore has obligations to comply with the ASX Listing Rules, which have statutory backing under the *Corporations Act 2001*. The ASX has responsibility for the oversight of listed entities under the ASX Listing Rules and for monitoring and enforcing compliance with the ASX Operating Rules by its market, clearing and settlement participants. ASX is also now the benchmark administrator of BBSW.

The ACCC is the regulator responsible for the regulation and prohibition of anti-competitive and unfair market practices and mergers and acquisitions in Australia. Its broad objective is to administer the *Competition and Consumer Act 2010 of Australia* and related legislation to bring greater competitiveness, fair trading, consumer protection and product safety to the Australian economy. The ACCC's role in consumer protection complements that of ASIC (for financial services) and Australian state and territory consumer affairs agencies that administer the unfair trading legislation of their jurisdictions.

The Australian Government's present policy, known as the 'four pillars policy', is that there should be no fewer than four major banks to maintain appropriate levels of competition in the banking sector.

Under the *Financial Sector (Shareholdings) Act 1998 of Australia*, the Australian Government's Treasurer must approve an entity acquiring a stake of more than 15 per cent. in a particular financial sector company.

Proposals for foreign acquisitions of a stake in Australian banks are subject to the Australian Government's foreign investment policy and, where required, approval by the Australian Government under the *Australian Foreign Acquisitions and Takeovers Act 1975 of Australia*.

AUSTRAC oversees the compliance of Australian reporting entities (including Westpac), with the requirements under the *AML/CFT Act* and the *Financial Transaction Reports Act 1988 of Australia*. These requirements include:

- implementing programmes for identifying and monitoring customers, and for managing the risks of money laundering and terrorism financing;
- reporting suspicious matters, threshold transactions and international funds transfer instructions; and
- submitting an annual compliance report.

AUSTRAC provides financial information to Australian federal law enforcement, national security, human services and revenue agencies, and certain international counterparts.

New Zealand

The RBNZ is responsible for supervising New Zealand registered banks and protects the financial stability of New Zealand through the application of minimum prudential obligations. The New Zealand prudential supervision regime requires that registered banks publish disclosure statements, which contain information on financial performance and risk positions as well as attestations by the directors about Westpac's compliance with its conditions of registration and certain other matters.

The FMA and the New Zealand Commerce Commission ("**NZCC**") are the two primary conduct and enforcement regulators. The FMA and NZCC are responsible for ensuring that markets are fair and transparent and are supported by confident and informed investors and consumers. Regulation of markets and their participants is undertaken through a combination of market supervision, corporate governance and licensing approvals.

In New Zealand, other relevant regulator mandates include those relating to taxation, privacy and foreign affairs and trade.

Banks in New Zealand are also subject to a number of self-regulatory regimes. Examples include Payments NZ, the New Zealand Bankers' Association and the Financial Services Council ("**FSC**"). Examples of industry agreed codes include the New Zealand Bankers' Association's Code of Banking Practice and FSC's Code of Conduct.

United States

Westpac's New York branch is a U.S. federally licensed branch and therefore is subject to supervision, examination and regulation by the U.S. Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System (the "**U.S. Federal Reserve**") under the *U.S. International Banking Act of 1978 ("IBA")* and related regulations.

A U.S. federal branch must maintain, with a U.S. Federal Reserve member bank, a capital equivalency deposit as prescribed by the U.S. Comptroller of the Currency, which is at least equal to 5 per cent. of its total liabilities (including acceptances, but excluding accrued expenses, and amounts due and other liabilities to other branches, agencies and subsidiaries of the foreign bank).

In addition, a U.S. federal branch is subject to periodic onsite examination by the U.S. Comptroller of the Currency. Such examination may address risk management, operations, asset quality, compliance with the record-keeping and reporting, and any additional requirements prescribed by the U.S. Comptroller of the Currency from time to time.

A U.S. federal branch of a foreign bank is, by virtue of the IBA, subject to the receivership powers exercisable by the U.S. Comptroller of the Currency.

As of 22 June 2016, Westpac elected to be treated as a financial holding company in the U.S. pursuant to the *Bank Holding Company Act of 1956* and *Federal Reserve Board Regulation Y*. Westpac's election will remain effective so long as it meets certain capital and management standards prescribed by the U.S. Federal Reserve.

Westpac and some of its affiliates are engaged in various activities that are subject to regulation by other U.S. federal regulatory agencies, including the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission and the National Futures Association.

Anti-money laundering regulation and related requirements

Australia

Westpac has a group-wide programme to manage its obligations under the *AML/CFT Act*. Westpac continues to actively engage with the regulator, AUSTRAC, on its activities.

Westpac's AML/CTF Policy sets out how the Westpac Group complies with its legislative obligations.

The AML/CTF Policy applies to all business divisions and employees (permanent, temporary and third party providers) working in Australia, New Zealand and overseas.

United States

The *USA PATRIOT Act of 2001* requires U.S. financial institutions, including the U.S. branches of foreign banks, to take certain steps to prevent, detect and report individuals and entities involved in international money laundering and the financing of terrorism. The required actions include verifying the identity of financial institutions and other customers and counterparties, terminating correspondent accounts for foreign 'shell banks' and obtaining information about the owners of foreign bank clients and the identity of the foreign bank's agent for service of process in the U.S. The anti-money laundering compliance requirements of the *USA PATRIOT Act of 2001* include requirements to adopt and implement an effective anti-money laundering programme, report suspicious transactions or activities, and implement due diligence procedures for correspondent and other customer accounts. Westpac's New York branch and Westpac Capital Markets LLC maintain an anti-money laundering compliance programme designed to address U.S. legal requirements.

U.S. economic and trade sanctions, as administered by the Office of Foreign Assets Control ("**OFAC**"), prohibit or significantly restrict U.S. financial institutions, including the U.S. branches and operations of foreign banks, and other U.S. persons from doing business with certain persons, entities and jurisdictions. Westpac's New York branch and Westpac Capital Markets LLC maintain compliance programmes designed to comply with OFAC sanctions programmes, and Westpac has a group-wide programme to ensure adequate compliance.

Legal proceedings

Westpac's entities are defendants from time to time in legal proceedings arising from the conduct of its business. Material legal proceedings, if any, are described in Note 27 to the financial statements and under '*Significant developments*' above. Where appropriate, as required by the accounting standards, a provision has been raised in respect of these proceedings and disclosed in the financial statements.

Competition

The Westpac Group operates in a highly competitive environment.

The Westpac Group serves the banking, wealth and risk management needs of customer segments from consumers and small businesses through to large corporate and institutional clients. The Westpac Group competes with other financial services providers in every segment and every product or service. Its competitors include financial services and advisory companies such as banks (both domestic and global), investment banks, credit unions, building societies, mortgage originators, credit card issuers, brokerage firms, fund and asset management companies, insurance companies, online financial services providers and technology companies large and small.

Like other financial services providers, the Westpac Group's competitive position across customer segments, products and geographies is determined by a variety of factors. These include:

- the quality, range, innovation and pricing of products and services offered;
- digital and technology solutions;
- customer service quality and convenience;
- the effectiveness of, and access to, distribution channels;
- brand reputation and preference;
- the types of customer served; and
- the talent and experience of the Westpac Group's employees.

The Westpac Group also operates in an environment where digital innovation is changing the competitive landscape. It competes on its ability to offer new products and services that align to evolving customer preferences.

The competitive nature of the industry means that if Westpac is not successful in developing or introducing new products and services, or in responding or adapting to changes in customer preferences and habits, the Westpac Group could lose customers to its competitors.

Competition within Australia's financial system is evidenced by both the significant number of providers and the range of products and services available. In Australia, competition for both deposits and lending continues to be fierce, both from established banks as well as new entrants, including technology firms. Slowing growth in some sectors has heightened competitive intensity as financial institutions work to win new customers and retain existing ones.

In its wealth business, Westpac expects the broader competitive landscape to continue to undergo significant change with ongoing consolidation in life insurance, increased overseas interest and participation in superannuation.

In New Zealand the Westpac Group is experiencing strong competition as banks vie for new customers and seek to retain existing ones. Competition for deposits and lending remains intense.

Majority Shareholders and Share Capital

As at 30 September 2019, the number of Westpac ordinary shares in issue was 3,489,928,773. 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 *Corporations Act 2001*, however, any person who begins or ceases to have a substantial holding of Westpac's shares must notify ASX and Westpac and relevant persons within two business days after they become aware of that information. A further notice must be given to ASX and Westpac if there is an increase or decrease of 1 per cent in a person's substantial holding. Formal notices must be lodged with the ASX within two business days. A person has a substantial holding of Westpac's shares if the total votes attached to Westpac's voting shares in which they or their associates have relevant interests is 5 per cent. or more of the total number of votes attached to all of Westpac's voting shares.

Westpac has a statutory right under the *Corporations Act 2001* to trace the beneficial ownership of Westpac's shares, by giving a direction to a shareholder or certain other persons, requiring disclosure to Westpac of, among other things, their own relevant interest in Westpac's 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 Board Charter outlines the roles and responsibilities of the Board. Key responsibilities are:

- approving, and overseeing management's implementation of, the strategic direction of Westpac Group, its business plan and significant corporate strategic initiatives;
- evaluating Board performance and determining Board size and composition;
- approving the Westpac Board Renewal Policy and the Westpac Group Remuneration Policy;
- selecting, appointing and determining the duration, remuneration and other terms of appointment of the CEO and Chief Financial Officer ("**CFO**");
- approving individual remuneration levels for Group Executives, other executives who report directly to the CEO, any other accountable persons under the Banking Executive Accountability Regime, and any other person the Board determines;
- evaluating the performance of the CEO;
- succession planning for the CEO and Group Executives;
- approving the appointment of Group Executives and the General Manager Group Audit and monitoring the performance of Group Executives;

- approving the annual targets and financial statements and monitoring performance against forecast and prior periods;
- determining Westpac's dividend policy;
- considering and approving Westpac's overall risk management framework, approving Westpac's Group Risk Management Strategy and Group Risk Appetite Statement and monitoring the effectiveness of risk management by the Westpac Group;
- forming a view of Westpac's risk culture and identifying any desirable changes;
- considering the social, ethical and environmental impact of Westpac's activities and monitoring compliance with Westpac's sustainability policies and practices;
- overseeing and monitoring Workplace Health and Safety ("**WHS**") issues in the Westpac Group and considering appropriate WHS reports and information;
- maintaining an ongoing dialogue with Westpac's external auditor and, where appropriate, principal regulators;
- overseeing internal governance, including delegated authorities, and approving policies for appointments to Westpac's controlled entity boards; and
- overseeing and monitoring customer complaints.

Directors

The Directors of Westpac, the business address of each of whom should be regarded for the purposes of this Base Prospectus as Level 18, 275 Kent Street, Sydney, New South Wales 2000, Australia, and their respective principal outside activities, where significant, are at the date of this Base Prospectus as follows:

Lindsay Maxsted, DipBus (Gordon), FCA, FAICD. Age 65. Director since March 2008 and Chairman since December 2011. Lindsay was formerly a partner at KPMG and was the CEO of that firm from 2001 to 2007. His 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 including Linter Textiles (companies associated with Abraham Goldberg), Bell Publishing Group, Bond Brewing, McEwans Hardware and Brashs. He is also a former Director and Chairman of the Victorian Public Transport Corporation. He is Chairman of Transurban Group, Managing Director of Align Capital Pty Ltd and a director of BHP Group Limited, BHP Group plc and Baker Heart and Diabetes Institute.

Brian Hartzler, BA, CFA. Age 52. Brian was appointed Managing Director & Chief Executive Officer in February 2015. Brian joined Westpac as Chief Executive, Australian Financial Services in June 2012 encompassing Westpac Retail & Business Banking, St. George Banking Group and BT Financial Group. Prior to joining Westpac, Brian spent three years in the UK as CEO for Retail, Wealth and Ulster Bank at the Royal Bank of Scotland Group. Prior to that, he spent ten years with Australia and New Zealand Banking Group Limited ("**ANZ**") in Australia in a variety of roles, including his final role as CEO, Australia and Global Segment Lead for Retail and Wealth. Before joining ANZ, Brian spent ten years as a financial services consultant in New York, San Francisco and Melbourne. He is Chairman of The Australian National University Business and Industry Advisory Board and a director of the Financial Markets Foundation for Children and Australian Banking Association Incorporated.

Nerida Ceasar, BCom, MBA, GAICD. Age 55. Director since September 2017. Nerida has over 30 years of broad-ranging commercial and business management experience. She was Group Managing Director and Chief Executive Officer, Australia and New Zealand of Equifax (formerly Veda Group Limited) from February 2011 to June 2017. Nerida is also a former director of Genome.One Pty Ltd and Stone and Chalk Limited. Ms Ceasar was formerly Group Managing Director, Telstra Enterprise and Government, responsible for Telstra's corporate, government and large business customers in Australia as well as the international sales division. Nerida also worked as Group Managing Director, Telstra Wholesale, and prior to that, held the position of Executive Director Enterprise & Government, where she was responsible for managing products, services and customer relationships throughout Australia. Nerida also held several senior management and sales positions with IBM within Australia and internationally over a 20-year period, including as Vice President of IBM's Intel Server Division for the Asia Pacific region. Nerida is a director of Workplace Giving Australia Limited (Chairman since June 2019) and Spark Investment Holdco Pty Ltd. Nerida is a member of the Advisory Board of IXUP Limited and an advisor to Equifax Australia and New Zealand.

Ewen Crouch AM, BEc (Hons.), LLB, FAICD. Age 63. Director since February 2013. Ewen was a partner at Allens from 1988 to 2013, where he was one of Australia's most accomplished mergers and acquisitions lawyers. He served as a member of the firm's board for 11 years including four years as Chairman of Partners. His other roles at Allens included: Co-Head Mergers and Acquisitions and Equity Capital Markets, Executive Partner, Asian offices and Deputy Managing Partner. Ewen served as a director of Mission Australia from 1995 and as Chairman from 2009, before retiring in November 2016. From 2010 to 2015, Ewen was a member of the Takeovers Panel. In 2013, Ewen was awarded an Order of Australia in recognition of his significant service to the law as a contributor to legal professional organisations and to the community. Ewen is currently a director of Corporate Travel Management Limited (Chairman since March 2017), BlueScope Steel Limited, Sydney Symphony Orchestra Holdings Pty Limited and Jawun. He is also a member of the Commonwealth Remuneration Tribunal, the Law Committee of the Australian Institute of Company Directors and Corporations Committee of the Law Council of Australia and ASIC's Director Advisory Panel.

Alison Deans, BA, MBA, GAICD. Age 51. Director since April 2014. Alison has more than 20 years' experience in senior executive roles focused on building digital businesses and digital transformation across e-commerce, media and financial services. During this time, Alison served as the CEO of eCorp Limited, CEO of Hoyts Cinemas and CEO of eBay, Australia and New Zealand. She was the CEO of a technology-based investment company netus Pty Ltd. Alison was an Independent Director of Social Ventures Australia from September 2007 to April 2013 and a director of kikki.K Holdings Pty Ltd from October 2014 to June 2018. Alison is a director of Cochlear Limited, Ramsay Health Care Limited, The Observership Program Limited, SCEGGS Darlinghurst Limited and Deputy Group Pty Ltd. Alison is also a Senior Advisor at McKinsey & Company and an Investment Committee Member of the CSIRO Innovation Fund (Main Sequence Ventures).

Craig Dunn, BCom, FCA. Age 56. Director since June 2015. Craig has more than 20 years' experience in financial services, including as CEO of AMP Limited from 2008 to 2013. Craig was previously a director of Financial Literacy Australia Limited, a Board member of each of the Australian Japanese Business Cooperation Committee, Jobs for New South Wales, and the New South Wales Government's Financial Services Knowledge Hub. He is the former Chairman of the Investment and Financial Services Association (now the Financial Services Council). Craig was also a member of the Financial Services Advisory Committee, the Australian Financial Centre Forum, the Consumer and Financial Literacy Taskforce and a Panel member of the Australian Government's Financial System Inquiry. Craig is currently Chairman of the International Standards Technical Committee on Blockchain and Distributed Ledger Technologies (ISO/TC 307). He is also a consultant to King & Wood Mallesons. Craig is currently the Chairman of The Australian Ballet and a director of Telstra Corporation Limited.

Anita Fung, BSocSc, MAppFin. Age 58. Director since October 2018. Anita's career in the banking industry spans over 30 years, including 19 years at HSBC. During her time at HSBC, Anita held a number of senior management roles including Group General Manager, HSBC Group and most recently as Chief Executive Officer, Hong Kong from 2011 to 2015. Prior to joining HSBC, Anita held various positions at Standard Chartered Bank in its Treasury and Capital markets business. Anita is a member of Westpac's Asia Advisory Board and the Hong Kong Museum Advisory Committee. Anita is currently a director of Hong Kong Exchanges and Clearing Limited, China Construction Bank Corporation and Hang Lung Properties Limited. Anita is also a board member of the Airport Authority Hong Kong.

Steven Harker, BEc (Hons.), LLB. Age 64. Director since March 2019. Steve has over 35 years of experience in investment banking. Steve was formerly Managing Director and Chief Executive Officer of Morgan Stanley Australia from 1998 to 2016 and then Vice Chairman until February 2019. Prior to joining Morgan Stanley, he spent fifteen years with Barclays de Zoete Wedd (BZW, now Barclays Investment Bank). Steve is a former Chairman and director of Australian Financial Markets Association Limited and a former director of Investa Property Group. Steve also previously served on the board of the Centre for International Finance and Regulation. He is also a former Guardian of the Future Fund of Australia. Steve currently serves as Honorary Treasurer of Ascham School, and is a director of The Banking and Finance Oath Limited, The Hunger Project Australia, ASX Refinitiv Charity Foundation, New South Wales Golf Club Foundation Limited and Ascham School Ltd.

Peter Marriott, BEc (Hons.), FCA. Age 62. Director since June 2013. Peter has over 30 years' experience in senior management roles in the finance industry encompassing international banking, finance and auditing. Peter joined ANZ in 1993 and held the role of Chief Financial Officer from July 1997 to May 2012. Prior to his career at ANZ, Peter was a banking and finance, audit and consulting partner at KPMG Peat Marwick. Peter was formerly a Director of ANZ National Bank Limited in New Zealand and various ANZ subsidiaries. Peter is currently a director of ASX Limited. He is also a director of Austraclear Limited, ASX Clearing Corporation Limited and ASX Settlement Corporation Limited. He is also a member of the Monash University Council and Chairman of the Monash University Council's Resources and Finance Committee.

Peter Nash, BCom, FCA, F Fin. Age 57. Director since March 2018. Peter was formerly a Senior Partner with KPMG until September 2017, having been admitted to the partnership of KPMG Australia in 1993. He most recently served as the National Chairman of KPMG Australia from 2011 until August 2017, where he was responsible for the overall governance and strategic positioning of KPMG in Australia. In this role, Peter also served as a member of KPMG's Global and Regional Boards. Peter has experience providing advice on a range of topics including business strategy, risk management, internal controls, business processes and regulatory change. He has also provided both financial and commercial advice to many government businesses at both a Federal and State level. Peter is a former member of the Business Council of Australia and its Economic and Regulatory Committee. Peter is Chairman of Johns Lyng Group Limited, and is also director of ASX Limited, Mirvac Group, Reconciliation Australia Limited and Golf Victoria Limited. Peter is a Board member of the Koorie Heritage Trust and Migration Council Australia. He is an Advisory Board member of the University of Melbourne Centre for Contemporary Chinese Studies.

Margaret (Margie) Seale, BA, FAICD. Age 59. Director since March 2019. Margie has more than 25 years' experience in senior executive roles in Australia and overseas, including in consumer goods, global publishing, sales and marketing, and the successful transition of traditional business models to digital environments. Prior to her non-executive career, Margie was Managing Director of Random House Australia and New Zealand and President, Asia Development for Random House Inc. Margie is a former Director and then Chair of Penguin Random House Australia Pty Limited, and a former Director of Ramsay Health Care Limited, Bank of Queensland Limited and the Australian Publishers' Association. Margie also previously served on the boards of Chief Executive Women (chairing its Scholarship Committee), the Powerhouse Museum, and the Sydney Writers Festival. She is currently

a director of Scentre Group Limited and Telstra Corporation Limited. Margie is also a member of the Australian Public Service Commission Centre for Learning and Leadership Advisory Board.

Independence

Together, the Board members have a broad range of relevant financial and other skills and knowledge, combined with the extensive experience necessary to guide Westpac's business.

All of Westpac's Non-executive Directors satisfy its criteria for independence, which align with the guidance provided in the ASXCGC Recommendations and the criteria applied by the New York Stock Exchange ("**NYSE**") and the US Securities and Exchange Commission.

The Board assesses the independence of its Directors on appointment and annually. Each Director provides an annual attestation of his or her interests and independence.

Directors are considered independent if they are independent of management and free from any business or other relationship that could materially interfere with, or 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 that he or she has directly, or as a partner, shareholder or officer of a company or other entity that has an interest in Westpac or a related entity. The Board considers information about any such interests or relationships, including any related financial or other details, when it assesses the Director's independence.

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 be present during the boardroom discussions or vote on the relevant matter.

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. In respect of potential conflicts of interest that may arise in the future, Westpac will manage such conflicts in accordance with the requirements of the *Corporations Act 2001* and other principles referred to above such that it does not expect that any actual conflicts of interest would arise.

Westpac's Corporate Governance

Framework and approach

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

This approach includes a commitment to maintaining the highest standards of corporate governance, which Westpac sees as fundamental to the sustainability of its business and performance. It includes regularly reviewing local and global developments in corporate governance and assessing their implications and to respond to changes in the operating environment.

Westpac has equity securities quoted on securities exchanges in Australia, New Zealand and the United States.

Australia

The principal listing of Westpac's ordinary shares is on the ASX, trading under the code WBC. Westpac also has hybrid securities, preference shares, capital notes, senior notes and subordinated notes listed on the ASX.

Westpac complies with the ASX Corporate Governance Principles and Recommendations (third edition) ("**ASXCGC Recommendations**") published by the ASX Limited's Corporate Governance Council (**ASXCGC**). Westpac must also comply, with the *Corporations Act 2001*, the *Banking Act*, including Part IIAA – The Banking Executive Accountability Regime amongst other laws, and as an ADI, with governance requirements prescribed by APRA under Prudential Standard CPS 510 (Governance).

Westpac's Corporate Governance Statement addresses each of the ASXCGC Recommendations with an explanation of Westpac's corporate governance practices, demonstrating its compliance with each Recommendation.

Further details about the ASXCGC Recommendations can be found on the ASX website www.asx.com.au.

New Zealand

Westpac's ordinary shares are also quoted on the NZX, which is the main board equity security market operated by NZX Limited. Westpac also has subordinated notes listed on the NZX Debt Market. As an overseas listed issuer in New Zealand, Westpac is deemed to satisfy and comply with the NZX Listing Rules, provided that it remains listed on the ASX and complies with the ASX Listing Rules.

The ASX, through the ASXCGC Recommendations and the NZX, through the NZX Corporate Governance Code, have adopted similar 'comply or explain' approaches to corporate governance. The ASXCGC Recommendations may, however, materially differ from the corporate governance rules and the principles of NZX's Corporate Governance Code.

United States

Westpac has American Depositary Shares ("**ADS**") representing its ordinary shares quoted on the NYSE, trading under the symbol WBK. Under the NYSE Listing Rules, foreign private issuers (like Westpac) are permitted to follow home country practice in respect of corporate governance in lieu of the NYSE Listing Rules. However, Westpac is still required to comply with certain audit committee and additional notification requirements.

Westpac complies in all material respects with all NYSE Listing Rules applicable to it.

Under the NYSE Listing Rules, foreign private issuers are required to disclose any significant ways in which their corporate governance practices differ from those followed by domestic U.S. companies.

Westpac has compared its corporate governance practices to the corporate governance requirements of the NYSE Listing Rules and note the significant differences below.

The NYSE Listing Rules require that, subject to limited exceptions, shareholders be given the opportunity to vote on equity compensation plans and material revisions to those plans. In Australia, there are no laws or ASX Listing Rules that require shareholder approval of equity based incentive plans or individual grants under those plans (other than for Directors, including the Chief Executive Officer (“**CEO**”)).

The NYSE Listing Rules set out specific requirements for determining whether a director will be regarded as independent. While these requirements are broadly consistent with Westpac’s criteria for independence, under Australian independence requirements, the Board is able to apply discretion in its determination of a director’s independence that differs from the NYSE Listing Rules.

The NYSE Listing Rules provide that the Board Nominations Committee’s responsibilities should include selecting, or recommending that the Board select, the Director nominees for the next annual meeting for shareholders, and overseeing the evaluation of the Board. The Board, rather than the Board Nominations Committee, reviews and recommends the Director nominees for election at the AGM and undertakes an annual review of its performance.

Westpac’s Board Audit Committee

Role of the Board Audit Committee

As detailed in its charter, the Board Audit Committee has oversight of:

- the integrity of the financial statements and financial reporting systems of the Westpac Group and its related bodies corporate;
- the external audit engagement, including the external auditor’s qualifications, performance, independence and fees;
- performance of the internal audit function;
- the integrity of the Westpac Group’s corporate reporting, including the Westpac Group’s financial reporting and compliance with prudential regulatory reporting and professional accounting requirements;
- the review and approval of policies and procedures for the receipt, retention and treatment of information submitted confidentially by employees and third parties about accounting, internal control, compliance, audit or other matters about which an employee has concerns, and monitoring employee awareness of these policies and procedures.

The Board Audit Committee reviews, discusses with management and the external auditor, and assesses:

- any significant financial reporting issues and judgements made in connection with the preparation of the financial reports;
- the processes used to monitor and comply with laws and regulations over financial information, reporting and disclosure; and
- the process surrounding the disclosures made by the CEO and CFO in connection with their personal certifications of the Westpac Group’s half-year and annual financial statements.

In addition, the Board Audit Committee maintains an ongoing dialogue with management, the external auditor and Group Audit, including regarding those matters that are likely to be designated as Critical Audit Matters in the external auditor's report. Critical Audit Matters are those matters which, in the opinion of the external auditor, are of the most significance in their audit of the financial report.

As part of its oversight responsibilities, the Board Audit Committee also conducts discussions with a wide range of internal and external stakeholders, including:

- the external auditor, about Westpac's major financial reporting risk exposures and the steps management has taken to monitor and control such exposures;
- Group Audit and the external auditor concerning their audits and any significant findings, and the adequacy of management's responses;
- management and the external auditor concerning the half-year and annual financial statements;
- management and the external auditor regarding any correspondence with regulators or government agencies, and any published reports which raise material issues or could impact on matters regarding the Westpac Group's financial statements or accounting policies; and
- the Group Executive, Legal & Secretariat regarding any legal matters that may have a material impact on, or require disclosure in, the financial statements.

Periodically the Board Audit Committee consults with the external auditor without the presence of management about internal controls over financial information, reporting and disclosure and the fullness and accuracy of Westpac's financial statements. The Board Audit Committee also meets with the General Manager, Group Audit without other members of management being present.

The Board Audit Committee also refers to the Board or any other Board Committees any matters that come to the attention of the Board Audit Committee that are relevant for the Board or the respective Board Committees.

Financial knowledge

The Board Audit Committee comprises five independent, Non-executive Directors and is chaired by Peter Marriott.

All Board Audit Committee members have appropriate financial experience, an understanding of the financial services industry and satisfy the independence requirements under the ASXCGC Recommendations, the *United States Securities Exchange Act of 1934* (as amended) and its related rules and the NYSE Listing Rules.

The Board has determined that Mr Marriott, who is a member of the Board Audit Committee, is an 'audit committee financial expert' and independent in accordance with U.S. securities law.

The designation of Mr Marriott as an audit committee financial expert does not impose duties, obligations or liability on him that are greater than those imposed on him as a Board Audit Committee member, and does not affect the duties, obligations or liability of any other Board Audit Committee member or Board member. Audit committee financial experts are not deemed as an 'expert' for any other purpose.

CEO and CFO assurance

The Board receives regular reports from management about Westpac's financial condition and operational results, as well as that of its controlled entities. Before the Board approves the financial statements for a financial period, the CEO and the CFO provide formal statements to the Board, and have done so for the financial year ended 30 September 2019, that state that in all material respects:

- Westpac's financial records have been properly maintained in that they:
 - correctly record and explain its transactions, and financial position and performance;
 - enable true and fair financial statements to be prepared and audited; and
 - are retained for seven years after the transactions covered by the records are completed;
- the financial statements and notes comply with the appropriate accounting standards;
- the financial statements and notes give a true and fair view of Westpac's and its consolidated entities' financial position and of their performance;
- any other matters that are prescribed by the *Corporations Act 2001* and regulations as they relate to the financial statements and notes are satisfied; and
- the declarations provided in accordance with section 295A of the *Corporations Act 2001* are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

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**"). Prior to 2002 individuals who were partners of PwC or its antecedent firms were Westpac's external auditors from 1968. Westpac's present PwC lead audit partner is Lona Mathis and the quality review partner is Wayne Andrews. Ms Mathis and Mr Andrews assumed responsibility for these roles in June 2017 and January 2015 respectively.

The external auditor receives all Board Audit Committee, Board Risk & Compliance Committee and Board Technology Committee papers, attends all meetings of these committees and is available to Committee members at any time. The external auditor also attends the AGM to answer questions from shareholders regarding the conduct of its audit, the audit report and financial statements and its independence.

As Westpac's external auditor, PwC is required to confirm its independence and compliance with specified independence standards on a semi-annual basis (at half and full year), however in practice it confirms its independence on a quarterly basis.

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

Engagement of 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 and may be limited as to the extent to which it can perform other non-audit services, as specified in Westpac's 'Pre-approval of engagement of PwC for audit and non-audit services' ("**Guidelines**"). Use of the external audit firm for any non-audit services must be assessed and approved in accordance with the pre-approval process determined by the Board Audit Committee and set out in the Guidelines.

The breakdown of the aggregate fees billed by the external auditor in respect of each of the two most recent financial years for audit, audit-related, tax and other services is provided in Note 35 to Westpac's financial statements for the year ended 30 September 2019.

Group Audit (internal audit)

Group Audit is Westpac's internal third line assurance function that provides the Board and Senior Executives with independent and objective evaluation of the adequacy and effectiveness of the Westpac Group's governance, risk management and internal controls for the Westpac Group.

Group Audit is governed by a charter approved by the Board Audit Committee that sets out the purpose, role, scope, and high level standards for the function. The General Manager Group Audit has a direct reporting line to the Chairman of the Board Audit Committee and an administrative line to the Chief Financial Officer. Group Audit also has unrestricted and private access to the Chief Executive Officer.

Group Audit's responsibilities include regularly reporting to the Board.

Other matters

Litigation

Contingent liabilities exist 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.

Organisational Structure

Westpac's controlled entities are set out in Note 31 to the 2019 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 FATCA, or 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

THE FOLLOWING IS A SUMMARY OF THE AUSTRALIAN WITHHOLDING TAX TREATMENT UNDER THE *INCOME TAX ASSESSMENT ACTS OF 1936 AND 1997 OF AUSTRALIA* (TOGETHER, THE "**AUSTRALIAN TAX ACT**") AND THE TAXATION ADMINISTRATION ACT 1953 OF AUSTRALIA AT THE DATE OF THIS OFFERING MEMORANDUM OF PAYMENTS OF INTEREST BY THE ISSUER ON THE INSTRUMENTS AND CERTAIN OTHER MATTERS.

IT IS NOT EXHAUSTIVE AND, IN PARTICULAR, DOES NOT DEAL WITH THE POSITION OF CERTAIN CLASSES OF HOLDERS OF INSTRUMENTS (INCLUDING, WITHOUT LIMITATION, AUSTRALIAN RESIDENTS THAT DO NOT HOLD THE INSTRUMENTS THROUGH A PERMANENT ESTABLISHMENT OUTSIDE AUSTRALIA, NON-RESIDENTS THAT HOLD THE INSTRUMENTS THROUGH A PERMANENT ESTABLISHMENT IN AUSTRALIA, DEALERS IN SECURITIES, OR CUSTODIANS OR THIRD PARTIES THAT HOLD THE INSTRUMENTS ON BEHALF OF ANY PERSON). NOR DOES IT DEAL WITH INSTRUMENTS ISSUED BY THE ISSUER FROM A BRANCH OUTSIDE AUSTRALIA OR PARTLY PAID INSTRUMENTS. IF SUCH INSTRUMENTS ARE ISSUED, THEIR AUSTRALIAN TAXATION TREATMENT WILL BE SUMMARISED IN THE RELEVANT FINAL TERMS.

THE FOLLOWING SUMMARY IS A GENERAL GUIDE AND SHOULD BE TREATED WITH APPROPRIATE CAUTION. IT IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED AS, LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER. PROSPECTIVE HOLDERS 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. HOLDERS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

Australian interest withholding tax ("**IWT**")

Generally, payments of principal and interest on the Instruments made by the Issuer to a Holder that is not a resident of Australia for Australian tax purposes ("**a Non-Resident**") (other than one deriving the interest in carrying on business in Australia at or through a permanent establishment in Australia) will not be subject to Australian taxes or duties other than IWT at a rate of 10 per cent. of the amount of an interest payment. However, IWT will not be payable if an exemption applies.

For IWT purposes, "interest" is defined to include amounts in the nature of, or paid in substitution for, interest and certain other amounts. Any premium or issue discount would be interest for these purposes.

There are also specific rules that can apply to treat a portion of the purchase price of the Instruments as interest for IWT purposes when Instruments that are originally issued at a discount, or with a maturity premium, or which do not pay interest at least annually, are sold by a Non-Resident (other than one holding the Instruments as part of a business carried on by it at or through a permanent establishment in Australia) to:

- a resident of Australia for Australian tax purposes ("**a Resident**") that does not acquire them in carrying on business at or through a permanent establishment in a country outside Australia; or
- a Non-Resident that acquires them in carrying on business in Australia at or through a permanent establishment in Australia.

Exemption from IWT under section 128F of the Australian Tax Act

Interest on the Instruments will be exempt from IWT if the requirements of section 128F of the *Australian Tax Act* ("**section 128F**") are satisfied in relation to the Instruments.

The Issuer proposes to issue the Instruments in a manner which will satisfy the requirements of section 128F.

The exemption from IWT available under section 128F is not intended to apply to related party loans. In particular, in order for that exemption to apply, the Issuer must not have known or had reasonable grounds to suspect, at the time of their issue, that any of the Instruments, or an interest in the Instruments, were 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 a registered scheme (as defined in the *Corporations Act 2001*)).

In addition, the exemption from IWT available under section 128F will not apply if, at the time of an interest payment in respect of an Instrument, the Issuer knew or had reasonable grounds to suspect that the recipient of the payment was 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 a registered scheme (as defined in the *Corporations Act 2001*)).

For these purposes, an "**Offshore Associate**" means an associate (as defined in section 128F) of the Issuer that is either:

- a Non-Resident that does not acquire the Instruments and does not receive any payments under them in carrying on business in Australia at or through a permanent establishment in Australia; or
- a Resident that acquires the Instruments and receives payments under them in carrying on business at or through a permanent establishment in a country outside Australia.

Accordingly, if you are an Offshore Associate of the Issuer, you should not acquire any of the Instruments.

Payment of additional amounts because of a deduction or withholding in respect of IWT

If the Issuer is, at any time, compelled by law to deduct or withhold an amount in respect of IWT, then it must, subject to certain exceptions set out in Condition 8 (*Taxation*), pay such additional amounts as will result in the receipt by the Holders of such Instruments of such amounts as would have been received by them had no such deduction or withholding been required.

However, it is noted that Condition 8 (*Taxation*) provides that the Issuer will not be obliged to pay such additional amounts on account of IWT which is payable by reason of the Holder being an associate (as defined in section 128F) of the Issuer.

Withholding under section 126 of the *Australian Tax Act* (“*section 126*”) on certain Instruments in bearer form

Section 126 imposes a withholding tax, at the rate of (currently) 45 per cent., on the payment of interest on bearer debentures if the issuer fails to disclose the names and addresses of certain holders of those debentures to the Australian Taxation Office (“*ATO*”). Section 126 does not apply to the payment of interest on debentures held by Non-Residents that do not carry on business at or through a permanent establishment in Australia where the issue of the debentures satisfied the requirements of section 128F. However, the operation of section 126 in relation to debentures held in some circumstances can be complex. Section 126 will not apply in any circumstances if the name and address of the holder of the bearer debentures is disclosed to the ATO. The ATO has issued a Taxation Determination stating that where interests in debentures are held by persons through a clearing house which lodges the bearer debentures with a common depositary, the disclosure of the name and address of the clearing house will be sufficient for section 126 purposes.

Condition 8 (*Taxation*) provides that the Issuer will not be obliged to pay additional amounts on account of taxes which it is required to deduct and withhold under section 126 (or any equivalent provision) in respect of interest payable on such bearer Instruments where the tax would not be payable were the Holder not a "Resident of Australia" or a "Non-Resident" engaged in carrying on business in Australia at or through a permanent establishment of that "Non-Resident" in Australia.

Withholding for failure to provide Tax File Number (“*TFN*”) / Australian Business Number (“*ABN*”)

The Issuer is required to deduct and withhold tax from payments of interest at a rate of (currently) 47 per cent. on the Instruments unless a TFN or, in certain circumstances, an ABN has been provided to the Issuer by the Holder, or the Holder has supplied the Issuer with proof of some other relevant exemption.

Provided that the requirements of section 128F have been satisfied with respect to the Instruments, the TFN / ABN withholding rules will not apply to payments to Holders that are Non-Residents and do not hold the Instruments in carrying on business in Australia at or through a permanent establishment in Australia.

Condition 8 (*Taxation*) provides that the Issuer will not be obliged to pay additional amounts on account of taxes deducted or withheld on payments made in respect of Instruments presented for payment by a Holder that could lawfully avoid (but has not so avoided) such deduction or withholding by complying with any statutory requirements or making a declaration of non-residence or other claim or filing for exemption.

Other Australian withholding taxes

Non-resident withholding tax

Under section 12-315 of Schedule 1 to the *Taxation Administration Act 1953 of Australia* (“**TAA**”), regulations may be made that require amounts to be withheld on account of tax liabilities of Non-Residents from certain payments that are made by an Australian entity to such Non-Residents.

These rules do not currently apply to payments in relation to the Instruments by the Issuer. However, the possible application of any future regulations to payments received by Non-Residents in respect of the Instruments will need to be monitored.

Supply withholding tax

Provided that the requirements of section 128F have been satisfied with respect to the Instruments, payments in respect of the Instruments will be able to be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 to the TAA.

Other Australian tax matters

Gains on disposal of Instruments by Non-Residents

Non-Residents that have never held their Instruments in the course of carrying on business at or through a permanent establishment within Australia will not be subject to Australian income tax on gains realised by them on the sale or redemption of the Instruments provided that such gains do not have an Australian source. A gain arising on the sale of Instruments by such a Non-Resident Holder to another Non-Resident where the Instruments are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia would not generally be expected to have an Australian source (ultimately this will be a question of fact depending on the circumstances surrounding the sale). There are specific rules that can apply to treat a portion of the purchase price of Instruments as interest for IWT purposes when certain Instruments originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to a Resident.

Garnishee directions

The Commissioner of Taxation for Australia may give a direction under section 255 of the *Australian Tax Act* or section 260-5 of Schedule 1 to the TAA or any similar provision requiring the Issuer to deduct or withhold from any payment to any other party (including any Holder) any amount in respect of tax payable by that other party. If the Issuer is served with such a direction, the Issuer intends to comply with that direction and make any deduction or withholding required by that direction.

GST

Neither the issue, nor the receipt, of the Instruments will give rise to a liability for goods and services tax (“**GST**”) in Australia on the basis that the supply of the Instruments will comprise either an “input taxed financial supply” or (in the case of a supply to a Non-Resident Holder outside Australia and certain areas offshore of Australia, which together comprise the “indirect tax zone”) a “GST-free supply”. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal or redemption of the Instruments, would give rise to any GST liability in Australia.

Estate duties

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.

Stamp duties

No ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Instruments.

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.

Non-Resident Withholding Tax

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 not a resident of New Zealand for income tax purposes and:

- (a) does not hold the Instruments for the purposes of a business carried on in New Zealand through a fixed establishment (as defined in the *Income Tax Act 2007* of New Zealand (the IT Act)) in New Zealand or other place of business or presence, in New Zealand; and
- (b) is not a registered bank (as defined in the *Reserve Bank of New Zealand Act 1989* of New Zealand) engaged in business through a fixed establishment in New Zealand ("**Non-Resident Holders**").

Non-resident withholding tax can be reduced to zero per cent. if the New Zealand approved issuer levy amount (currently equal to 2 per cent. of such payments of interest) is paid.

Resident Withholding Tax

A deduction on account of New Zealand resident withholding tax will be made from the payment of interest (as defined for New Zealand tax purposes) to a Holder or beneficial owner of any Instruments which are payable in New Zealand Dollars or issued by the Issuer acting through its New Zealand branch where the Holder or beneficial owner is not a Non-Resident Holder unless such Holder or beneficial owner (as the case may be) certifies that it holds a valid RWT exemption certificate or otherwise have exempt status for New Zealand resident withholding tax purposes and provides to the Issuer, the Registrar or any Paying Agent its New Zealand tax file number. The Issuer shall not make any additional payments to Holders or beneficial owners of Instruments which are payable in New Zealand Dollars or which are issued by the Issuer acting through its New Zealand branch where any deduction on account of New Zealand resident withholding tax is made.

If a Holder or beneficial owner of any Instruments issued by the Issuer acting through its New Zealand branch derives interest (as defined for New Zealand tax purposes) jointly with one or more persons and at least one such person is resident for tax purposes in New Zealand and the interest

derived by that Holder or beneficial owner is subject to New Zealand non-resident withholding tax, the rate of non-resident withholding tax is the applicable rate of resident withholding tax and that rate cannot be reduced to zero per cent. by payment of a New Zealand approved issuer levy amount. The Issuer shall not make any additional payments to such joint Holders of Instruments issued by the Issuer acting through its New Zealand branch where any deduction on account of New Zealand non-resident withholding tax is made.

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 the absolute beneficial owners of the 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). 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 non-United Kingdom-source interest

Payments of interest on Instruments issued by the Issuer otherwise than through a branch in the United Kingdom will generally not be treated as having a United Kingdom source. Payments of non-United Kingdom source interest should be able to be made without withholding or deduction for or on account of United Kingdom Tax.

(B) 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 or generated in the United Kingdom.

B.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 either (a) listed on a recognised stock exchange, or (b) admitted to trading on a multilateral trading facility operated by an appropriately regulated recognised stock exchange (within the meaning of Section 987 of the *Income Tax Act 2007*). 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*, as amended ("**FSMA**")) or are officially listed in a qualifying country outside the United Kingdom in accordance with provisions corresponding to those generally applicable in EEA states. The London Stock Exchange is a recognised stock exchange for these

purposes. While 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.

B.2 All UK Instruments

In addition to the exemption set out in B.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 such payments are made by the Issuer in the ordinary course of its business.

B.3 In all cases falling outside the exemptions described in B.1 and B.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 UK Instruments with a maturity of less than one year from the date of issue and which are not issued under arrangements which are capable of rendering such UK Instruments part of a borrowing with a total term of a year or more.

B.4 Payments under Deed of Covenant

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

(C) Other Rules Relating to United Kingdom Withholding Tax

- (a) Instruments may be issued at an issue price of less than 100 per cent. of their principal amount. Pursuant to the provisions mentioned in (B) above, any discount element on any such Instruments will not generally be subject to any United Kingdom withholding tax as long as any payments in respect of the accrued discount do not constitute payments of interest, but such Instruments may be subject to reporting requirements.
- (b) 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.
- (c) 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.
- (d) The references to “interest” above (including in (A) and (B) above) mean “interest” as understood in United Kingdom tax law and, in particular, do not include interest which falls to be treated under the United Kingdom tax rules as a distribution. 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.

- (e) The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the 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.

U.S. Foreign Account Tax Compliance Act (“FATCA”)

Legislation incorporating provisions referred to as FATCA, was passed in the United States on 18 March 2010. This description is based on guidance issued to date by the U.S. Department of Treasury, including final regulations. Future guidance may affect the application of FATCA to the Instruments.

It is possible that, in order to comply with FATCA, the Issuer (or, if the Instruments are held through another financial institution, such other financial institution) may be required (pursuant to an agreement entered into with the United States or under applicable law (including pursuant to the terms of any applicable intergovernmental agreement entered into between the United States and any other jurisdiction)) (i) to request certain information from the Holders or beneficial owners of the Instruments, which information may be provided to the U.S. Internal Revenue Service (“*IRS*”), and (ii) to withhold U.S. tax on any portion of any payment with respect to the Instruments treated as a foreign passthru payment made two years or more after the date on which the final regulations that define “foreign passthru payment” are published if such information is not provided or if payments are made to certain foreign financial institutions that have not entered into a similar agreement with the United States (and are not otherwise required to comply with the FATCA regime under applicable law (including pursuant to the terms of any applicable intergovernmental agreement entered into between the United States and any other jurisdiction)).

If the Issuer or any other person is required to withhold or deduct amounts arising under or in connection with FATCA from any payments made with respect to the Instruments, the Holders and beneficial owners of the Instruments will not be entitled to receive any gross up or other additional amounts under Condition 8 (*Taxation*) of the Instruments, or otherwise, on account of any such withholding or deduction. FATCA is complex and its application to the Instruments remains uncertain. Prospective investors are advised to consult their own tax advisors as to the application of FATCA to the Instruments.

SUBSCRIPTION AND SALE

Instruments may be issued from time to time by the Issuer to any one or more of Barclays Capital Asia Limited, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Daiwa Capital Markets Singapore Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Mizuho Securities Asia Limited, Morgan Stanley & Co. International plc, MUFG Securities EMEA plc, Nomura International plc, RBC Europe Limited, SMBC Nikko Capital Markets Limited, Standard Chartered Bank, The Toronto-Dominion Bank, UBS AG London Branch, Westpac Banking Corporation and Westpac Europe Limited (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 on or about 8 November 2018, as supplemented by way of a supplemental dealership agreement dated 28 June 2019 and a supplemental dealership agreement dated 11 November 2019 (as further amended or supplemented from time to time, 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 or 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.

Certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer’s affiliates. Dealers or their affiliates which have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which would consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially any Instruments issued under the Programme. Any such short positions could adversely affect future trading prices of any Instruments issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and 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 represented and 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 40 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 40 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).

In certain limited circumstances, Registered Instruments may be offered within the United States only to person reasonably believed to be 'qualified institutional buyers' in accordance with Rule 144A under the *Securities Act*. Registered Instruments issued in these certain limited circumstances will bear a Restrictive Legend in accordance with Condition 3.8.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Instruments specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", 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, sold or otherwise made available and will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Offering Memorandum as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and

- (b) the expression an “**offer**” includes 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 for the Instruments.

If the Final Terms in respect of any Instruments specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA, 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 made and will not make an offer of Instruments which have a minimum denomination of less than €100,000 (or equivalent in another currency) except that it may make an offer of such Instruments at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation.

For the purposes of this provision, the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

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 *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 any offer or invitation which is 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 in aggregate 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 that expression in Part 6D.2 of the *Corporations Act 2001*), or it is otherwise an offer or invitation for which by virtue of section 708 of the *Corporations Act 2001* no disclosure is required to be made under Part 6D.2 of the *Corporations Act 2001* or is otherwise required under Part 7 of the *Corporations Act 2001* and is not made to a retail client (as defined in section 761G of the *Corporations Act 2001*); 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 Part 6D.2 or Part 7 of the *Corporations Act 2001*.

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:

- (A) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("**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*, the "**SFO**") and any rules made under the SFO; (b) in other circumstances which do not result in the document being a prospectus as defined in the *Companies (Winding Up and Miscellaneous Provisions) 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; or (c) Instruments which are a "structured product" as defined in the SFO; and
- (B) 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 SFO and any rules made under the SFO.

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 the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines 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.

France:

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 will not offer or sell, directly or indirectly, any Instruments to the public in France, and that offers and sales of Instruments in France will be made only to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in Articles L.411-1, L.411-2 and D.411-1 of the *French Code monétaire et financier*, but excluding individuals.

No re-transfer, directly or indirectly, of the Instruments in France, other than in compliance with applicable laws and regulations shall be made.

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 France, this Offering Memorandum or any other offering material relating to the Instruments other than to investors to whom offers and sales of Instruments in France may be made as described above.

The Republic of Ireland:

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

- (A) it will not underwrite the issue of, or place the Instruments, otherwise than in conformity with the provisions of the *European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended)*, including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the *Investor Compensation Act 1998*;
- (B) it will not underwrite the issue of, or place, the Instruments, otherwise than in conformity with the provisions of the *Companies Acts 1963 - 2013 (as amended) of Ireland (as amended)*, the *Central Bank Acts 1942 - 2013 (as amended)* and any codes of conduct rules made under Section 117(1) of the *Central Bank Act 1989*; and
- (C) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Instruments, otherwise than in conformity with the provisions of the *Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended)* and any rules issued under Section 34 of the *Investment Funds, Companies and Miscellaneous Provisions Act 2005* by the Central Bank of Ireland.

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 this Offering Memorandum 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")* and Article 34-ter, first paragraph, letter b, of the *Italian Securities Exchange Commission ("CONSOB") Regulation No. 11971 of 14 May 1999, as amended* (the "**11971 Regulation**") 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 34-ter of the 11971 Regulation.

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 Offering Memorandum 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")*, CONSOB Regulation No. 16190 of 29 October 2007, as amended 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, as amended from time to time (*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 (but not limited to) those imposed by CONSOB or by the Bank of Italy.

Each Dealer has acknowledged that, and is aware of the fact that, pursuant to Italian laws, including Article 100-bis of Decree No. 58:

- (a) any subsequent resale of the Instruments - which have been previously the subject of an exempted offer - shall be subject to registration and shall be accompanied by a prospectus to the extent that such a resale qualifies as an offer to the public and it is not exempted from the registration and prospectus requirements;
- (b) any subsequent and systematic resale of the Instruments – which have been previously allotted in Italy or abroad to Qualified Investors (as defined above) – to individuals (or entities) other than Qualified Investors over the 12 months following the original allotment qualifies as an offer to the public (subject to registration and to the publication of a prospectus) to the extent that it is not exempted from the registration and prospectus requirements;
- (c) if the resale under letter (b) above occurs in the absence of a properly published prospectus, the purchaser of the Instruments – who has acted outside its professional or business purposes – may obtain a court order declaring the agreement for the purchase of the Instruments null and void and obliging the authorised dealer who sold the Instruments to pay damages incurred by the purchaser. Furthermore, the seller of the Instruments:
 - (i) shall ensure the repayment of the Instruments' nominal value to the purchaser;
 - (ii) will be fined not less than one fourth of the overall counter value of the offer and not more than the double of that amount (unless such a counter value cannot be determined, in which case the fine would be not lower than EUR 100,000 and not higher than EUR 2,000,000);

and as a result of the levy of the financial sanctions referred to above, directors and officers of the seller are temporarily suspended from their office and are prevented from taking up or, as the case may be, are suspended from management and control positions in listed companies for a period of not less than two months and not more than three years.

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 (*professionele marktpartijen*) as defined in 1:107 paragraph 2 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*), as amended, restated or re-enacted at any time, in The Netherlands.

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 initial issue of such Zero Coupon Instruments to the first Holders thereof, (ii) the transfer and acceptance of Zero Coupon Instruments in definitive form between individuals not acting in the conduct of a business or profession, or (iii) 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.

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.

In addition and without prejudice to the relevant restrictions set out directly above, each Dealer has represented, warranted and agreed, and each further Dealer appointed will be required to represent, warrant and agree, that as of 1 January 2012 it shall include in:

- (a) any offer of Instruments to the public in The Netherlands other than an offer:
 - (i) in respect of which a prospectus (and, as the case may be, any supplement or supplements if required) approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the “**AFM**”) (or, where appropriate, by the competent authority in another Member State of the EEA) has been made generally available; or
 - (ii) only to qualified investors as defined in the Prospectus Regulation; and
- (b) any advertisement relating to such an offer, and any document in which the prospect of such offer is held out, that:
 - (A) no prospectus approved by the AFM has been or will be made generally available; and
 - (B) such offer is not supervised by the AFM,

in such manner as prescribed by the AFM from time to time.

For purposes of this provision the expression Prospectus Regulation shall have the meaning set out under the paragraph above headed "*Prohibition of Sales to EEA Retail Investors*".

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 this Offering Memorandum), 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 to a "wholesale investor" as that term is defined in clause 3(2) of Schedule 1 to the *Financial Markets Conduct Act 2013 of New Zealand*, being:

(a) a person who is:

- (i) an "investment business";
- (ii) "large"; or
- (iii) a "government agency",

in each case as defined in Schedule 1 to the *Financial Markets Conduct Act 2013 of New Zealand*; or

(b) a person who meets the "investment criteria" specified in clause 38 of *Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand*.

Where Instruments are issued by the Issuer acting through its New Zealand branch or amounts payable in relation to any Instruments are payable in New Zealand Dollars, 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 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 or otherwise have exempt status 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 Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum 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 any person in Singapore other

than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, 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,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) 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 or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
2. where no consideration is or will be given for the transfer;
3. where the transfer is by operation of law;
4. as specified in Section 276(7) of the SFA; or
5. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Section 309B of the SFA – Unless otherwise stated in the Final Terms in respect of any Instrument, all Instruments issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Spain:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent or agree, that the Instruments may not be offered, sold or distributed, nor may any subsequent resale of Instrument be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the *Spanish Securities Market Law, of 28 July 1988 (Ley 24/1988, de 28 de julio, del Mercado de Valores)*, as amended and

restated, and further developing legislation or without complying with all legal and regulatory requirements under Spanish securities laws.

Switzerland

Each Dealer has represented and agreed that this Offering Memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Instruments described herein. The Instruments may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Instruments constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss *Collective Investment Scheme Act*, and neither this Offering Memorandum nor any other offering or marketing material relating to the Instruments may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Memorandum nor any other offering or marketing material relating to the offering, nor the Issuer nor the Instruments have been or will be filed with or approved by any Swiss regulatory authority. The Instruments are not subject to the supervision by any Swiss regulatory authority, for example, the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Instruments will not benefit from protection or supervision by such authority.

Taiwan:

The Instruments may not be sold, offered or issued to Taiwan resident investors or in Taiwan unless they are made available, (i) outside Taiwan for purchase outside Taiwan by such investors and/or (ii) in Taiwan, (A) in the case of Instruments which are a “structured product” as defined in the *Regulation Governing Offshore Structured Products of the Republic of China (“OSP Regulation”)* through bank trust departments, licensed securities brokers and/or insurance company investment linked insurance policies pursuant to the OSP Regulation or (B) in the case of Instruments which are not “structured products” under the OSP Regulation, through properly licensed Taiwan intermediaries (including the non-discretionary monetary trust of licensed banks in Taiwan acting as trustees) in such manner as complies with Taiwan law and regulation and/or (iii) in such other manner as may be permitted in accordance with applicable laws and regulations of Taiwan.

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 this Offering Memorandum or any Final Terms or any related offering material. Other persons into whose hands this Offering Memorandum 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 this Offering Memorandum 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, 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 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 2001*.

GENERAL INFORMATION

- (1) The admission of the Programme to listing on the Official List of the UK Financial Conduct Authority and to trading on the London Stock Exchange's Regulated Market is expected to take effect on or about 14 November 2019. 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 Financial Conduct Authority and to be traded on the London Stock Exchange's Regulated Market will be admitted to listing and trading upon submission to the UK Financial Conduct Authority and the London Stock Exchange of the relevant Final Terms and any other information required by the UK Financial Conduct 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.
- (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 November 2019 by Westpac Banking Corporation's Executive Director, Group Treasury. 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 its obligations under the Instruments.
- (3) The yield for any particular Series of Instruments will be specified in the applicable Final Terms and will be calculated on the basis of the compound annual rate of return if the relevant Instruments were to be purchased at the Issue Price on the Issue Date and held to maturity. Set out below is an example formula for the purposes of calculating the yield of Fixed Rate Instruments or Zero Coupon Instruments. The Final Terms in respect of any Floating Rate Instruments will not include any indication of yield.

$$\text{Issue Price} = \text{Rate of Interest} * \frac{1 - \left(\frac{1}{(1 + \text{Yield})^n} \right)}{\text{Yield}} + \left[\text{Final Redemption Amount} * \frac{1}{(1 + \text{Yield})^n} \right]$$

Where:

"Rate of Interest" means the Rate of Interest expressed as a percentage as specified in the applicable Final Terms and adjusted according to the frequency (and in the case of Zero Coupon Instruments, means "0") i.e. for a semi-annual paying Note, the rate of interest is half the stated annualised rate of interest in the Final Terms;

"Yield" means the yield to maturity calculated on a frequency commensurate with the frequency of interest payments as specified in the applicable Final Terms (and in the case of Zero Coupon Instruments, means Accrual Yield as specified in the applicable Final Terms); and

"n" means the number of interest payments to maturity.

Set out below is a worked example illustrating how the yield on a Series of Fixed Rate Instruments could be calculated on the basis of the above formula. It is provided for purposes of illustration only and should not be taken as an indication or prediction of the yield for any Series of Instruments; it is intended merely to illustrate the way in which the above formula could be applied.

Where: N = 6

Rate of Interest = 3.875 per cent.

Issue Price = 99.392

Final Redemption Amount = 100

$$99.392 = 3.875 * \frac{1 - \left(\frac{1}{(1 + \text{Yield})^6} \right)}{\text{Yield}} + \left[100 * \frac{1}{(1 + \text{Yield})^6} \right]$$

Yield = 3.99 per cent. (calculated by iteration)

The yield specified in the applicable Final Terms in respect of a Series of Instruments will not be an indication of future yield.

- (4) The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number and, if applicable, the Financial Instrument short name ("**FISN**") and/or the Classification of Financial Instruments code ("**CFI**") 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.
- (5) 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, Receipt or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Instrument, Receipt 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.
- (6) 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.
- (7) There is a prohibition on, or in some cases the specific prior approval of the Australian Department of Foreign Affairs and Trade or the Minister for Foreign Affairs must be obtained for, certain payments or other dealings connected with parties identified with terrorism or to whom United Nations or autonomous Australian sanctions apply. The Australian Department of Foreign Affairs and Trade maintains a list of all persons and entities having a proscribed connection with terrorism, or to whom United Nations or autonomous Australian sanctions

apply, which is available to the public at the Department's website at: <http://www.dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list.aspx>.

- (8) With respect to the issue of Partly Paid Instruments only, the Issuer will use its reasonable endeavours to procure that the Bloomberg screen in respect of the issue of such Partly Paid Instruments shall include details of the number of instalments, the amount of each instalment and the date(s) of payment of each instalment as applicable to such Partly Paid Instruments.
- (9) 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 / INSTRUMENT / 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 OR OTHERWISE HAVE EXEMPT STATUS 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 OR OTHERWISE HAVE EXEMPT STATUS FOR NEW ZEALAND RESIDENT WITHHOLDING TAX PURPOSES."

- (10) There are no, nor during the 12 months before the date of this Offering Memorandum 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.
- (11) Since 30 September 2019, 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.

- (12) Since 30 September 2019, 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 position or the financial performance of the Issuer and its controlled entities taken as a whole.
- (13) The Issuer's consolidated financial statements for the periods ended 30 September 2019 and 30 September 2018 have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board as well as the *Corporations Act 2001* and comply with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and Interpretations as issued by the IFRS Interpretations Committee. PwC Australia, Chartered Accountants, audited the Issuer's consolidated financial statements for the periods ended 30 September 2019 and 30 September 2018 in accordance with Australian Auditing Standards. PwC Australia partners are members or affiliate members of Chartered Accountants Australia and New Zealand.
- (14) The liability of PwC Australia, with respect to claims arising out of its audit reports, is subject to the limitations set forth in the *Professional Standards Act 1994 of New South Wales*, Australia (the "**Professional Standards Act**") and Chartered Accountants Australia and New Zealand (NSW) Scheme adopted by Chartered Accountants Australia and New Zealand and approved by the New South Wales Professional Standards Council pursuant to the *Professional Standards Act* (the "**NSW Accountants Scheme**" or, in relation to matters occurring on or prior to 7 October 2014, the predecessor scheme). The *Professional Standards Act* and the NSW Accountants Scheme may 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. The extent of the limitation depends on the timing of the relevant matter and is:
- (a) in relation to matters occurring on or after 8 October 2013, a maximum liability for audit work of A\$75 million; or
 - (b) in relation to matters occurring on or prior to 7 October 2013, 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 limitations do not apply to claims for breach of trust, fraud or dishonesty.

In addition, there is equivalent professional standards legislation in place in other states and territories 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 English 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 remain untested

in a number of respects, including its effect in respect of the enforcement of foreign judgments.

(15) 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 204 of this Base Prospectus and at the registered head office of the Issuer, namely:

- (i) the constitutional documents of the Issuer;
- (ii) the Base Prospectus in relation to the Programme, together with any supplements thereto;
- (iii) the Issue and Paying Agency Agreement;
- (iv) the Deed of Covenant;
- (v) the most recently publicly available audited financial statements of the Issuer beginning with such financial statements (including the auditors' report thereon and notes thereto) for the years ended 30 September 2019 and 30 September 2018; and
- (vi) 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.

(16) For the period of 12 months following the date of this Base Prospectus, the following documents can be inspected at <https://www.westpac.com.au/about-westpac/investor-centre/>:

- (i) the up to date memorandum and articles of the Issuer; and
- (ii) all reports, letters and other documents, valuations and statements prepared by any expert at the Issuer's request, any part of which is included or referred to in the registration document.

(17) The price and amount at which any Series of Instruments will be offered will be established by the Issuer and relevant Dealer(s) on or before the applicable Issue Date of the relevant Series of Instruments in accordance with prevailing market conditions and will be disclosed in the applicable Final Terms. The Issue Price of the Instruments of any Series may be less than, equal to or greater than the par value of the relevant Series of Instruments.

The amount of any expenses and/or taxes (if any) specifically charged to any subscriber or purchaser of the Instruments of any Series will be disclosed in the applicable Final Terms.

(18) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the

accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Instruments issued under the Programme. Any such short positions could adversely affect future trading prices of Instruments issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

REGISTERED AND HEAD OFFICE OF THE ISSUER**Westpac Banking Corporation**

Level 18, 275 Kent Street
 Sydney NSW 2000
 Australia

ARRANGER**UBS AG London Branch**

5 Broadgate
 London EC2M 2QS
 United Kingdom

DEALERS**Barclays Capital Asia Limited**

41st Floor Cheung Kong Center
 2 Queen's Road Central
 Hong Kong

BNP Paribas

10 Harewood Avenue
 London NW1 6AA
 United Kingdom

Citigroup Global Markets Limited

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

Credit Suisse Securities (Europe) Limited

One Cabot Square
 London E14 4QJ
 United Kingdom

Daiwa Capital Markets Singapore Limited

7 Straits View
 Marina One East Tower
 #16-05/06
 Singapore 018936

Deutsche Bank AG, London Branch

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

Goldman Sachs International

Plumtree Court
 25 Shoe Lane
 London EC4A 4AU
 United Kingdom

HSBC Bank plc

8 Canada Square
 London E14 5HQ
 United Kingdom

J.P. Morgan Securities plc

25 Bank Street
 Canary Wharf
 London E14 5JP
 United Kingdom

Merrill Lynch International

2 King Edward Street
 London EC1A 1HQ
 United Kingdom

Mizuho Securities Asia Limited

14-15/F., K11 Atelier
18 Salisbury Road
Tsim Sha Tsui, Kowloon
Hong Kong

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

MUFG Securities EMEA plc

Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

Nomura International plc

1 Angel Lane
London EC4R 3AB
United Kingdom

RBC Europe Limited

Riverbank House
2 Swan Lane
London EC4R 3BF
United Kingdom

SMBC Nikko Capital Markets Limited

One New Change
London EC4M 9AF
United Kingdom

Standard Chartered Bank

One Basinghall Avenue
London EC2V 5DD
United Kingdom

The Toronto-Dominion Bank

60 Threadneedle Street
London EC2R 8AP
United Kingdom

UBS AG London Branch

5 Broadgate
London EC2M 2QS
United Kingdom

Westpac Banking Corporation

Level 18, 275 Kent Street
Sydney NSW 2000
Australia

Westpac Europe Limited

Camomile Court
23 Camomile Street
London EC3A 7LL
United Kingdom

AUDITORS OF WESTPAC BANKING CORPORATION**PricewaterhouseCoopers**

One International Towers Sydney
Watermans Quay
Barangaroo NSW 2000
Australia

FISCAL AGENT and PRINCIPAL REGISTRAR**The Bank of New York Mellon**

One Canada Square
London E14 5AL
United Kingdom

FIRST ALTERNATIVE REGISTRAR

The Bank of New York Mellon S.A./N.V. Luxembourg Branch

Vertigo Building, Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

SECOND ALTERNATIVE REGISTRAR

The Bank of New York Mellon, New York Branch

260 Greenwich Street
New York, New York
United States of America

LUXEMBOURG PAYING AGENT

The Bank of New York Mellon S.A./N.V. Luxembourg Branch

Vertigo Building, Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

HONG KONG PAYING AGENT AND LODGING AGENT

The Bank of New York Mellon, Hong Kong Branch

24/F, Three Pacific Place
1 Queen's Road East
Hong Kong

LEGAL ADVISERS

To the Issuer as to English law

Slaughter and May

One Bunhill Row
London EC1Y 8YY
United Kingdom

To the Issuer as to Australian law

Allens

Deutsche Bank Place Corner
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NSW 2000
Australia

To the Dealers as to English law

Sidley Austin LLP

Woolgate Exchange
25 Basinghall Street
London EC2V 5HA
United Kingdom

OFFERING CIRCULAR – APPLICABLE TO PD EXEMPT INSTRUMENTS

PAGES 206 TO 233 (INCLUSIVE) OF THIS OFFERING MEMORANDUM COMPRISE AN OFFERING CIRCULAR (“*OFFERING CIRCULAR*”). THE OFFERING CIRCULAR HAS BEEN PREPARED BY THE ISSUER IN CONNECTION WITH THE ISSUANCE OF DEBT INSTRUMENTS OTHER THAN DEBT INSTRUMENTS TO BE ADMITTED TO THE OFFICIAL LIST OF THE UK FINANCIAL CONDUCT AUTHORITY AND TO BE ADMITTED TO TRADING ON THE LONDON STOCK EXCHANGE'S REGULATED MARKET (“*PD EXEMPT INSTRUMENTS*”). THE OFFERING CIRCULAR HAS NOT BEEN REVIEWED OR APPROVED BY THE UNITED KINGDOM FINANCIAL CONDUCT AUTHORITY AND DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF *REGULATION (EU) 2017/1129* (THE “*PROSPECTUS REGULATION*”).

The Offering Circular is to be read in conjunction with the following sections of the base prospectus set out on pages 1 to 205 inclusive of this Offering Memorandum (the “*Base Prospectus*”) (save as amended herein):

- Risk Factors;
- Documents Incorporated by Reference;
- Terms and Conditions of the Instruments;
- Use of Proceeds;
- Westpac Banking Corporation;
- Taxation;
- Subscription and Sale; and
- General Information,

each of which shall be deemed to be incorporated by reference herein. This Offering Circular shall be read on the basis that such sections of the Base Prospectus are so incorporated and form part of this Offering Circular.

Westpac Banking Corporation (ABN 33 007 457 141) (the “*Issuer*” or “*Westpac*”) may offer from time to time unsecured, unsubordinated debt obligations as described in the Base Prospectus. PD Exempt Instruments may be issued under this Offering Circular as specified in the applicable Pricing Supplement (as defined below). Any PD Exempt Instruments issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any PD Exempt Instruments issued before the date of this Offering Circular. The Issuer has previously published, and may in the future publish, other prospectuses or offering documents in relation to the issue of other classes of debt obligations under the Programme.

Westpac is the ultimate parent of the Westpac group of companies (the “*Westpac Group*”). Westpac may offer PD Exempt Instruments acting through its head office in Sydney or one or more of its branches outside the Commonwealth of Australia (“*Australia*”).

The PD Exempt 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*. Instruments are being offered only in offshore transactions in accordance with Regulation S under the *Securities Act* and, in certain limited circumstances, Registered Instruments may be offered to ‘qualified institutional buyers’ only in accordance with Rule 144A under the *Securities Act*, in each case, in compliance with applicable securities laws.

The aggregate principal amount of PD Instruments and PD Exempt Instruments outstanding will not at any time exceed the Programme Limit (or the equivalent in other currencies at the date of issue). Any such issue will be made pursuant to such documentation as Westpac may determine.

PD Exempt Instruments may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue unlisted PD Exempt Instruments and/or PD Exempt Instruments not admitted to trading on any market.

PD Exempt Instruments will be issued in one or more tranches (each a “**Tranche**”) within one or more series (each a “**Series**”). Tranches of PD Exempt Instruments within a particular Series may have various issue dates, issue prices and interest commencement dates and, in respect of the first interest payment (if any), different interest payment amounts but will otherwise be issued on identical terms and conditions.

A pricing supplement may be issued for each Tranche of PD Exempt Instruments (“**Pricing Supplement**”) and shall be read in conjunction with the Terms and Conditions contained in the Base Prospectus incorporated by reference as the Terms and Conditions of this Offering Circular. The Pricing Supplement will contain details of the aggregate principal amount of the Tranche of PD Exempt Instruments and the interest (if any) payable in respect of, and the issue price, issue date and maturity date of the Tranche of PD Exempt Instruments, together with any other terms and conditions not contained in this Offering Circular which apply to that Tranche of PD Exempt Instruments, as may be agreed between the Issuer and any Dealer.

Prospective investors should ensure that they understand the nature of the relevant PD Exempt Instruments and the extent of their exposure to risks and that they consider the suitability of the relevant PD Exempt Instruments as an investment in the light of their own circumstances and financial condition. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the PD Exempt Instruments and are not relying on the advice of the Issuers or any Dealer in that regard. Prospective investors should consider carefully the risks set forth under “Risk Factors” (incorporated by reference herein) prior to making investment decisions with respect to the PD Exempt Instruments.

PD Exempt Instruments when issued may be rated or unrated. Where an issue of a certain series of PD Exempt Instruments is rated, its rating will not necessarily be the same as the rating applicable to the Programme (if any) and (where applicable) such rating may be specified in the applicable Pricing Supplement. A credit rating is not a recommendation to buy, sell or hold the PD Exempt Instruments and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

This Offering Circular and the documents incorporated in this Offering Circular by reference (see “Documents incorporated by reference” on page 38 of the Base Prospectus and incorporated by reference into and forming part of this Offering Circular) are available on the internet site www.westpac.com.au. Internet site addresses in this Offering Circular are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, this Offering Circular.

Each Series of PD Exempt Instruments will (a) be represented on issue by a temporary global debt instrument in bearer form without coupons or talons (each a “**Temporary Global PD Exempt Instrument**”) or a permanent global debt instrument in bearer form (each a “**Permanent Global PD Exempt Instrument**”) (together, “**Global PD Exempt Instruments**”), or (b) take the form of an entry in a register (“**Registered PD Exempt Instrument**”).

Global PD Exempt Instruments may be deposited on the issue date with a common depository on behalf of Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) or, in the case of PD Exempt Instruments cleared through the CMU Service, a sub-custodian for the CMU Service.

The provisions governing the exchange of interests in Global PD Exempt Instruments for other Global PD Exempt Instruments and definitive PD Exempt Instruments (“**Definitive PD Exempt Instruments**”) are described in the Terms and Conditions.

Save to the extent specified herein, terms defined in the sections of the Base Prospectus incorporated by reference herein shall have the same meaning when used in this Offering Circular.

For the purposes of the issue of PD Exempt Instruments, those sections of the Base Prospectus incorporated by reference herein and the form of the Pricing Supplement as annexed to this Offering Circular shall be deemed to be amended and supplemented as follows:

1. all references to the “Programme” shall be references to the programme for the issuance of debt instruments set out in this document;
2. all references to the “Base Prospectus” shall be deemed to be references to this “Offering Circular”;
3. all references to “Final Terms” shall be deemed to be references to the “Pricing Supplement” as annexed to this Offering Circular;
4. all references to “Instruments” shall be deemed to be references to “PD Exempt Instruments”; and
5. the following sub-paragraph shall be added in Condition 11.1 of the Terms and Conditions of the Base Prospectus (incorporated by reference herein): “and (ix) so long as any PD Exempt Instruments are listed on the Singapore Exchange and the rules of the Singapore Exchange so require, a Paying Agent in Singapore”.

Important Notice

This Offering Circular has been prepared on the basis that any offer of PD Exempt Instruments in any Member State of the European Economic Area (“**EEA**”) will be made pursuant to an exemption under

the Prospectus Regulation, from the requirement to publish a prospectus for offers of PD Exempt Instruments or otherwise will not be subject to such requirements. Accordingly any person making or intending to make an offer in that EEA State of PD Exempt Instruments which are the subject of an offering contemplated in this Offering Circular as completed by the relevant Pricing Supplement in relation to the offer of those PD Exempt Instruments may only do so in the circumstances in which no obligation arises for the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of PD Exempt Instruments in circumstances in which an obligation arises for an Issuer or any Dealer to publish or supplement a prospectus for such offer.

IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any PD Exempt Instruments includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the PD Exempt Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the PD Exempt Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the PD Exempt Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

MiFID II product governance/ target market – The Pricing Supplement in respect of any PD Exempt Instruments may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the PD Exempt Instruments and which channels for distribution of the PD Exempt Instruments are appropriate. Any person subsequently offering, selling or recommending the PD Exempt Instruments (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the PD Exempt Instruments (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore – Unless otherwise stated in the Pricing Supplement in respect of any PD Exempt Instrument, all PD Exempt Instruments issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any PD Exempt Instruments is a manufacturer in respect of such PD Exempt Instruments, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Responsibility

Westpac accepts responsibility for the information contained in this Offering Circular and each Pricing Supplement. To the best of the knowledge of Westpac (who has taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

If any person intending to acquire, or acquiring, any PD Exempt Instruments is in any doubt about whether it can rely on this Offering Circular and/or who is responsible for its contents it should take legal advice.

Documents incorporated by reference

This Offering Circular is to be read in conjunction with the documents which are incorporated herein by reference (see "Documents incorporated by reference" set out on page 38 of the Base Prospectus as incorporated by reference into and forming part of this Offering Circular). This Offering Circular shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular together with any amendment or supplement to this Offering Circular 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 PD Exempt Instruments, should be read and construed together with the relevant Pricing Supplement.

No representation or warranty

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 make any representation or warranty or accept any responsibility, as to the accuracy or completeness of the information contained in this Offering Circular. Neither the delivery of this Offering Circular nor any Pricing Supplement nor the offering, sale or delivery of any PD Exempt Instrument shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date thereof or the date upon which this Offering Circular 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 Offering Circular 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.

No review of the affairs of Westpac

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any PD Exempt Instruments shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Instruments of any information coming to their attention.

Currency of information

Neither the delivery of this Offering Circular nor any sale made in connection with this Offering Circular at any time implies that the information contained herein concerning Westpac is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated. Investors should review, amongst other things, the documents deemed to be incorporated herein by reference when deciding whether or not to purchase any PD Exempt Instruments.

Risk factors

An investment in the PD Exempt Instruments involves risks that include, without limitation, those described in “Risk Factors” which are incorporated into and form part of this Offering Circular.

PD Exempt Instruments may not be a suitable investment for all investors

Investors should have (either alone or with the help of a financial adviser) sufficient knowledge and experience in financial and business matters to meaningfully evaluate the merits and risks of investing in a particular issue of PD Exempt Instruments and the information contained in or incorporated by reference in this Offering Circular or any applicable supplement or Pricing Supplement as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their particular circumstance.

Risks related to the structure of a particular issue of PD Exempt Instruments

A range of PD Exempt Instruments may be issued under the Programme. A number of these PD Exempt Instruments may have features which contain particular risks for potential investors. The risks of a particular PD Exempt Instrument will depend on the terms of such PD Exempt Instrument, but may include, without limitation, the possibility of significant changes in the values of the applicable interest rates or other indices or formula. Prospective investors could lose all or a substantial portion of their investment.

Such risks generally depend on factors over which Westpac has no control and which cannot readily be foreseen, such as economic and political events and the supply of and demand for the relevant securities, assets or other property. Neither the current nor the historical price, value or performance of (A) the relevant interest rates or other indices or formulae, (B) the relevant classes of securities, assets or other property, or (C) the relevant entities should be taken as an indication of future price, value or performance during the term of any PD Exempt Instrument.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (A) PD Exempt Instruments are legal investments for it, (B) PD Exempt Instruments can be used as collateral for various types of borrowing and (C) other restrictions apply to its purchase or pledge of any PD Exempt Instruments. Financial institutions should consult their legal advisers or their appropriate regulators to determine the appropriate treatment of PD Exempt Instruments under any applicable risk-based capital or similar rules.

No authorisation

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

Distribution

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the PD Exempt Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular or any Pricing Supplement 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 Offering Circular or any Pricing Supplement and other offering material relating to the PD Exempt Instruments, see the "Subscription and Sale" section incorporated by reference in this Offering Circular. In particular, the PD Exempt Instruments have not been and will not be registered under the Securities Act and may include PD Exempt Instruments in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, PD Exempt Instruments may not be offered, sold or delivered within the United States or its possessions or to, or for the account of, U.S. persons. Neither this Offering Circular nor any Pricing Supplement 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.

No offer

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

Stabilisation

In connection with the issue of any Tranche (as defined herein) of PD Exempt 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)) may over-allot PD Exempt Instruments or effect transactions with a view to supporting the market price of the PD Exempt Instruments at a level higher than that which might otherwise prevail. However, stabilisation may not necessary occur. 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 PD Exempt Instruments is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of PD Exempt Instruments and 60 days after the date of the allotment of the relevant Tranche of PD Exempt 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.

References to currencies

In this Offering Circular references to “**U.S.\$**”, “**U.S. dollars**”, “**USD**” or “**U.S. cents**” are to the lawful currency of the United States of America, all references to “**A\$**”, “**AUD**” and “**Australian cents**” are to the lawful currency of Australia, all references to “**NZ\$**”, “**NZD**” and “**NZ cents**” are to the lawful currency of New Zealand, all references to “**£**”, “**Sterling**” and “**GBP**” are to the lawful currency of the United Kingdom, all references to “**Renminbi**” and “**CNY**” are to the lawful currency of the People’s Republic of China, all references to “**S\$**” are to the lawful currency of Singapore and all references to “**Yen**” or “**JPY**” are to the lawful currency of Japan. References to “**€**”, “**Eur**”, “**euro**” or, as the context may require, “**euro 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 “**Eurozone**”). References to “**Australia**” are to the Commonwealth of Australia, its territories and possessions.

Supplemental Offering Circular

The Issuer has undertaken that if there is a significant new factor, material mistake or inaccuracy relating to information contained in this Offering Circular which is capable of affecting the assessment of any PD Exempt Instruments and whose inclusion in this Offering Circular or removal is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the PD Exempt Instruments, the Issuer will prepare and make available a supplement to this Offering Circular or a further prospectus or other offering document for use in connection with any subsequent issue of PD Exempt Instruments.

Singapore

Application has been made to Singapore Exchange Securities Trading Limited (the “**Singapore Exchange**”) for the listing and quotation of PD Exempt Instruments and permission to deal in any PD Exempt Instruments which are agreed at the time of issue to be listed on the Singapore Exchange. Such permission will be granted when such PD Exempt Instruments have been admitted to the Official List of the Singapore Exchange.

For so long as any Tranche of PD Exempt 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 PD Exempt Instruments may be presented or surrendered for payment or redemption, in the event that Definitive PD Exempt Instruments are issued. In addition, in the event that Definitive PD Exempt 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. For so long as any Tranche of PD Exempt Instruments is listed on the Singapore Exchange and the rules of the Singapore Exchange so require, such Instruments will be traded on the Singapore Exchange in a minimum board lot size of S\$200,000 (or its equivalent in another currency).

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

Representations and Warranties of Investors

All investors

THE PD EXEMPT INSTRUMENTS DESCRIBED IN THIS OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT. THE PD EXEMPT INSTRUMENTS ARE BEING OFFERED AND SOLD SOLELY IN “OFFSHORE TRANSACTIONS” TO PERSONS THAT ARE NOT, AND ARE NOT ACTING FOR THE ACCOUNT OR BENEFIT OF, “U.S. PERSONS”, IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

Each initial and subsequent purchaser of PD Exempt Instruments will be deemed to have acknowledged, represented and agreed to and with Westpac and each Dealer as follows:

1. The PD Exempt Instruments have not been, and will not be, registered under the *Securities Act* or any other applicable securities law and, accordingly, none of the PD Exempt Instruments may be offered, sold, transferred, pledged, encumbered or otherwise disposed of unless in accordance with and subject to applicable law and the transfer restrictions which are incorporated into and form part of this Offering Circular.
2. It is a purchaser acquiring such PD Exempt Instruments in an offshore transaction occurring outside the United States within the meaning of Regulation S and that it is not a “U.S. person” (and is not acquiring such PD Exempt Instruments for the account or benefit of a U.S. person) within the meaning of Regulation S.
3. It acknowledges that Westpac, the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and it agrees that, if any of the acknowledgments, representations or warranties deemed to have been made by it in connection with its purchase of PD Exempt Instruments are no longer accurate, it shall promptly notify Westpac and the Dealer through which it purchased any PD Exempt Instruments. If it is acquiring any PD Exempt Instruments as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.
4. It is not an Offshore Associate (as defined below) and, if it purchases the PD Exempt Instruments, as part of the primary distribution of the PD Exempt Instruments, it will not sell any of the PD Exempt Instruments (or any interest in any of the PD Exempt Instruments) to any person as part of the primary distribution of the PD Exempt Instruments, if, at the time of such sale, its employees directly involved in the sale knew or had reasonable grounds to suspect that, as a result of the sale, such PD Exempt Instruments would be acquired (directly or indirectly) by an Offshore Associate. “*Offshore Associate*” means an associate (within the meaning of section 128F(9) of the *Income Tax Assessment Act of 1936 of Australia*) of Westpac that is either a non-resident of Australia that does not acquire the PD Exempt Instruments in carrying on a business at or through a permanent establishment in Australia, or a resident of Australia that acquires the PD Exempt Instruments in carrying on a business at or through a permanent establishment outside Australia, provided that an associate acting in the capacity of a dealer, manager or underwriter in relation to the placement of the PD Exempt Instruments, or a clearing house, custodian, funds manager or

responsible entity of a registered managed investment scheme under the *Corporations Act 2001* is not an Offshore Associate for these purposes. For the avoidance of doubt, if its employees directly involved in a sale of PD Exempt Instruments do not know or suspect that a person is an associate of Westpac, nothing in this paragraph 4 obliges it or its employees to make positive enquiries of that person to confirm that that person is not an Offshore Associate.

This Offering Circular and any supplement or Pricing Supplement does not constitute, and may not be used for the purposes 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 offer or solicitation, and no action is being taken to permit an offering of the PD Exempt Instruments or the distribution of this Offering Circular or any supplement or Pricing Supplement in any jurisdiction where such action is required.

In addition, the PD Exempt Instruments are subject to restrictions on transferability and resale. Investors may not transfer or resell the PD Exempt Instruments except as described in this Offering Circular and any supplement or Pricing Supplement and as permitted under the *Securities Act* and other applicable securities laws. Investors may be required to bear the financial risks of an investment in the PD Exempt Instruments for an indefinite period of time.

ANNEX

FORM OF PRICING SUPPLEMENT FOR PD EXEMPT INSTRUMENTS

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of PD Exempt Instruments under the Programme (herein referred to as “**Instruments**”), amended (if necessary) and completed to reflect the particular terms of the relevant Instruments and their issue. References to Text in this section appearing in italics does not form part of the form of the Pricing Supplement but is included as directions for completing the Pricing Supplement.*

THIS FORM OF PRICING SUPPLEMENT WILL BE ISSUED IN RESPECT OF INSTRUMENTS WHICH ARE NOT ADMITTED TO THE OFFICIAL LIST OF THE FINANCIAL CONDUCT AUTHORITY OR TO ANY OTHER EUROPEAN ECONOMIC AREA REGULATED MARKET OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA FOR THE PURPOSES OF THE PROSPECTUS REGULATION. THE FORM OF PRICING SUPPLEMENT HAS NOT BEEN REVIEWED OR APPROVED BY THE UK FINANCIAL CONDUCT AUTHORITY AND DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS REGULATION.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MIFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]¹⁰

[MIFID II PRODUCT GOVERNANCE / TARGET MARKET – *[appropriate target market legend to be included]*

[NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE – The PD Exempt Instruments are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]¹¹

PRICING SUPPLEMENT

Series No.: []

¹⁰ Legend to be included on front of the Pricing Supplement if the Instruments potentially constitute “packaged” products and no key information document will be prepared or if the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

¹¹ Issuer to determine whether the PD Exempt Instruments remain as prescribed capital markets products at each drawdown. Legend for prescribed capital markets products should be used unless Issuer determines otherwise.

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 PD Exempt Instruments]****by Westpac Banking Corporation****Legal Entity Identifier (LEI): EN5TNI6CI43VEPAMHL14**

No prospectus is required in accordance with *Regulation (EU) 2017/1129* for this issue of Instruments. The UK Financial Conduct Authority has neither approved nor reviewed information contained in this Pricing Supplement.

[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 Offering Circular dated 11 November 2019 [and the supplement to the Offering Circular dated [●], which [together] constitute[s]] an Offering Circular. This document must be read in conjunction with such Offering Circular dated 11 November 2019 [as so supplemented].]

[The Offering Circular [and the supplemental Offering Circular(s)] are available for viewing at [address] [and] [website] and copies may be obtained from [[Web] address].]

PART A: Contractual Terms

- | | |
|--|--|
| 1. Issuer and Designated Branch: | Westpac Banking Corporation acting through its [head office]/[[●] branch] |
| 2. Date of Board Approval of Issuer: | [●]/[Not Applicable, save as discussed in Section 2 of the “General Information” section of the Offering Circular] |
| 3. Status: | [Senior] |
| 4. Specified Currency: | |
| (i) of denomination: | [●] |
| (ii) of payment: | [●]/[●] for the payment of any Interest Amount |
| 5. Aggregate Principal Amount of Tranche: | [●] |
| 6. If interchangeable with existing Series, Series No.: | [●] |

7. (i) **Issue Date:** [•]
- (ii) Interest Commencement Date: [•]
8. **Issue Price:** [•]
9. **Maturity Date:** [•], subject to adjustment in accordance with the Business Day Convention specified in paragraph [19(iv), 20(iv) or 22(vii)]
10. **Expenses:** [•]
11. (i) **Form of Instruments:** [Bearer/Registered]
- (ii) Bearer Instruments exchangeable for Registered Instruments: [Yes/No]
12. **If issued in bearer form:**
- (i) Initially represented by a Temporary Global Instrument or Permanent Global Instrument: [Temporary Global Instrument]/[Permanent 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 Instruments and Registered Instruments) Registered Instruments: [Yes/No]
[The Exchange Date shall be [•]]
- (iii) Specify date (if any) from which exchanges for Registered Instruments will be made: [•]/[Exchanges may be made at any time]
- (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)]
- (v) Talons for future Coupons to be attached to Definitive Instruments: [Yes/No] [As the Instruments have more than 27 Coupons, Talons may be required if, on exchange into definitive form, more than 27 Coupon payments are still to be made]
- (vi) Receipts to be attached to [Yes/No] [The following Receipts will be attached

- Instalment Instruments which are Definitive Instruments: to the Instruments: [•]
- 13. If issued in registered form:** [Regulation S Global Note (U.S.\$/€[•] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority]
- [Rule 144A Global Note (U.S.\$[•] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority]
- 14. Denomination(s):** [[•] and integral multiples of [•] in excess thereof up to and including [•]. No Definitive Instruments will be issued with a denomination above [•]]
- 15. Calculation Amount:** [•]
- 16. Partly Paid Instruments:** [Yes/No]
- (i) Number of instalments: [•]
- (ii) Amount of each instalment: [•]
- (iii) Date(s) of payment: [•]
- (iv) Method of payment: [•]
- (v) First Forfeiture Date: [•]
- 17. If issued in registered form: Registrar:** [•]
- 18. Interest:** [[•] per cent. Fixed Rate]
- [[•] month]
- [[[•]+/- [•]] per cent. Floating Rate]
- [Zero Coupon]
- [Fixed Rate Reset]
- 19. Fixed Rate Instrument Provisions:** [Applicable/Not Applicable/Applicable for the

	period from and including [•] to but excluding [•]
(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 19(iv)/No Adjustment]
(iii) Interest Period End Date(s):	[•]/Interest Payment Dates
(iv) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ FRN Convention/Eurodollar Convention/No Adjustment]
[– for Interest Payment Dates:	[•]
[– for Interest Period End Dates:	[•]
[– for Maturity Date:	[•]
[– any other date:	[•]
(v) Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
(vi) Day Count Fraction:	[“Actual/Actual (ICMA)”/“Actual/365”/“Actual/Actual (ISDA)”/“Actual/365 (Fixed)”/“Actual/360”/“30/360”/“30E/360”/“Eurobond Basis”/ “30E/360 (ISDA)”]
(vii) Broken Amount(s):	[•] per Calculation Amount payable on the Interest Payment Date falling [in/on][•]
(viii) Accrual Feature	[Not Applicable]/[Applicable]
– Applicable Swap Rate:	[USD-ISDA-Swap Rate/[•] (as defined in the ISDA Definitions)]
– Applicable Swap Rate thresholds:	Greater than or equal to [•] per cent. and less than or equal to [•] per cent.
– Observation Period:	[The period which starts [•] New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ends [•] New York and London Banking Days prior to the end of such Interest Accrual Period]/[Interest

	Accrual Period]
– Designated Maturity	[•]
(ix) Additional Business Centre(s):	[Not Applicable/[•]]
20. Fixed Rate Reset Instrument Provisions:	[Applicable]/[Not Applicable]
(i) Initial Rate of Interest:	[•] per cent. per annum payable [annually/semi-annually/quarterly/monthly/other] in arrear
(ii) Fixed Rate Reset Date(s):	[•]
(iii) Reset Rate(s):	[[•] per cent. per annum payable [annually/semi-annually/quarterly/monthly/other] in arrear]/[A rate per annum equal to the sum of (a) the Reset Reference Rate and (b) the Mid-Swap Re-Offer Spread]
(iv) Reset Reference Rate:	[Mid-Market Swap Rate]/[Not Applicable]
– Relevant Screen Page:	[•]/[Not Applicable]
– Mid-Swap Maturity:	[•]/[Not Applicable]
(v) Interest Payment Dates:	[•]
(vi) Interest Period End Date(s):	[•]
(vii) Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No adjustment]
– [for Interest Payment Dates:	[•]]
– [for Interest Period End Dates:	[•]]
– [for Maturity Date:	[•]]
(viii) Additional Business Centre(s):	[Sydney, Australia/London, United Kingdom]
	[•]
(ix) Fixed Coupon Amount(s):	[•] per [•]
(x) Broken Amount(s):	[•]/[Not Applicable]

(xi) Day Count Fraction:	[Actual/365] [Actual/365 (Fixed)] [30/360] [Actual/Actual (ICMA)] [Actual/360] [30E/360] [30E/360 (ISDA)] [RBA Bond Basis/Australian Bond Basis] [Eurobond Basis] [Not adjusted]
(xii) Accrual Feature:	[Applicable]/[Not Applicable]
– Applicable Swap Rate:	[USD-ISDA-Swap Rate/[•]] (as defined in the ISDA Definitions)
– Applicable Swap Rate thresholds:	Greater than or equal to [•] per cent. and less than or equal to [•] per cent.
– Observation Period:	[Interest Accrual Period]/[[•]New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ending [•] New York and London Banking Days prior to the end of the relevant Interest Accrual Period]
– Designated Maturity:	[•]
(xiii) Determination Date:	[•]
(xiv) Mid-Swap Re-Offer Spread:	[•]
(xv) Reset Determination Date(s):	[•]/[Not Applicable]
(xvi) Reset Rate Time:	[•]/[Not Applicable]
21. Floating Rate Instrument Provisions:	[Applicable/Not Applicable/Applicable for the period from and including [•] to but excluding [•]]
(i) Specified Period(s):	[•]
(ii) Interest Payment Dates:	[•], subject to adjustment in accordance with the Business Day Convention specified in paragraph 20(iv)
(iii) Interest Period End Dates or (if the applicable Business Day Convention below is the FRN Convention) Interest Accrual	[•]

Period:

- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No Adjustment]
- [- for Interest Payment Dates: [•]]
- [- for Interest Period End Dates: [•]]
- [- for Maturity Date: [•]]
- [- any other date: [•]]
- (v) Additional Business Centre(s): [Not Applicable/[•]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/BBSW Rate Determination]
- (vii) Screen Rate Determination: [Applicable/Applicable (Overnight Rate)/Applicable (Term Rate)/Not Applicable]
- Reference Rate: [•] month [•] [except for the Interest Period ending on [•] in which the Interest Rate will be determined using a linear interpolation between [•] month [•] and [•] month [•]]
- Relevant Screen Page: [•] [Not Applicable]
- Interest Determination Date(s): [•] [[•] Banking Days/London Banking Days (*if SONIA*)/U.S. Government Securities Business Days (*if SOFR*) prior to the end of each Interest Accrual Period] [[•] U.S. Government Securities Business Days following the end of each Interest Accrual Period, provided that in respect of the final Interest Accrual Period, the Interest Determination Date shall be [•] U.S. Government Securities Business Days following the Cut-off Date]
- [SOFR Averaging Method: [Compounded Daily] [Weighted Average]]
- [Observation Look-Back Period: [•] London Banking Days (*if SONIA*)/U.S. Government Securities Business Days (*if SOFR*)]
- [Observation Method: [Lag] [Lock-out] [Payment Delay] [Not

	Applicable]]
– [Cut-off Date:	[•] U.S. Government Securities Business Days prior to the Maturity Date [or Optional Redemption Date [(Call)/(Put)], as applicable]]
– Relevant Time:	[•] [Not Applicable]
– Relevant Financial Centre:	[•]
(viii) ISDA Determination:	[Applicable/Not Applicable]
– Floating Rate Option:	[•]
– Designated Maturity:	[•] [except for the Interest Period ending on [•] in which the Interest Rate will be determined using a linear interpolation between a Designated Maturity of [•] months and [•] months]
– Reset Date:	[•]
(ix) Margin(s):	[+/-][•] per cent. per annum
(x) Minimum Interest Rate:	[•] per cent. per annum
(xi) Maximum Interest Rate:	[•] per cent. per annum
(xii) Day Count Fraction:	["Actual/Actual (ICMA)"/"Actual/365"/"Actual/Actual (ISDA)"/"Actual/365 (Fixed)"/"Actual/360"/"30/360"/"30E/360"/"Eurobond Basis"/ "30E/360 (ISDA)"]
(xiii) Accrual Feature:	[Not Applicable]/[Applicable]
– Applicable Swap Rate:	[USD-ISDA-Swap Rate/[•]]
– Applicable Swap Rate thresholds:	Greater than or equal to [•] per cent. and less than or equal to [•] per cent.
– Observation Period:	[the period which starts [•] New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ends [•] New York and London Banking Days prior to the end of such Interest Accrual Period]/[Interest Accrual Period]
– Designated Maturity:	[•]

	(xiv) Broken Amounts:	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
22.	Zero Coupon Instrument Provisions:	[Applicable/Not Applicable]
	(i) Accrual Yield:	[•] per cent. per annum
	(ii) Reference Price:	[•]
	(iii) Day Count Fraction:	["Actual/Actual (ICMA)"/"Actual/365"/"Actual/Actual (ISDA)"/"Actual/365 (Fixed)"/"Actual/360"/"30/360"/"30E/360"/"Eurobond Basis"/ "30E/360 (ISDA)"]
	(iv) Additional Business Centre(s):	[Not Applicable/[•]]
23.	Dates for payment of Instalment Amounts (Instalment Instruments):	[•]
24.	Final Redemption Amount of each Instrument:	As determined in accordance with Condition [•] / [•] per Calculation Amount
25.	Instalment Amounts:	[•]
26.	Early Redemption for Tax Reasons:	[Applicable/Not Applicable]
	(a) Early Redemption Amount of each Instrument (Tax):	[•] per Calculation Amount
	(b) Date after which changes in law, etc. entitle Issuer to redeem:	[[•]/Issue Date]
27.	Coupon Switch Option:	[Applicable/Not Applicable]
28.	Coupon Switch Option Date:	[•]
29.	Redemption at the option of the Issuer (Call):	[Applicable/Not Applicable]
	(i) Optional Redemption Date (Call):	[•]
	(ii) Series redeemable in part:	[Yes/No]
	(iii) Optional Redemption Amount (Call) of each Instrument:	[•] per Calculation Amount
	(iv) Notice period:	[•]

30. Partial redemption (Call):	[Applicable/Not Applicable]
(i) Minimum Redemption Amount:	[•] per Calculation Amount
(ii) Maximum Redemption Amount:	[•] per Calculation Amount
(iii) Notice period:	[•]
31. Redemption at the option of the Holders (Put):	[Applicable/Not Applicable]
(i) Optional Redemption Date (Put):	[•]
(ii) Optional Redemption Amount (Put) of each Instrument:	[•] per Calculation Amount
(iii) Notice period:	[•]
32. Events of Default:	
Early Termination Amount	[•]
33. Payments:	
Unmatured Coupons missing upon Early Redemption:	[Condition 7A.6 (i) applies]/[Condition 7A.6 (ii) applies]
34. Replacement of Instruments:	[•]
35. Calculation Agent:	[•]/[Not Applicable]
36. Notices:	Condition 14 applies
37. Selling Restrictions:	
United States of America:	[Regulation S Category 2 restrictions apply to the Instruments]
	[[TEFRA C/TEFRA D] Rules apply to the Instruments]/[TEFRA Not Applicable]
	Instruments [are/are not] Rule 144A eligible
	[Exchange Date is [•]]
Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
	<i>(If the Instruments clearly do not constitute “packaged” products, or the Instruments do constitute “packaged” products and a key</i>

information document will be prepared, "Not Applicable" should be specified. If the Instruments may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)

38. [Additional Conditions:]

[Specify any additional conditions]

[THIRD PARTY INFORMATION]

[●] has been extracted from [●]. 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 [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

WESTPAC BANKING CORPORATION

By:

Name:

Date:

PART B: Other information

1. Listing

- (i) Listing: [[•]/None]
- (ii) Admission to trading: [Application has been made for the Instruments to be admitted to trading on [•] with effect from [•]]
- [Not Applicable]

2. Ratings

- [(i)] [Ratings of the Instruments: [S&P Global Ratings Australia Pty Limited: [•]]
- [Moody's Investors Service Pty Limited: [•]]

Neither S&P Global Ratings Australia Pty Limited nor Moody's Investors Service Pty Limited is established in the European Union or has applied for registration under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"). However, S&P Global Ratings Australia Pty Limited is endorsed by S&P Global Ratings Europe Limited and Moody's Investors Service Pty Limited is endorsed by Moody's Investors Service Ltd, each of which is established in the European Union and registered under the CRA Regulation.

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

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

4. Estimated total expenses

Estimated total expenses: [•]

5. Yield

Indication of yield: [•]

6. Operational information

ISIN: [•]

Common Code: [•]

CFI: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

FISN: [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable.")

Common Depository/Lodging Agent: [•]

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority: [Not Applicable]/[•]

CMU Service Instrument Number: [Not Applicable]/[•]

Names and addresses of additional Paying Agent(s) (if any): [•]

7. Description of the Underlying

[The USD-ISDA Swap Rate is [•]]

[The bid and offered rate for AUD/JPY is the spot price from time to time of the Australian Dollar as against the Japanese Yen.]/[•]

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