

Off-market buy-back Supplementary Booklet

10 December 2021

Westpac Banking Corporation
ABN 33 007 457 141

THIS IS AN IMPORTANT DOCUMENT

This document should be read together with the original off-market buy-back booklet dated 1 November 2021.

If you have any questions, please contact your financial, taxation or other professional adviser.

This Buy-Back is not available to persons located or resident in, and this supplementary booklet is not to be distributed into, the United States or Canada.

 **Westpac** GROUP

Important notices

Supplementary Booklet, Original Booklet and other available information

This is a supplementary booklet dated 10 December 2021 (**Supplementary Booklet**) and should be read together with the original off-market buy-back booklet dated 1 November 2021 (**Original Booklet**), each issued by Westpac and lodged with the ASX. This Supplementary Booklet contains additional information regarding amendments to the Buy-Back to assist you to make a decision as to whether to participate in the Buy-Back. Other than the changes set out in this Supplementary Booklet, all other details in the Original Booklet remain unchanged. To the extent of any inconsistency between this Supplementary Booklet and the Original Booklet, the provisions of this Supplementary Booklet will prevail.

In reviewing this Supplementary Booklet, you should consider other information available about Westpac, including the following documents:

- the Original Booklet;
- Westpac's financial results announcement for the full year ended 30 September 2021 and 2021 Annual Report lodged with the ASX on 1 November 2021; and
- Westpac's other market announcements lodged with the ASX.

These documents can be obtained from Westpac's Investor Centre at westpac.com.au/investorcentre or on the ASX website at asx.com.au (under the code, "WBC").

Unless otherwise indicated, capitalised words and expressions in this Supplementary Booklet have the same defined meaning given to them in the Original Booklet. See the glossary in Section 6 "Glossary" of the Original Booklet for further details.

Supplementary Booklet does not provide investment advice

This Supplementary Booklet does not provide financial product, tax or investment advice and has been prepared without taking into account your particular objectives, financial situation, taxation circumstances or needs. You should consider the appropriateness of participating in the Buy-Back, having regard to these factors, and read this Supplementary Booklet and the Original Booklet in full. If you have any questions, you should seek advice from your financial, taxation or other professional adviser before deciding whether to participate in the Buy-Back.

Restrictions on foreign jurisdictions

The Buy-Back Invitation is not being made to any Excluded Foreign Person. The distribution of this Supplementary Booklet in some jurisdictions outside Australia and New Zealand may be restricted by law and does not constitute a Buy-Back Invitation to participate in any place where, or to any person to whom, it would be unlawful or impractical for Westpac to do so. Persons who come into possession of this booklet should seek advice on it and observe any restrictions on distribution.

Copies of the Buy-Back Documents, including this Supplementary Booklet, must not be sent, directly or indirectly, by mail or any means or instrumentality (including, without limitation, facsimile transmission, telephone and internet) of interstate or foreign commerce of, or through any facility of a national securities exchange of, the United States, or otherwise distributed or sent outside of Australia and New Zealand (including into the United States or Canada).

Any person receiving any of the Buy-Back Documents, including this Supplementary Booklet, must not, directly or indirectly, distribute or send them into the United States or Canada, or make them available to any Excluded Foreign Person.

If you have any questions about the Buy-Back, you should seek advice from your financial, taxation or other professional adviser. You can also visit the Buy-Back website at westpac.com.au/buyback or contact the Westpac Buy-Back Information Line on 1800 804 255 (free call in Australia) or +61 1800 804 255 (outside Australia) (Monday to Friday, 8:30am to 7:30pm, Sydney time, except for public holidays) and 0800 002 727 (free call in New Zealand) (Monday to Friday, 9:00am to 5:30pm, New Zealand time, except for public holidays).

Overview

On 10 December 2021, Westpac announced a number of amendments to the Buy-Back, including the Amended Discount Range, new Minimum Price options and a revised Buy-Back timetable. This Supplementary Booklet contains revised information regarding these amendments, and should be read together with the Original Booklet.

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Revised key dates

Westpac has revised the timetable for the Buy-Back, including extending the Closing Date of the Buy-Back to Friday, 11 February 2022. The revised key dates, highlighted below, replace the key dates set out in the Original Booklet.

Buy-Back

Announcement of the Buy-Back	1 November 2021
Last day that Shares could be acquired on-market to be eligible to participate in the Buy-Back and to qualify for franking credit entitlements¹	4 November 2021
Buy-Back Ex-entitlement Date Shares acquired on-market on or after this date were not eligible for the Buy-Back	5 November 2021
Buy-Back Record Date The date that determined the Eligible Shareholders entitled to participate in the Buy-Back	7:00pm (Sydney time) on 8 November 2021
Buy-Back Period opened Eligible Shareholders may submit, withdraw or amend an Application from this date	17 November 2021
Announcement of details of Amended Discount Range and revised Buy-Back timetable	10 December 2021
Supplementary Booklet and revised Application Forms available on the Buy-Back website	10 December 2021
Market Price period commences	7 February 2022
Market Price period ends	11 February 2022
Buy-Back Period closes Applications must be submitted online or received by the Registrar no later than this time <i>If you are a CHESS Holder, Westpac strongly recommends that you submit your Application online or instruct your controlling participant (as applicable) no later than 5:00pm (Sydney time) on 10 February 2022</i>	7:00pm (Sydney time) on 11 February 2022
Buy-Back Date The Buy-Back Price and scale back (if any) are announced, and Buy-Back Contracts are entered into	14 February 2022
Buy-Back proceeds paid to successful Shareholders	18 February 2022

Dates may change

While Westpac does not anticipate changes to these dates and times, it reserves the right to change them without notice, subject to laws and ASX requirements. If any dates are changed, subsequent dates may also change. Westpac also reserves the right to terminate the Buy-Back at any time, which would be announced to the ASX.

1. See Section 2.2.3 "Franking credit entitlements" of the Original Booklet for details of the 45-day rule and specific concessions which may apply.

Key information about the amended Buy-Back

SECTION 1

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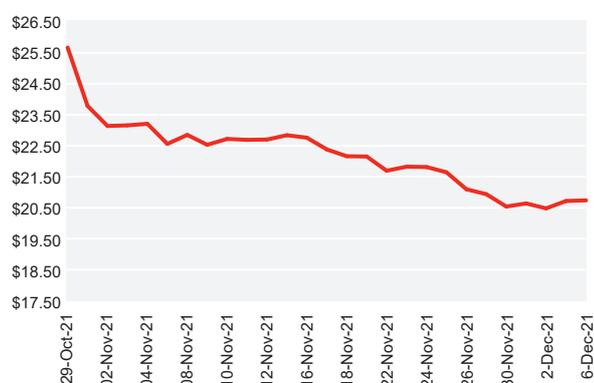
SECTION 1 Key information about the amended Buy-Back

1.1 Why has the Buy-Back been amended?

On 1 November 2021, Westpac announced the Buy-Back of up to \$3.5 billion, as an efficient means of returning surplus capital and reducing the number of Shares outstanding.

Following the recent fall in Westpac's Share price, Westpac's rationale for the Buy-Back is even more compelling.

Westpac Share price performance since the Westpac 2021 Full Year results announcement to 6 December 2021¹



Specifically, the lower Share price may provide Westpac with the opportunity to buy back more Shares than was originally contemplated.

However, the lower current Share price level also has implications for Buy-Back participants. As a function of the current Share price, the sale proceeds and franking credits that are distributed to Buy-Back participants are potentially reduced.

In considering these changes, Westpac has decided to amend certain key terms of the Buy-Back (refer to Section 1.3 “What features of the Buy-Back have been amended?” of this Supplementary Booklet), in support of the following key objectives:

- increase choice and improve the potential after-tax return of the Buy-Back for Eligible Shareholders, compared with selling Shares on-market (or not at all);
- support overall demand for the Buy-Back, with a view to buying back as many Shares as possible (up to \$3.5 billion) in a shorter timeframe than an on-market buy-back; and
- support Westpac's capital management strategy and benefit all Shareholders through expected support for Return on Equity, Earnings per Share and Dividend per Share, all things being equal.

1.2 What if the final Buy-Back size is less than \$3.5 billion?

Westpac remains committed to buying back up to \$3.5 billion worth of Shares. Should the final Buy-Back demand be less than \$3.5 billion, Westpac intends to commence an on-market buy-back for the residual amount, subject to market conditions and final approvals.

Westpac may also at its sole discretion increase or decrease the size of the Buy-Back or not buy back any Shares at all, subject to a number of factors such as Shareholder demand, market conditions and future capital requirements.

1.3 What features of the Buy-Back have been amended?

Westpac has amended the Discount range to 0% to 10% (at 1% intervals) (**Amended Discount Range**).

The Amended Discount Range will allow Eligible Shareholders to tender Shares at a lower Discount(s) than previously possible. Depending on the final Buy-Back Discount, this may result in a higher Buy-Back Price relative to what could be achieved under the original Discount range. In turn, this may result in a higher after-tax return for Eligible Shareholders than under the original Discount range, all else being equal.

Westpac has also amended the Minimum Price options that an Eligible Shareholder may select to \$15.50, \$16.50, \$17.50 and \$18.50, in response to the recent fall in the Share price. The Amended Discount Range and revised Minimum Prices will be set out on the revised Application Forms, available from 10 December 2021 on the Buy-Back website, or the printed revised Application Forms will be available from 17 December 2021.

To give all Eligible Shareholders adequate time to consider the amendments to the Buy-Back, the Closing Date has been extended to Friday, 11 February 2022. Consequential changes have been made to certain other dates, as set out in the “Revised key dates” Section above.

All other features and terms of the Buy-Back as set out in the Original Booklet will remain the same.

1.4 Why might you choose to participate in the Buy-Back?

For Eligible Shareholders, depending on your personal tax situation, selling your Shares through the Buy-Back could result in a higher after-tax return than selling your Shares on-market.

As described above, the potential after-tax return for Eligible Shareholders has been improved by

1. The Share prices in this section are for information purposes only and are not a forecast of future Share prices. Past performance should not be relied upon as being indicative of future trends.

SECTION 1 Key information about the amended Buy-Back

the Amended Discount Range, as it allows Eligible Shareholders to tender their Shares at a lower Discount(s) than previously possible. Depending on the final Buy-Back Discount, this may result in a higher Buy-Back Price relative to what could be achieved under the original Discount range.

Refer to Section 1.4 “Why you might choose to participate in the Buy-Back?” of the Original Booklet for details of other potential benefits of participating in the Buy-Back that are unchanged.

1.5 Why might you choose not to participate in the Buy-Back?

Reasons not to participate in the Buy-Back include:

- you may not wish to reduce your Shareholding; or
- notwithstanding the Amended Discount Range, you may achieve a greater after-tax return by selling your Shares on-market than through the Buy-Back (depending on your personal tax situation).

1.6 How does the Buy-Back compare to selling my Shares on-market?

Depending on your individual circumstances, if you sell your Shares on-market, the Australian income taxation implications may be different from selling your Shares in the Buy-Back.

In addition, to sell Shares on-market, you may need to pay brokerage. No brokerage is payable to participate in the Buy-Back.

However, if you were to sell your Shares on-market, it is possible that you could sell your Shares for a higher price than the Buy-Back Price. This is because the prices Shareholders can tender Shares into the Buy-Back are at Discounts to the Market Price of between 0% and 10% inclusive (at 1% intervals). That said, the after-tax return may be lower if you sell your Shares on-market depending on your personal tax situation, noting that the Buy-Back Price includes a franked Dividend Component and Capital Component.

To provide Eligible Shareholders with an indication of the possible after-tax proceeds from selling their Shares in the Buy-Back or on-market, a tax calculator is available at westpac.com.au/buyback. Please note that Westpac is not making any recommendation to you as to whether to participate in the Buy-Back, or giving any advice on the value of your Shares.

Before you decide whether to participate in the Buy-Back, we recommend you seek advice from your financial, taxation or other professional adviser.

1.7 How do I participate in the Buy-Back?

Eligible Shareholders can participate in the Buy-Back by either applying online or completing a personalised Application Form, in the same way as was outlined in Section 4 “How do I participate in the Buy-Back?” of the Original Booklet.

Eligible Shareholders who have already validly tendered into the Buy-Back will have their existing Applications honoured, but also have an opportunity to withdraw or amend any Application prior to the new Closing Date (Friday, 11 February 2022).

Eligible Shareholders can apply by completing an original Application Form (with the original Discount range) or a revised Application Form (with the Amended Discount Range). Westpac intends to accept valid Applications under either form. A revised Application Form received by the Registrar is taken to amend an original Application Form received by the Registrar (online or printed copy), even if you do not submit a Withdrawal/Amendment Form. See Section 1.10 “How do I withdraw or amend my Application” of this Supplementary Booklet for more information.

The most efficient way to ensure your Application Form or Withdrawal/Amendment Form is received by the Closing Date, is to submit it online, via the Buy-Back website at westpac.com.au/buyback. You will be able to submit an Application within the Amended Discount Range online from 10 December 2021.

If you would like a printed revised Application Form, or you have any questions in relation to completing your Application Form or Withdrawal/Amendment Form, please contact the Westpac Buy-Back Information Line on 1800 804 255 (free call in Australia) or +61 1800 804 255 (outside Australia) (Monday to Friday, 8:30am to 7:30pm, Sydney time, except for public holidays) and 0800 002 727 (free call in New Zealand) (Monday to Friday, 9:00am to 5:30pm, New Zealand time, except for public holidays).

Note that an online Application Form and online Withdrawal/Amendment Form are not available for Shares listed on the NZX. To apply with a revised Application Form or withdraw or amend your Application for Shares listed on the NZX, you must request a printed copy of the relevant form specific to Shares listed on the NZX using the Westpac Buy-Back Information Line contact details above. For more information on dealing with your Application refer to Section 4.2.3 “Applications for New Zealand Holdings (Shares listed on the NZX with a Common Shareholder Number (CSN) or Holder Number)” of the Original Booklet.

Applications must be received no later than 7:00pm (Sydney time) on the Closing Date (Friday, 11 February 2022). Hand delivery in Auckland, New Zealand must be received by 5:00pm (New Zealand time) on the Closing Date (Friday, 11 February 2022). If you have a CHES Holding, Westpac encourages you to submit your Application online or instruct your controlling participant (usually your broker) by no later than 5:00pm on Thursday, 10 February 2022.

SECTION 1 Key information about the amended Buy-Back

Specific instructions by type of Shareholding are set out in Section 4.2 “Specific instructions by type of Shareholding” of the Original Booklet.

1.8 What if I have already submitted an Application?

If you have already submitted an Application, you have the option to:

- take no action and maintain your existing Application; or
- withdraw or amend your Application, following the instructions set out in Section 1.10 of this Supplementary Booklet, “How do I withdraw or amend my Application?”.

1.9 Will Westpac accept my existing Application?

Yes. Westpac intends to accept all valid Applications submitted using the original Application Form, subject to the terms set out in the Original Booklet and this Supplementary Booklet.

1.10 How do I withdraw or amend my Application?

If you have already submitted an Application, or wish to submit an Application in accordance with the amended terms of the Buy-Back, but decide later that you wish to withdraw or amend it, then it can be withdrawn or amended as set out in Section 4.3 “Can I withdraw or amend my Application?” of the Original Booklet. The most efficient way to ensure your withdrawal or amendment is received by the Closing Date of Friday, 11 February 2022, is to submit it online, via the Buy-Back website at westpac.com.au/buyback.

Withdrawal/Amendment Forms must be received no later than 7:00pm (Sydney time) on the Closing Date (Friday, 11 February 2022). Hand delivery in Auckland, New Zealand must be received by 5:00pm (New Zealand time) on the Closing Date. If you have a CHESS Holding, Westpac encourages you to submit your Withdrawal/Amendment Form online or instruct your controlling participant (usually your broker) by no later than 5:00pm on Thursday, 10 February 2022.

Note that for Shares listed on the NZX, you need to submit a printed Withdrawal/Amendment Form, as an online Application Form and online Withdrawal/Amendment Form are not available.

A revised Application Form received by the Registrar is taken to amend an original Application Form received by the Registrar (online or printed copy), even if you do not submit a Withdrawal/Amendment Form. If you are a CHESS Holder, the Registrar will need to confirm with your controlling participant (usually your broker) before your original Application can be amended, and your revised Application can be taken as validly submitted. Neither Westpac nor the Registrar will be responsible should your controlling participant not acknowledge and accept your amended instructions.

1.11 What are my options if I have already made an Application conditional on a Minimum Price?

A Minimum Price is the price below which you are not prepared to sell your Shares through the Buy-Back, for whatever reason.

Westpac has amended the Minimum Price in response to the recent fall in Share price, as set out in the revised Application Form that accompanies this Supplementary Booklet.

If you have already submitted an original Application Form which included a Minimum Price selection, based on the recent fall in Share price, there is a risk that your previously selected Minimum Price will result in none of your Shares being bought back.

You may withdraw or amend your Application (including in respect of a Minimum Price) as set out in Section 1.10 “How do I withdraw or amend my Application?” of this Supplementary Booklet.

If you do not withdraw or amend your Application, then Westpac will accept any Minimum Price selection included in your original Application.

If you have not yet submitted an Application and you are an Eligible Shareholder who wishes to participate, you can select a Minimum Price as set out in the revised Application Form.

1.12 How would a scale back affect my Application?

Any scale back will operate on the same basis as set out in Section 1.16 “How would a scale back affect my Application?” of the Original Booklet.

Applications at a Discount greater than the Buy-Back Discount and Final Price Applications will not be scaled back, unless the Buy-Back Discount is the maximum of 10%.

If you have already submitted an Application and tendered Shares at a Discount above 10%, this tender will be taken to be a Final Price Application.

1.13 Has the Buy-Back Record Date changed?

No. The Buy-Back Record Date of 8 November 2021 remains unchanged.

1.14 When will the Market Price be determined?

As defined in the Original Booklet, the Market Price will be the VWAP of Shares over the five trading days up to and including the Closing Date, calculated to four decimal places, as determined by Westpac.

As the Closing Date has been extended to 11 February 2022, the Market Price will now be determined over the five trading days from 7 February 2022 to 11 February 2022 (inclusive).

Westpac plans to announce the Market Price as soon as practicable after 4:30pm (Sydney time) on Friday, 11 February 2022. The Buy-Back Price is expected to be announced on 14 February 2022.

Tax consequences for Westpac Shareholders

SECTION 2

SECTION 2 Tax consequences for Westpac Shareholders

2.1 Introduction

As outlined in the "Overview" of this Supplementary Booklet, Westpac has announced details of amendments to the Buy-Back following the fall of the Share price since the announcement of the Buy-Back on 1 November 2021.

This Section summarises the consequences of these amendments to the Australian tax outcomes for certain Shareholders as set out in Section 2 "Tax consequences for Shareholders" of the Original Booklet. This summary should be read together with the more detailed tax description in Section 2 "Tax consequences for Shareholders" of the Original Booklet.

If you decide to participate in the Buy-Back, as amended, your actual tax consequences will depend on your individual circumstances. It is recommended that you seek professional tax advice to take into account your particular circumstances.

To provide you with an indication of the possible Australian income tax consequences for you if you choose to participate in the Buy-Back, as amended, an updated tax calculator is available on the Buy-Back website at westpac.com.au/buyback. It is recommended that Shareholders refer to the updated tax calculator to calculate indicative results that take into account amendments to the Buy-Back.

The New Zealand tax implications of participating in the Buy-Back for Eligible Shareholders who are tax resident in New Zealand are discussed in Section 2.5 "New Zealand tax implications for Shareholders" of the Original Booklet.

2.2 Tax allocation

As set out in Section 2.1 "Introduction" of the Original Booklet, the Buy-Back is an 'off-market' buy-back for Australian income tax purposes. This means that the amount a Shareholder receives from participating in the Buy-Back in relation to each Share will comprise:

- a Capital Component – the Capital Component per Share is expected to be \$11.34¹ (see Section 2.3 "Australian Capital Gains Tax (CGT) – Treatment of Capital Component in disposal of Shares (acquired after 19 September 1985)" of the Original Booklet); and
- a Dividend Component – which is the Buy-Back Price less the Capital Component (see Section 2.2 "Australian income tax – Treatment of Dividend Component" of the Original Booklet)."

2.3 Australian income tax – Dividend Component

As the Dividend Component is calculated as the Buy-Back Price less the Capital Component, the Dividend Component is subject to change depending on the Buy-Back Price.

The Australian income tax consequences of the Dividend Component remain unchanged (see Section 2.2 "Australian income tax – Treatment of Dividend Component" of the Original Booklet). In this regard, the revision to the Buy-Back timetable to change the date of determination of the Buy-Back allocations from Monday, 20 December 2021 to Monday, 14 February 2022 should not impact Shareholders' entitlements to franking credits (including under the 45-day rule).

2.4 Australian income tax – Capital Component

As reflected in Section 2.3 "Australian Capital Gains Tax (CGT) – Treatment of Capital Component in disposal of Shares (acquired after 19 September 1985)" of the Original Booklet, the capital proceeds for each Share for tax purposes will be the Capital Component (expected to be \$11.34) plus the amount (if any) by which the Tax Value exceeds the Buy-Back Price (the Capital Proceeds).

The Tax Value reflects the volume weighted average price of the Shares over the last five trading days before the announcement of the Buy-Back (adjusted for the Full Year Dividend), adjusted for the movement in the S&P/ASX 200 Index from the opening day of trading on the Announcement Date to the close of trading on the day the Buy-Back closes.

The extension of the Buy-Back Period has a number of consequences in relation to the CGT treatment of Shareholders, including:

- calculation of the Tax Value will be determined by reference to the movement in the S&P/ASX 200 Index from 1 November 2021 (the Announcement Date) to 11 February 2022²;
- the date of disposal for CGT purposes will be 14 February 2022 being the date on which Westpac accepts Applications; and
- if you are an Australian resident individual or an Australian complying superannuation fund without current pension liabilities you should be eligible for the CGT discount on a capital gain on disposal of your Shares if you have held your Shares for more than 12 months prior to the date of disposal (Monday, 14 February 2022).

1. Subject to ATO approval.

2. If the movement in the S&P/ASX 200 Index continues to differ significantly from the movement in Westpac's Share price on the ASX over the relevant period, Westpac may seek ATO approval to vary the methodology used to determine the Tax Value.

SECTION 2 Tax consequences for Westpac Shareholders

2.5 Worked examples of potential Australian income tax consequences for Australian resident individuals and Australian complying superannuation funds

An illustrative example is set out below, demonstrating the potential Australian tax consequences for Australian resident individuals and Australian complying superannuation funds without current pension liabilities from disposing of their Shares in the Buy-Back, as amended, as compared to a sale of Shares on-market.

The illustrative example is based on the worked example in Section 2.4 “Worked examples of potential Australian income tax consequences for Australian resident individuals and Australian complying superannuation funds” of the Original Booklet with the following changes:

- the on-market sale price (the Market Price) has been revised to \$20.00 (previously \$25.00). This lower number has been used to illustrate the impact of the fall in the Share price since the announcement of the Buy-Back on 1 November 2021. As set out in Section 1.14 “When will the Market Price be determined?” of this Supplementary Booklet, the Market Price will depend on the ongoing movement in the Share price and will not be known until the Closing Date (Friday, 11 February 2022); and
- the Buy-Back Price has been revised to \$19.20 (previously \$22.50). This reflects the change to the Market Price together with the Amended Discount Range – the illustrative example uses a Buy-Back Discount of 4% (previously 10%).

The illustrative example still uses a Tax Value of \$25.00. The reason for this is that the Tax Value reflects the volume weighted average price of the Shares over the last five trading days before the announcement of the Buy-Back as well as the movement in the S&P/ASX 200 Index, which has not been material since the Announcement Date on 1 November 2021. Again, it is important to note that the Tax Value will depend on the movements in the S&P/ASX 200 Index over the Buy-Back Period and will not be known until the Closing Date (Friday, 11 February 2022).

The illustrative example gives rise to the following key changes from the worked example in Section 2.4 “Worked examples of potential Australian income tax consequences for Australian resident individuals and Australian complying superannuation funds” of the Original Booklet:

- the Dividend Component of the Buy-Back has been reduced to \$7.86 (previously \$11.16);
- the total amount of franking credits attached to the Dividend Component has also reduced (reflecting the smaller Dividend Component); and
- the excess of the Tax Value over the Buy-Back Price has increased to \$5.80 (previously \$2.50). This larger excess has increased the Capital Proceeds for CGT purposes and, in the illustrative example below, reduced the capital loss realised by Shareholders.

The illustrative example is indicative in nature and is subject to change depending on a variety of factors including movements in the Share price, the Buy-Back Discount and movements in the S&P/ASX 200 Index.

You should not rely on \$20.00 being the actual Market Price, nor \$25.00 being the actual Tax Value nor \$19.20 being the actual Buy-Back Price.

The table also sets out the potential after-tax proceeds of a sale of the Shares on-market. This excludes any transaction or other incidental costs (for example stamp duty and brokerage).

In any event, the tax consequences for an Australian resident individual or an Australian complying superannuation fund may be different from the illustrative example because of their particular circumstances. The amounts calculated under the illustrative example will not necessarily reflect the actual tax consequences for you if you choose to participate in the Buy-Back.

Tax calculator

To provide you with an indication of the possible Australian income tax consequences for you if you choose to participate in the Buy-Back, Westpac has provided access to an updated tax calculator, as amended, on the Buy-Back website at westpac.com.au/buyback.

SECTION 2 Tax consequences for Westpac Shareholders

Per Share (\$)	Complying superannuation funds	
	Taxable income	15.0% tax rate
	Methodology	
Basic illustrative assumptions¹		
Market Price		20.00
Less: Buy-Back Discount (%)		4%
(1) Tax Value ²		25.00
(2) Buy-Back Price		19.20
(3) Cost base		22.00
(4) Capital Component		11.34
(5) Marginal tax rate (%) ⁵		15.0%
(6) CGT discount (%)		33.3%
Australian tax implications of sale of Shares into the Buy-Back		
Income tax consequences (Dividend Component)		
(7) Fully franked Dividend Component	= (2) - (4)	7.86
(8) Add: Gross up for franking credit ⁴	= (7) x 0.3/0.7	3.37
(9) Assessable income	= (7) + (8)	11.23
(10) Tax on assessable income ³	= (9) x (5)	(1.68)
(11) Tax offset for franking credits ⁴	= (8)	3.37
(12) Net tax benefit / (cost)	= (10) + (11)	1.68
(13) After-tax proceeds of Dividend Component	= (7) + (12)	9.54
Capital gains tax consequences		
(14) Excess of Tax Value ² over Buy-Back Price	= (1) - (2)	5.80
(15) Add: Capital Component	= (4)	11.34
(16) Sale consideration	= (14) + (15)	17.14
(17) Less: illustrative cost base	= (3)	22.00
(18) Nominal capital gain / (loss) on disposal	= (16) - (17)	(4.86)
(19) Discounted capital gain / (loss) ⁵	= (18) x (100% - (6))	(3.24)
(20) Tax impact of loss / (gain)	= (19) x (5)	0.49
(21) Add: Capital Component	= (4)	11.34
(22) After-tax proceeds of Capital Component	= (20) + (21)	11.83
(23) Total after-tax proceeds	= (13) + (22)	21.37
Australian tax implications of sale of Shares on-market		
(24) Illustrative sale proceeds		20.00
(25) Less: illustrative cost base	= (3)	22.00
(26) Nominal capital gain / (loss) on disposal ⁶	= (24) - (25)	(2.00)
(27) Discounted capital gain / (loss) ⁵	= (26) x (100% - (6))	(1.33)
(28) Tax impact of loss / (gain)	= (27) x (5)	0.20
(29) Total after-tax proceeds	= (24) + (28)	20.20

1. Minor differences in the addition of components in this calculation are due to rounding.

2. Tax Value of the Shares is \$25.00. The Tax Value will change depending on the movement of the S&P/ASX 200 Index up to the close of the Buy-Back (see Section 2.3 "Australian Capital Gains Tax (CGT) - Treatment of Capital Component in disposal of Shares (acquired after 19 September 1985)" of the Original Booklet).

3. Medicare Levy (currently at the rate of 2%) applies to individuals who at any time during the income year were Australian residents. The marginal tax rate includes the Medicare Levy at a rate of 2% and does not include the Medicare Levy Surcharge which may be applicable. The liability of an individual to pay the Medicare Levy or Medicare Levy Surcharge depends on the individual's personal tax situation.

SECTION 2 Tax consequences for Westpac Shareholders

Australian resident individuals

	\$0-\$18,200	\$18,201-\$45,000	\$45,001-\$120,000	\$120,001-\$180,000	\$180,001 +
	0.0% tax rate	21.0% tax rate	34.5% tax rate	39.0% tax rate	47.0% tax rate
	20.00	20.00	20.00	20.00	20.00
	4%	4%	4%	4%	4%
	25.00	25.00	25.00	25.00	25.00
	19.20	19.20	19.20	19.20	19.20
	22.00	22.00	22.00	22.00	22.00
	11.34	11.34	11.34	11.34	11.34
	0.0%	21.0%	34.5%	39.0%	47.0%
	50.0%	50.0%	50.0%	50.0%	50.0%
	7.86	7.86	7.86	7.86	7.86
	3.37	3.37	3.37	3.37	3.37
	11.23	11.23	11.23	11.23	11.23
	0.00	(2.36)	(3.87)	(4.38)	(5.28)
	3.37	3.37	3.37	3.37	3.37
	3.37	1.01	(0.51)	(1.01)	(1.91)
	11.23	8.87	7.35	6.85	5.95
	5.80	5.80	5.80	5.80	5.80
	11.34	11.34	11.34	11.34	11.34
	17.14	17.14	17.14	17.14	17.14
	22.00	22.00	22.00	22.00	22.00
	(4.86)	(4.86)	(4.86)	(4.86)	(4.86)
	(2.43)	(2.43)	(2.43)	(2.43)	(2.43)
	0.00	0.51	0.84	0.95	1.14
	11.34	11.34	11.34	11.34	11.34
	11.34	11.85	12.18	12.29	12.48
	22.57	20.72	19.53	19.14	18.43
	20.00	20.00	20.00	20.00	20.00
	22.00	22.00	22.00	22.00	22.00
	(2.00)	(2.00)	(2.00)	(2.00)	(2.00)
	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)
	0.00	0.21	0.35	0.39	0.47
	20.00	20.21	20.35	20.39	20.47

4. This assumes the Shareholder is fully entitled to the franking credits associated with the Dividend Component.
5. Any capital loss made should be able to be applied to offset capital gains made in the 2022 income year or later years. For the purpose of this example, we have assumed that the capital loss will be applied against capital gains arising in the same income year as the Buy-Back to which the CGT discount applies. The table also assumes that Shareholders acquired their Shares after 19 September 1985, capital gains are subject to CGT discount and are not subject to indexation.
6. No transaction or other incidental costs, such as brokerage fees, have been included when selling on-market.

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Impact of the Buy-Back on Westpac

SECTION 3

SECTION 3 Impact of the Buy-Back on Westpac

3.1 What effect will the Buy-Back have on Westpac's regulatory capital position?

Following the Buy-Back, Westpac's capital ratios will reduce, however Westpac is expected to remain well capitalised and above APRA's current 'unquestionably strong' CET1 Capital Ratio benchmark of 10.5%.

On 29 November 2021, APRA released its final capital framework, which included revised capital buffer requirements and calculations of RWA for specific asset classes. As part of the capital framework, APRA is increasing the capital conservation buffer from 2.5% to 3.75% and is introducing a base level for the countercyclical capital buffer of 1.0% for major banks (including Westpac) with no change to the additional domestic systemically important buffer of 1%. As a result, the CET1 Capital Ratio requirement for the major banks (including Westpac) will increase from 8% to 10.25% from 1 January 2023.

Westpac expects to remain well capitalised under the new capital framework described above.

3.2 What effect will the Buy-Back have on Westpac's issued shares?

As at 1 November 2021, Westpac had 3,669 million Shares on issue. This is unchanged as at 6 December 2021.

Assuming that \$3.5 billion worth of Shares are bought back, the following table sets out the number of Shares and the percentage of total issued Shares of Westpac which would be bought back assuming different Buy-Back Prices. The table is an example only and you should not rely on it as being the actual percentages of Shares which will be bought back under the Buy-Back. All Shares that Westpac buys back will be cancelled.

Discount	Buy-Back Price based on an illustrative Market Price of \$20.00	Number of Shares bought back (million)	Percentage of total issued Shares of Westpac
10%	\$18.00	194.4	5.3%
9%	\$18.20	192.3	5.2%
8%	\$18.40	190.2	5.2%
7%	\$18.60	188.2	5.1%
6%	\$18.80	186.2	5.1%
5%	\$19.00	184.2	5.0%
4%	\$19.20	182.3	5.0%
3%	\$19.40	180.4	4.9%
2%	\$19.60	178.6	4.9%
1%	\$19.80	176.8	4.8%
0%	\$20.00	175.0	4.8%

Additional information



SECTION 4

SECTION 4 Additional information

4.1 ASIC and ASX relief

ASIC and ASX have granted Westpac exemptions and waivers under the Corporations Act and Listing Rules (respectively) consistent with those set out in Section 5.16 “Regulatory relief” of the Original Booklet to enable Westpac to facilitate the Buy-Back on the revised terms as set out in this Supplementary Booklet.

ASX has also confirmed that the revised timetable as set out in the Section “Revised key dates” of this Supplementary Booklet is acceptable.

Sample completed revised Application Forms

SECTION 5

SECTION 5 Sample completed revised Application Forms

Sample completed Application Forms, which include the Amended Discount Range and revised Minimum Price options are provided below. These sample Application Forms replace the forms provided in the Original Booklet.

Eligible Shareholders can submit an Application using either an original Application Form or a revised Application Form.

A revised Application Form received by the Registrar is taken to amend an original Application Form received by the Registrar (online or printed copy), even if you do not submit a Withdrawal/Amendment Form. If you are a CHES Holder, the Registrar will need to confirm with your controlling participant (usually your broker) before your original Application can be amended, and your revised Application can be taken as validly submitted. Neither Westpac nor the Registrar will be responsible should your controlling participant not acknowledge and accept your amended instructions.

The following examples are provided for illustrative purposes only. Westpac is not providing any advice as to whether you should offer to sell your Shares, or at what Discount(s) you should tender your Shares into the Buy-Back.

SECTION 5 Sample completed revised Application Forms

5.3 CHESSE Holder with more than 380 Shares, offering to sell at two specified Discounts and as a Final Price Application (example only)

In the example below, a CHESSE Holder has elected to tender their entire holding (1,000 Shares) at two Discounts and as a Final Price Application. The steps taken in completing the Application Form were as follows:

Shareholder with more than 380 Shares

STEP 1

A: This is the maximum number of Shares you can tender.

STEP 2

B: As the number of Shares you hold is more than 380, you may tender some, or all, of your Shares, subject to a minimum of 380 Shares:

- as a Final Price Application; and/or
- at one, or more, Discounts selected by you.

In this example, Shares were tendered at two Discounts and as a Final Price Application.

STEP 3

C: The total number of Shares tendered (200 + 500 + 300 = 1,000) is entered into Section C. The total Shares tendered cannot be greater than the number stated in Section A.

STEP 4

D: Selecting a Minimum Price is optional. Only one Minimum Price may be selected. In this example, no Minimum Price was selected.

STEP 5

E: If you receive your dividend payment(s) by direct credit, your bank account details will appear in Section E. If required, you can update your bank account details via the Link Investor Centre at linkmarketservices.com.au.

STEP 6

F & G: Complete your contact details and sign your Application Form here.



Westpac Banking Corporation
ABN 33 007 457 141

Ms Jane Doe
Unit 123
SAMPLE STREET
SAMPLE TOWN VIC 3000

**REVISED APPLICATION FORM
CHESSE SPONSORED HOLDERS**

This Application Form relates to the original off-market buy-back booklet dated 1 November 2021 (Original Booklet) and supplementary booklet dated 10 December 2021 (Supplementary Booklet) and should be read together with the Original Booklet and Supplementary Booklet. The terms and conditions of the Buy-Back, and the effect of submitting an Application, are set out in the Buy-Back Documents.

Your completed Application Form must be sent to your controlling participant (usually your broker) in sufficient time for them to process your instructions no later than 7:00pm (Sydney time) on Friday, 11 February 2022.

If you choose to submit your Application online at westpac.com.au/buyback, Westpac strongly recommends you submit your Application by no later than 5:00pm (Sydney time) on Thursday, 10 February 2022.

Read the instructions on the back of this form before you complete and sign this form.

Your controlling participant as at Monday, 8 November 2021 is Sample Broker

Holder Identification Number (HIN):
X0001234567

A Number of Shares as at 7:00pm (Sydney time) on Monday, 8 November 2021:

This is the maximum number of Shares you are entitled to offer for sale through the Buy-Back.

B Decide whether to make a Final Price Application and/or specify a Discount(s)

I/we offer to sell my/our Shares to Westpac Banking Corporation (Westpac) at the Discount(s) specified and/or as a Final Price Application and on the terms and conditions set out in the Buy-Back Documents:

Insert the number of Shares (if any) you wish to offer as a Final Price Application.

AND/OR
Insert the number of Shares (if any) you wish to offer next to the Discount(s) at which you wish to offer those Shares.

<input style="width: 50px;" type="text"/>	at a 0% Discount	<input style="width: 50px;" type="text"/>	at a 4% Discount	<input style="width: 50px;" type="text" value="500"/>	at an 8% Discount
<input style="width: 50px;" type="text"/>	at a 1% Discount	<input style="width: 50px;" type="text"/>	at a 5% Discount	<input style="width: 50px;" type="text" value="300"/>	at a 9% Discount
<input style="width: 50px;" type="text"/>	at a 2% Discount	<input style="width: 50px;" type="text"/>	at a 6% Discount	<input style="width: 50px;" type="text"/>	at a 10% Discount
<input style="width: 50px;" type="text"/>	at a 3% Discount	<input style="width: 50px;" type="text"/>	at a 7% Discount	<input style="width: 50px;" type="text"/>	

C Total number of Shares offered (add up rows in Section B)

The number of Shares in Section C must not exceed the number in Section A, but must be a minimum of 380 Shares in total unless you hold 380 Shares or less in which case it must equal the number of Shares in Section A.

D Optional – Select a Minimum Price (leave it blank or tick one box)

Select a Minimum Price if you wish to make your offer conditional on the Buy-Back Price being no less than one of the following prices. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Price.

AS\$15.50 AS\$16.50 AS\$17.50 AS\$18.50

E Bank account details – currently recorded on your Shareholding

PAYMENT OF BUY-BACK PROCEEDS WILL BE MADE BY DIRECT CREDIT ONLY. NO CHEQUES WILL BE ISSUED.

Bank: SAMPLE BANK
Account name: SAMPLE NAME
BSB: 123-123
Account number: ****123456

Payment will be made by direct credit only. You can update your payment instructions online via the Link Investor Centre at linkmarketservices.com.au or by returning a completed direct credit of payments form. If you require further assistance, please call the Westpac Buy-Back Information Line on 1800 804 255 (free call in Australia) or +61 1800 804 255 (outside Australia) (Monday to Friday, 8:30am to 7:30pm, Sydney time, except for public holidays) and 0800 002 727 (free call in New Zealand) (Monday to Friday, 9:00am to 5:30pm, New Zealand time, except for public holidays).

F Contact details

Provide a daytime telephone number and email address where we can contact you if we have any questions about this form.

Daytime telephone number Contact name (print)

Email address (print): Elect to receive all future Westpac Group Shareholder communications electronically.

G Shareholder signature(s)

Individual OR joint Shareholder 1 OR sole director and sole company secretary Joint Shareholder 2 OR director/company secretary Joint Shareholder 3 OR director/company secretary

WBC BBT004



This is an example only.

The instructions need to be communicated to your controlling participant (usually your broker).
Do NOT send your CHESSE Holder Application Form to the Registrar.

