

## Summary of Key Terms of Employment Agreement

A summary of the material terms and conditions of the employment agreement entered into with Peter King are:

### 1. Appointment and Commencement Date

Mr King has been appointed to the position of Managing Director and Chief Executive Officer commencing on 2 April 2020 (Commencement Date).

### 2. Term

The appointment is for a 2 year fixed term (**Term**), with an option to extend the term by mutual agreement. The termination rights of Westpac and the Executive are set out below.

### 3. Remuneration

There are three components of Mr King's remuneration:

- *Fixed package*

An initial base salary of \$2,400,000 (including salary, superannuation contributions and salary sacrificed benefits) which will be reviewed annually.

- *Short-term variable reward*

Mr King will continue to be eligible to receive an annual short term variable reward (STVR). Mr King's STVR target for FY20 will be \$2,400,000 and will be pro-rated for the period from the Commencement Date to 30 September 2020. The STVR target will be reviewed annually by the Board.

The Board will determine an annual STVR payment between 0% and 150% of target, depending on individual and Group business results. The Board will also determine the proportion of any award to be deferred (currently 50% of each award is deferred) and the period(s) of deferral (currently two equal tranches are deferred for 1 and 2 years respectively). Deferred STVR may be paid in shares (subject to shareholder approval) or cash as determined by the Board.

- *Long term incentive*

Mr King will continue to be eligible to receive an annual long term incentive award (LTI) provided in share rights (subject to shareholder approval) or cash. The value of Mr King's LTI for FY20 will be \$3,200,000 (pro-rated for the period from the Commencement Date to 30 September 2020) with the additional share rights being subject to shareholder approval at the 2020 AGM. The LTI is subject to the satisfaction of the performance hurdle explained in Westpac's 2019 Annual Report, with the share price, performance period (4 years), TSR measure and vesting date adjusted to reflect the Commencement Date. Future LTI grants (and the terms of those grants) will be reviewed annually by the Board.

Vesting of all variable rewards remain subject to ongoing Board review in accordance with the applicable terms.

The provisions of Mr King's existing employment agreement, including his existing STVR and LTI targets in his capacity as Chief Financial Officer for the period 1 October to 1 December 2019 and as Acting Chief Executive Officer for the period from 2 December 2019 will continue to operate prior to the Commencement Date and will be pro-rated for each period to the Commencement Date.

#### **4. Termination Provisions**

Both Mr King and Westpac may terminate Mr King's employment on notice for any reason. The notice period is 12 months or the balance of the Term where notice is given in the second year of the Term. Westpac can make a payment in lieu of notice (calculated on Mr King's fixed remuneration).

Westpac may also terminate Mr King's employment immediately without notice for serious breach and similar reasons.

The termination of Mr King's employment at the end of the Term or earlier with Westpac's agreement will be treated as a retirement under Westpac's incentive plans.

#### **5. Post-Employment restraints**

Mr King will be subject to an obligation not to compete with Westpac in Australia or New Zealand for 12 months following the termination of employment for any reason.