Smart Forward Contract.

Product Disclosure Statement.

Issued by Westpac Banking Corporation
Australian Financial Services Licence No. 233714
ABN 33 007 457 141

Dated: 28 June 2019

200 years proudly supporting Australia

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Important information.

A Product Disclosure Statement (**PDS**) is an information document. Its purpose is to provide you with enough information so that you can decide if the product will meet your needs. A PDS is also a tool for comparing the features of other products you may be considering. If you have any questions about this product, please contact us on any of the numbers listed at the back of this PDS.

This PDS relates to Smart Forward Contracts (**SFCs**) issued by Westpac Banking Corporation (ABN 33 007 457 141 AFSL 233714) (**Westpac, we, our** or **us**). We are the issuer of this PDS. A SFC is a sophisticated financial product requiring a good understanding of the way foreign exchange contracts and markets work. You should read and consider all sections of this PDS carefully before making a decision about the suitability of this product for you. You may also wish to obtain independent expert advice.

If you decide to enter into a SFC, you should keep a copy of this PDS and any associated documentation. You should also promptly tell us if at any time you experience any financial difficulty.

The meaning of some terms in this PDS (indicated by using a capital letter at the beginning of the term) is included in the Glossary on page 13.

The information set out in this PDS is general in nature. It has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should consider its appropriateness having regard to your objectives, financial situation and needs. By providing this PDS, Westpac does not intend to provide financial advice or any financial recommendations.

Information relating to SFCs that is not materially adverse may change from time to time.

The information in this PDS may be updated and made available to you on our website at www.westpac.com.au. We will provide you with a paper copy of any updated information posted on our website on request without charge. If there is a change to information relating to SFCs that is materially adverse, we will (depending on the nature of the change or event) notify you within three months of the change or event and will issue a replacement or supplementary PDS where required.

This PDS, and any invitation to apply for a SFC that this PDS relates to, is intended for retail clients in Australia only. Distribution of it in jurisdictions outside Australia may be restricted by law and persons who come into possession of it, who are not in Australia, should seek advice. If you are in Australia and have received it electronically, we will give you a paper copy on request, without charge. To obtain a copy, refer to the contact details listed at the back of this PDS.

Smart Forward Contract (SFC) Summary.

ISSUER	WESTPAC BANKING CORPORATION (ABN 33 007 457 141 AFSL 233714).
Purpose	A SFC is a foreign exchange product designed to assist you in reducing your foreign exchange risk. It may help you to manage a currency risk you are exposed to.
Suitability	A SFC may be suitable if you have a good understanding of foreign exchange markets and have a genuine commercial need to manage currency risk associated with a particular currency pair. It should not be used for trading or speculative purposes.
Costs	There are no up-front out of pocket costs with a SFC. See the section titled “What are the costs?” on page 6 for more information.
Key Benefits	**Protection –** A SFC provides you with protection against unfavourable exchange rate movements. **Coverage –** SFCs are available for a wide range of currencies. Please contact us to confirm your desired currency is covered. Our contact details are set out on the back page. **Participation in favourable exchange rate movements –** Potential to participate in favourable exchange rate movements that may occur provided a nominated Trigger Level is not reached during the term of the SFC. **Flexibility –** Key variables, including the Trigger Level can be tailored to meet your particular needs. See the section titled “Key Benefits” on page 6 for more information.
Key Risks	**Opportunity loss –** You will not receive the benefit of favourable exchange rate movements that may occur if a nominated Trigger Level is reached during the term of the SFC. **Variation / Early termination –** You can vary or terminate a SFC early but there may be a cost if you do so. **No cooling off period –** There is no cooling off period. **Counterparty and operational risk –** Westpac has performance obligations under a SFC. You need to form a judgment of our ability to meet those obligations. **Currency restrictions –** Some currencies may be subject to legal and regulatory obligations. **Use of agent and correspondent banks –** Westpac may use agents and correspondent banks to deliver some currencies (other than Australian dollars). See the section titled “Key Risks” on page 6 and the section titled “Can I terminate a SFC before maturity?” on page 5 for more information.
Term	1 week to 2 years (longer terms may be available on request).
Minimum Transaction Amount	The minimum transaction amount is AUD 25,000 or the foreign currency equivalent.
How to Apply	Contact your existing Westpac representative. Alternatively, you can contact us at the details listed at the back of this PDS.

Smart Forward Contract (SFC).

What is a SFC?

A SFC is an agreement with Westpac that provides protection against unfavourable exchange rate movements by setting a Contract Rate at which you can exchange one currency for another. At the same time it provides you with some ability to participate in any favourable exchange rate movements as long as the pre-agreed Trigger Level is not reached.

A SFC may be useful in managing the currency risk associated with exporting or importing goods denominated in foreign currency, investing or borrowing overseas, repatriating profits, converting foreign currency denominated dividends, or settling other foreign currency contractual arrangements.

How do SFCs work?

When you enter into a SFC, you nominate the two currencies to be exchanged. These currencies are known as the Currency Pair and must be acceptable to Westpac.

You will also nominate either a Contract Rate or a Trigger Level. Where you set the Contract Rate Westpac will determine the Trigger Level for you and where you set the Trigger Level Westpac will determine the Contract Rate for you.

The Contract Rate is your level of exchange rate protection. The Trigger Level is the nominated foreign exchange rate which, if reached during the term of the SFC (the period between the trade date and the specified Cut-Off Time), triggers your obligation to exchange currencies at the Contract Rate on the Maturity Date. The Contract Rate will always be less favourable than the Forward Exchange Rate available to you at the time you enter into the SFC. If the Trigger Level is not reached during the term of the SFC you can benefit from any favourable exchange rate movements that occur. The extent of this benefit will depend on where the Market Foreign Exchange Rate is at the Cut-Off Time.

On the Maturity Date the possible outcomes under a SFC are:

- if the Global Foreign Exchange Rate does not reach the Trigger Level at any time during the term of the SFC, and the Market Foreign Exchange Rate at the Cut-Off Time is the same as or less favourable to you than the Contract Rate, the Currency Pair must be exchanged with Westpac at the Contract Rate.
- if the Global Foreign Exchange Rate does not reach the Trigger Level at any time during the term of the SFC and the Market Foreign Exchange Rate at the Cut-Off Time is more favourable to you than the Contract Rate, you have no obligation to exchange your currency. You can choose to separately exchange your currency at the prevailing Market Foreign Exchange Rate if you wish to do so.
- if the Global Foreign Exchange Rate reaches the Trigger Level at any time during the term of the SFC, the Currency Pair must be exchanged with Westpac at the Contract Rate.

How do we monitor the exchange rate?

We will monitor the relevant foreign exchange markets to determine whether the Global Foreign Exchange Rate reaches the Trigger Level during the term of the SFC. This may occur at any time prior to the Cut-Off Time. We will advise you if it does as soon as practicable.

We will also monitor the relevant foreign exchange markets to determine your obligations as at the Cut-Off Time. Once again, we will advise you of the outcomes as soon as practicable.

The Cut-Off Time and the Maturity Date will be specified in the Confirmation that outlines the commercial terms of the transaction.

Are there any Westpac credit requirements before dealing?

Before entering into a SFC, Westpac will assess your financial position to determine whether or not your situation satisfies our normal credit requirements. Westpac will advise you of the outcome of its review as soon as possible.

If your application is successful, you will need to sign Westpac's standard finance documentation. This documentation sets out the terms of the credit approval and other matters relevant to your application.

What happens at maturity?

Depending on the terms of your SFC, on the Maturity Date you may need to provide Westpac with either foreign currency or Australian dollars (**AUD**). You can provide foreign currency either by telegraphic transfer or by transferring funds from a foreign currency account/deposit. You must provide AUD in Clear Funds. On receipt of the funds, Westpac will deposit amounts owing to you into a Westpac bank account (in your name), denominated in the relevant currency. Alternative arrangements can be made with Westpac's agreement.

Can I terminate a SFC before maturity?

You may ask us to terminate a SFC at any time up to the Cut-Off Time. We will then provide you with a termination quote. There will be a cost or a gain arising as a result of termination. If you accept the termination quote, we will terminate the SFC.

Our quote will incorporate the same variables used when pricing the original SFC. These will be adjusted for the prevailing conditions in respect of the remaining term of the SFC. We will also need to consider the cost of reversing or offsetting your original transaction. When doing this we take into account the current market rates that apply to any offsetting transactions.

Costs, Benefits and Risks.

What are the costs?

There are no up-front out of pocket costs with a SFC. Once the Contract Rate or Trigger Level is set by you Westpac will determine the other rate in order to create a Zero Cost Structure. When determining that rate, Westpac takes several factors into account including:

- the Contract Rate or Trigger Level set by you;
- the size and term of the SFC;
- Global Foreign Exchange Rates;
- market volatility; and
- market interest rates of the countries of the Currency Pair.

While there are no up-front costs with SFCs, Westpac still derives a financial benefit by incorporating a margin into the Contract Rate and the Trigger Level. This means that these rates will be different to the market rate prevailing at that time. In effect you pay for the SFC by accepting the Contract Rate and Trigger Level quoted by Westpac.

Key Benefits.

Protection

SFCs provide you with protection against unfavourable foreign exchange movements between the time you enter into a SFC and the Cut-Off Time. This can assist you in managing your foreign currency exposures. On the Maturity Date, you will be protected at the Contract Rate for the Contract Amount.

Coverage

SFCs are available for a wide range of currencies. Please contact us to confirm your desired currency is covered. Our contact details are set out on the back page.

Participation in favourable exchange rate movements

A SFC provides you with the ability to participate in favourable exchange rate movements that may occur provided a nominated Trigger Level is not reached during the term of the SFC (the period between the trade date and the specified Cut-Off Time).

Flexibility

SFCs are flexible. Key variables, including the Trigger Level can be tailored to meet your particular needs.

Key Risks.

Variation / Early termination

Terminations or variations to your SFC may result in a cost to you – see the section titled "Can I terminate a SFC before maturity?" on page 5 for more information.

No cooling off period

There is no cooling off period. This means that, in most circumstances, once you enter into a SFC, you cannot terminate or vary the SFC without our consent. See "Variation / Early termination" section above.

Opportunity loss

You will forego any benefit of a favourable exchange rate movement between the time you enter into a SFC and the Cut-Off Time if the Trigger Level is reached during the term of the SFC. Where the Trigger Level is reached you are obliged to transact the Contract Amount at the Contract Rate on the Maturity Date.

The rate achieved with a SFC may not be as favourable as the rate you could have achieved with a forward foreign exchange contract or if you had not entered into any contract at all.

Counterparty and operational risk

As is the case with most financial markets products we enter into, Westpac has performance obligations under a SFC. If we are unable to perform our obligations under your SFC, you may be exposed to Market Foreign Exchange Rate fluctuations as if you had not entered into a SFC.

Our ability to fulfil our obligations is linked to our financial wellbeing and to the effectiveness of our internal systems, processes and procedures. The first type of risk (our financial wellbeing) is commonly referred to as **credit or counterparty risk**. The second type of risk (the effectiveness of our internal systems, processes and procedures) is commonly referred to as **operational risk.**

You must make your own assessment of our ability to meet our obligations. However, as a regulated Australian bank we are subject to prudential regulation which is intended to reduce the risk of us failing to perform our obligations.

Further information about Westpac, including copies of our recent financial statements, is available on our website at www.westpac.com.au.

Currency restrictions

Delivery of some currencies may be governed by, or subject to certain legal and regulatory requirements and obligations. It is your responsibility to ensure that these laws and regulations are complied with and we suggest you seek and obtain your own independent expert advice in relation to such matters.

Use of agent and correspondent banks

To deliver some currencies (other than AUD), we may use agents and correspondent banks. We will use reasonable care in the selection of such agents and correspondent banks.

If the agent or correspondent bank fails to deliver the required currency when due, we will work with the agent or correspondent bank to effect delivery. If after such action delivery cannot be made, we will promptly return your funds or make alternative arrangements with you.

To the extent allowed by law, Westpac will not be liable for any direct or indirect losses, claims, actions or expenses incurred by you as a result of the failure by an agent or correspondent bank to deliver the required currency.

Documentation and Confirmation.

What documentation is required?

Master dealing agreement.

You will usually need to sign a master dealing agreement if you want to enter into a SFC. This agreement will either be a Westpac specific dealing agreement or an industry standard master dealing agreement.

We will advise you which master dealing agreement you need to sign.

The master dealing agreement governs the dealing relationship between you and us and sets out the terms and conditions that will apply to all transactions that we enter into with you that are covered by the agreement. In particular, they document the situations where those transactions can be terminated and the way the amount to be paid following termination is calculated.

You will be provided with a copy of the relevant master dealing agreement and we strongly recommend that you fully consider its terms before signing. You should obtain independent advice if you do not understand any aspect of the document.

Documentation for certain restricted currencies

Other documentation may be required for SFCs involving certain currencies. Where possible, we will attempt to inform you of any specific requirements; however you are responsible for complying with any legal or regulatory obligations. We suggest that you seek and obtain your own independent, expert advice in relation to such matters.

Email or facsimile authority and indemnity

If you would like to provide us with email or facsimile instructions in relation to SFCs, we will require you to complete an email or facsimile authority and indemnity. The purpose of the email or facsimile authority and indemnity is to protect us against the consequences of acting upon instructions which may not represent your genuine wishes, but which appear to us to be genuine.

Other documentation

You may be requested to complete additional documentation before you enter into a SFC, depending on the outcome of Westpac's assessment of your creditworthiness. We will inform you if any further documentation is required at that time.

What about Confirmations?

The commercial terms of a particular SFC will be agreed at the time of dealing. This may occur over the phone or electronically. Once we reach an agreement, both you and Westpac are bound by the terms of the SFC.

Shortly after entering into a SFC, Westpac will send you a Confirmation outlining the commercial terms of the transaction. You will need to sign this Confirmation and return it to Westpac. This Confirmation evidences the transaction entered into under your master agreement with us.

This Confirmation will include:

- the Contract Amount;
- the Contract Rate;
- the Maturity Date;
- the Cut-Off Time; and
- the Trigger Level.

It is extremely important that you check the Confirmation to make sure that it accurately records the terms of the transaction. If there is a discrepancy between your understanding and the Confirmation, you will need to raise it with your Westpac representative as a matter of urgency.

Examples.

The examples below are illustrative only and use rates and figures selected to demonstrate how the product works. In order to assess the merits of any SFC, you would need to use the actual rates and figures quoted to you at the time. Note that the calculations below include rounding of decimal places.

Scenario 1 - Foreign Currency Payment.

You are an Australian based importer due to pay 100,000 United States dollars (**USD**) in three months' time for goods bought overseas. At that time, you need to convert your AUD into USD.

Assume the current Market Foreign Exchange Rate is 1.0400 and the three-month Forward Exchange Rate is 1.0330.

If I do nothing, what exchange rate risks do I face?

If you do nothing, the amount of AUD you will need in three months' time to obtain the USD you are due to pay will depend on the Market Foreign Exchange Rate applicable at that time.

If the AUD/USD exchange rate goes up, the USD will become less valuable and as a consequence, you will need less AUD when it is time to obtain the USD. Assume in this example that the AUD/USD Market Foreign Exchange Rate rises to 1.0900, then you will pay:

AUD 91,743.12
(= USD 100,000 / 1.0900)

If the AUD/USD Market Foreign Exchange Rate goes down, the opposite occurs and you will need more AUD. Assume the AUD/USD Market Foreign Exchange Rate falls to 0.9900, then you will pay:

AUD 101,010.10
(= USD 100,000 / 0.9900)

How will a SFC change this?

Assume that you are unsure about the direction of the AUD against the USD and wish to protect yourself against the AUD depreciating against the USD, but also have the potential to participate in any favourable movements in the AUD.

You enter into a SFC to buy USD 100,000 with AUD in three months' time and set the Contract Rate at 1.0280. In establishing a SFC, the Contract Rate must be set at a rate below the current Forward Exchange Rate.

Based on these details, Westpac determines the Trigger Level to be 1.0700.

The possible outcomes on the Maturity Date are:

a) if the Trigger Level has not been reached at any time during the term of the SFC, and the Market Foreign Exchange Rate is below the 1.0280 Contract Rate at the Cut-Off Time, you must exchange your AUD at the Contract Rate. You will pay:

   AUD 97,276.26
   (= USD 100,000 / 1.0280)

b) if the Trigger Level has been reached at any time during the term of the SFC, you must exchange your AUD at the Contract Rate of 1.0280, regardless of where the Market Foreign Exchange Rate is at the Cut-Off Time. You will pay:

   AUD 97,276.26
   (= USD 100,000 / 1.0280)

c) if the Trigger Level has not been reached at any time during the term of the SFC, and the Market Foreign Exchange Rate is above the 1.0280 Contract Rate at the Cut-Off Time, you have no obligation to exchange your AUD under the SFC. However, you may choose to separately exchange your AUD at the Market Foreign Exchange Rate. For example, if you choose to do this and the AUD/USD Market Foreign Exchange Rate at the time is 1.0600 you will pay:

   AUD 94,339.62
   (= USD100,000 / 1.0600)

How can I change the range of outcomes?

You can change the range of possible outcomes by changing the Contract Rate and as a result the corresponding Trigger Level. Once the Contract Rate and the Trigger Level are agreed the possible outcomes on the Maturity Date can be determined.

When agreeing the details of your SFC you need to consider that:

- the Contract Rate corresponds to the maximum amount of AUD you will pay to meet your USD obligation. Note that the Contract Rate will always be set below the Forward Exchange Rate available to you at that time.
- just under the Trigger Level is the most favourable exchange rate that you can possibly transact at. If the Trigger Level is reached during the term of the SFC you are obliged to transact at the Contract Rate; if it is not reached you can choose to transact at the prevailing Market Foreign Exchange Rate at maturity.
- a higher Contract Rate will reduce your exposure to a falling AUD/USD exchange rate. However, because of the Zero Cost Structure, the Trigger Level will be set lower. This will increase the likelihood of the Trigger Level being reached and will reduce the extent to which you can benefit from any favourable exchange rate movements that may occur.
- a lower Contract Rate will increase your exposure to a falling AUD/USD exchange rate. However, because of the Zero Cost Structure, the Trigger Level will be set higher. This will reduce the likelihood of the Trigger Level being reached and will increase the extent to which you can benefit from any favourable exchange rate movements that may occur.

Scenario 2 - Foreign Currency Receipt.

You are an Australian based exporter due to receive 100,000 United States dollars (**USD**) in three months' time for goods sold overseas. At that time, you need to convert the USD you will receive into AUD.

Assume the Market Foreign Exchange Rate is 1.0400 and the three-month Forward Exchange Rate is 1.0330.

If I do nothing, what exchange rate risks do I face?

If you do nothing, the amount of AUD you will receive in three months' time for your USD will depend on the Market Foreign Exchange Rate applicable at that time.

If the AUD/USD exchange rate goes up, the USD will become less valuable and as a consequence, you will receive less AUD when it is time to exchange the USD. Assume in this example that the AUD/USD Market Foreign Exchange Rate rises to1.0900, then you will receive:

AUD 91,743.12
(= USD 100,000 / 1.0900)

If the AUD/USD Market Foreign Exchange Rate goes down, the opposite occurs and you will receive more AUD. Assume the AUD/USD Market Foreign Exchange Rate falls to 0.9900, then you will receive:

AUD 101,010.10
(= USD 100,000 / 0.9900)

How will a SFC change this?

Assume that you are unsure about the direction of the AUD against the USD and wish to protect yourself against the AUD appreciating against the USD, but also have the potential to participate in any favourable movements in the AUD. You enter into a SFC to sell USD 100,000 for AUD in three months' time and set the Contract Rate at 1.0430. In establishing a SFC, the Contract Rate must be set at a rate above the current Forward Exchange Rate.

Based on these details, Westpac determines the Trigger Level to be 0.9670.

The possible outcomes on the Maturity Date are:

a) if the Trigger Level has not been reached at any time during the term of the SFC, and the Market Foreign Exchange Rate is above the 1.0430 Contract Rate at the Cut-Off Time, you must exchange your USD at the Contract Rate of 1.0430. You will receive:

   AUD 95,877.28
   (= USD 100,000 / 1.0430)

b) if the Trigger Level has been reached at any time during the term of the SFC, you must exchange your USD at the Contract Rate of 1.0430, regardless of where the Market Foreign Exchange Rate is at the Cut-Off Time. You will receive:

   AUD 95,877.28
   (= USD 100,000 / 1.0430)

c) if the Trigger Level has not been reached at any time during the term of the SFC and the Market Foreign Exchange Rate is below the 1.0430 Contract Rate at the Cut-Off Time, you have no obligation to exchange your USD under the SFC. However, you may choose to separately exchange your USD at the Market Foreign Exchange Rate. For example, if you choose to do this and the AUD/USD exchange rate at the time is 0.9900 you will receive:

   AUD 101,010.10
   (= USD100,000 / 0.9900)

How can I change the range of outcomes?

You can change the range of possible outcomes by changing the Contract Rate and as a result the corresponding Trigger Level. Once the Contract Rate and the Trigger Level are agreed the possible outcomes on the Maturity Date can be determined.

When agreeing the details of your SFC you need to consider that:

- the Contract Rate corresponds to the minimum amount of AUD you will receive for your USD. Note that the Contract Rate will always be set above the Forward Exchange Rate available to you at that time.
- just above the Trigger Level is the most favourable exchange rate that you can possibly transact at. If the Trigger Level is reached you are obliged to transact at the Contract Rate; if it is not reached you can choose to transact at the prevailing Market Foreign Exchange Rate at maturity.
- a lower Contract Rate will reduce your exposure to a rising AUD/USD exchange rate. However, because of the Zero Cost Structure, the Trigger Level will be set higher. This will increase the likelihood of the Trigger Level being reached and will reduce the extent to which you can benefit from any favourable exchange rate movements that may occur.
- a higher Contract Rate will increase your exposure to a rising AUD/USD exchange rate. However, because of the Zero Cost Structure, the Trigger Level will be set lower. This will reduce the likelihood of the Trigger Level being reached and will increase the extent to which you can benefit from any favourable exchange rate movements that may occur.

General Information.

What information we need from you.

In order to enter into a SFC with you, we'll need some important details from you. Depending on the legal nature of your business (company, partnership etc) you will be required to provide certain documents and information to us.

Under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (**AML/CTF Laws**) it is a requirement that the account holder and all signatories to the account must be identified. So if you're opening an account for the first time this applies to you. It also applies to any account holder or signatory who is not an existing customer.

The identification requirements can be met by completing the Westpac identification procedure which involves providing identity documentation to Westpac. For information on documents required please contact any branch or refer to our website – www.westpac.com.au.

If the account holder or any of the signatories to an account are not identified in terms of the AML/CTF Laws, the account will be blocked for all withdrawals, until they are identified.

If you are an existing customer, an account signatory (or any other cardholder), identification requirements may have previously been satisfied so you don't need to provide it again, unless you are asked to do so by us.

Banking Code of Practice.

We have adopted the Banking Code of Practice 2019 (Banking Code). The Banking Code sets out the standards of practice and service for Australian banks to follow when dealing with certain customers.

If you are an 'individual' or a 'small business' (each term as defined in the Banking Code), the relevant provisions of the Banking Code will apply to the banking service described in this PDS and prevail to the extent of any inconsistency with these terms and conditions.

You can obtain a copy of the Banking Code from our website or any of our branches. Please let us know if you would like to discuss whether or not the Banking Code will apply to you. Our contact details are set out on the back page.

Financial crimes monitoring.

Westpac is bound by laws that impose regulatory and compliance obligations, including obligations in relation to the prevention of money laundering and the financing of terrorism, which are the AML/CTF Laws. In order for Westpac to meet its regulatory and compliance obligations, we perform certain control and monitoring activities.

Upon entering into any SFC with Westpac, you agree and provide the following undertakings and agree to indemnify Westpac against any potential loss arising from any breach by you of such undertakings that:

- you are not and will not enter into any agreement with Westpac under an assumed name;
- any funds used by you to enter into an agreement with Westpac have not been derived from or related to any criminal activities;
- any payments received from Westpac will not be used in relation to any criminal activities;
- if we ask, you will provide us with additional information we reasonably require from you for the purposes of meeting our regulatory and compliance obligations, including the obligations under AML/CTF Laws (including information about the source of funds used to settle a SFC); and
- you and your SFC with Westpac will not initiate, engage or effect a transaction that may be in breach of Australian law or sanctions (or the law or sanctions of any other country).

You should be aware that:

- we may obtain information about you or any beneficial owner of an interest in an agreement with Westpac from third parties if we believe this is necessary to comply with our regulatory and compliance obligations, including AML/CTF Laws;
- transactions may be delayed, blocked, frozen or refused where we have reasonable grounds to believe that they breach Australian law or sanctions or the law or sanctions of any other country;
- where transactions are delayed, blocked, frozen or refused, Westpac and other members of the Westpac Group are not liable for any loss you suffer (including consequential loss) in connection with a SFC; and
- where legally obliged to do so, we may disclose information that we hold about you to our related bodies corporate or service providers, other banks, or relevant regulatory and/or law enforcement agencies (whether in or outside of Australia).

Foreign Tax Residents.

We are required under domestic and international laws to collect and report financial and account information relating to individuals and organisations who are, or may be, foreign tax residents. We may ask you whether you or any shareholder, beneficiary, settlor or controlling person are a foreign tax resident from time to time, such as when you open an account with us, or if your circumstances change. If you do not provide this information to us we may be required to limit the services we provide to you.

Unless you tell us otherwise, by completing any application, you certify that any shareholder, named beneficiary, settlor or controlling person is not a foreign tax resident. You must tell us if you, or any shareholder, named beneficiary, settlor or controlling person is, or becomes, a foreign tax resident (unless an exemption applies, such as for shareholders of listed companies). Where there are no named beneficiaries (e.g. for beneficiaries identified only as a class) you must tell us if a beneficiary is a foreign tax resident immediately when any decision is made to identify and make a distribution to them. You may contact us to provide foreign tax residence information by calling 1300 725 863.

We cannot give tax advice, so please contact your independent tax advisor if you need help finding out whether any person is a foreign tax resident.

Telephone conversations.

The terms of a SFC are usually agreed verbally over the phone or electronically over an on-line system. Once we have reached an agreement, both you and Westpac are bound by the terms of the SFC.

Conversations with our dealing room and settlement departments are recorded. This is standard market practice. We do this to make sure that we have complete records of the details of all transactions. Recorded conversations are retained for a limited period and are usually used where there is a dispute and for staff training and monitoring purposes.

You will need to advise our dealer if you do not wish to be recorded. However, we will not enter into any transaction over the telephone unless the conversation is recorded.

Taxation.

Taxation law is complex and its application to this product will depend on your particular circumstances. We make no claim that this product will provide a beneficial or appropriate tax outcome for you. When determining whether this product is suitable for your circumstances, you should consider the impact it will have on your own taxation position and seek professional advice on the tax implications it may have for you.

This document has been produced for use by Australian tax residents only. If you are not a resident of Australia for tax purposes and have entered into a SFC, you may be required to withhold tax on payments you make. If you are required to withhold an amount of tax on any payments you make as a non-resident, you are liable to gross up that payment such that we receive all amounts clear of any tax.

Privacy.

We collect personal information from you to process your application, provide you with your product or service, and manage your product or service. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or other activity that may cause harm in relation to our products or services and help us run our business. We may also use your information to tell you about products or services we think may interest you.

If you do not provide all the information we request, we may need to reject your application or we may no longer be able to provide a product or service to you.

We may disclose your personal information to other members of the Westpac Group, anyone we engage to do something on our behalf and other organisations that assist us with our business.

We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in our privacy policy.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products or services, you consent to these disclosures.

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy.

Our privacy policy is available at www.westpac.com.au or by calling 132 032. It covers:

- how you can access the personal information we hold about you and ask for it to be corrected;
- how you may complain about a breach of the Australian Privacy Principles or a registered privacy code and how we will deal with your complaint; and
- how we collect, hold, use and disclose your personal information in more detail.

We will update our privacy policy from time to time.

Please call us on 132 032 or visit any of our branches if you do not wish to receive marketing communications from us.

Dispute resolution.

Sometimes you may want to talk about problems you are having with us. Fixing these problems is very important to us. We've put in place ways of dealing with your issues quickly and fairly.

Please talk to us first.

We aim to resolve your complaint at your first point of contact with us. Our contact details are set out on the back page.

What to do if you are still unhappy.

If you are not satisfied with our response, you may be able to lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA's contact details are:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

You can also contact the Australian Securities & Investments Commission (ASIC) to make a complaint and to obtain further information about your rights. They have a freecall Infoline on 1300 300 630 or visit www.asic.gov.au.

Glossary.

To help you to understand this PDS, the meanings of some words used in this PDS are set out below.

AUD means Australian dollars.

Clear Funds means funds that are immediately available on settlement.

Confirmation means a letter confirming the terms of a particular SFC.

Contract Amount means the agreed amount as set out as such in the Confirmation. It is to be exchanged under the SFC.

Contract Rate means the agreed exchange rate at which the Currency Pair may be exchanged. The Contract Rate will always be less favourable than the Forward Exchange Rate available to you at the time you enter into the SFC.

Currency Pair means the two currencies applying in respect of a SFC. The Currency Pair must be acceptable to Westpac.

Cut-Off Time means the time and date set out as such in the Confirmation. It is the time and date at which the outcome of the SFC will be determined.

Forward Exchange Rate means the price of one currency in terms of another currency for delivery on a specified date in the future taking into account Westpac's costs and its profit margin. This is the rate that Westpac would make available to you at the relevant time.

Global Foreign Exchange Rate means the exchange rate for the SFC Currency Pair that is based on the price of one or more actual foreign exchange transactions in the Global Market involving the Currency Pair (or cross-rates constituting the Currency Pair). This rate will be determined by Westpac in good faith and in a commercially reasonable manner. This rate is the rate that Westpac uses to determine whether or not the Trigger Level is reached.

Global Market means the global spot foreign exchange market, open continuously from 5.00am Sydney time on a Monday in any week to 5.00pm New York time of the Friday of that week.

Market Foreign Exchange Rate means the price of one currency in terms of another currency for delivery on the same day after taking into account Westpac's costs and its profit margin. This is the rate that Westpac would make available to you at the relevant time.

Maturity Date means the date set out as such in the Confirmation. It is the date on which the Currency Pair will be exchanged under the SFC.

SFC and **Smart Forward Contract** means the product the subject of this PDS.

Trigger Level means the agreed exchange rate which triggers your obligation to transact at the Contract Rate.

USD means United States dollars.

Westpac, we, our or us means Westpac Banking Corporation.

You, your means the customer entering into a SFC.

Zero Cost Structure means a structure where the relevant foreign exchange rates in relation to a SFC are set so that there are no up-front out of pocket costs payable by you. The cost is effectively embedded in the foreign exchange rates applicable to the SFC.

Contact Details.

Financial Markets
Level 2, 275 Kent Street
Sydney NSW 2000
Telephone (02) 8204 2710

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