

TARGET MARKET DETERMINATION (TMD)

Westpac Capital Notes 10

ISSUER

This TMD is issued by Westpac Banking Corporation ABN 33 007 457 141 (**Westpac**).

PRODUCT

This TMD applies to Westpac Capital Notes 10 issued by Westpac.

EFFECTIVE DATE

Start date: 20 November 2023

Status: Current until the issue of the Westpac Capital Notes 10.

Target Market Determination

What is a Target Market Determination?

A Target Market Determination (TMD) describes the class of investors that comprise the target market for the product, being the class of investors for whom the product, including its key attributes, are likely to be consistent with their likely objectives, financial situation and needs.

It also describes any conditions around how the product is distributed to investors and the events or circumstances where Westpac will review the appropriateness of the TMD.

Why does Westpac need to have a Target Market Determination?

Westpac is required to have Target Market Determinations under law. The purpose of the law is to make sure investors are at the centre of Westpac's approach when designing and distributing its financial products.

This document is not a substitute for the Westpac Capital Notes 10 Prospectus dated 20 November 2023 (including any replacement or supplementary prospectus) (**Prospectus**). Before deciding whether to invest in Westpac Capital Notes 10, investors should read the Prospectus in full. Westpac Capital Notes 10 are complex, involve increased risks compared to other less risky or less complex bank investments such as deposits and may not be suitable for all investors. Retail investors must obtain professional advice which takes into account their particular investment objectives, financial situation and needs. Applications for Westpac Capital Notes 10 can only be made by completing an application form accompanying the Prospectus.

TARGET MARKET

Product description

Westpac Capital Notes 10 are known as hybrid securities as they have debt and equity-like characteristics. Their terms include a number of complex features that the Australian Prudential Regulation Authority (APRA) requires for bank hybrid securities, which are described in detail in the Prospectus.

Class of investors and key product attributes

Westpac Capital Notes 10 are designed for a class of investors whose likely objectives, financial situation and needs are aligned with the product's key attributes, as set out in the table below.

Objectives, financial situation and needs	Key product attributes
Westpac Capital Notes 10 have been designed for investors who:	The key attributes of Westpac Capital Notes 10 that make this product appropriate for the target market:
Investment objectives	
<ul style="list-style-type: none">are seeking to acquire an investment product with the ability to generate income;are <u>not</u> seeking capital growth;	<ul style="list-style-type: none">Westpac Capital Notes 10 are scheduled to pay quarterly cash distributions at a floating (variable) rate, based on a pre-determined formula set at issuance (with franking credits expected to be attached). However, distributions are discretionary and subject to APRA's required payment conditions.Westpac Capital Notes 10 are not designed to provide capital growth.
Risk profile and ability to bear loss	
<ul style="list-style-type: none">are able to bear the risks associated with an investment in Westpac Capital Notes 10 (in particular, the potential non-payment of distributions, the lack of certainty as to timeframe for repayment of the capital invested, and the potential loss of some or all of the capital invested in Westpac Capital Notes 10);	<ul style="list-style-type: none">Westpac Capital Notes 10 are subject to risks as summarised in the Prospectus. In particular:<ul style="list-style-type: none">Distributions are discretionary and unpaid distributions do not accumulate. Holders will not have any right to compensation if Westpac does not pay a distribution.The return of capital on Westpac Capital Notes 10 is not guaranteed.In certain circumstances as described in the Prospectus (including where Westpac suffers significant losses), Westpac Capital Notes 10 will convert into ordinary shares in Westpac or be written-off and holders will lose all the value of their investment.
Investment timeframe	
<ul style="list-style-type: none">are seeking to invest for the long term and do not require certainty as to repayment of their capital invested within a specific timeframe or at all; and	<ul style="list-style-type: none">Westpac Capital Notes 10 do not have any fixed maturity date and could exist indefinitely if not redeemed or converted and holders may not be repaid their investment.Westpac Capital Notes 10 have redemption dates on which Westpac may in its discretion elect to redeem the Westpac Capital Notes 10 and repay the face value. However, such redemption is subject to APRA's prior written approval, which may or may not be given.
Liquidity needs	
<ul style="list-style-type: none">are seeking to have the ability to sell Westpac Capital Notes 10 on market at the prevailing market price.	<ul style="list-style-type: none">Westpac will apply for Westpac Capital Notes 10 to be quoted on the ASX. However, there may not be a liquid market for Westpac Capital Notes 10 and investors who wish to sell their Westpac Capital Notes 10 may be unable to do so at an acceptable price, or at all.

For the reasons set out in the table above, Westpac has assessed that Westpac Capital Notes 10, including their key attributes are likely to be consistent with the objectives, financial situation and needs of investors within the target market.

Key eligibility requirements

Investors must:

- be a company or an individual (including as a trustee of a family, hybrid or unit trust) aged 18 years or older; and
- have an Australian residential address; and
- either:
 - have received personal advice from a financial adviser to acquire Westpac Capital Notes 10; or
 - be a wholesale client for the purposes of the *Corporations Act 2001* (Cth).

Evidence must be held by, or provided to, an investor's syndicate broker (or other relevant intermediary or third party broker) that either:

- (i) the investor has received personal advice (in the form of a certificate from a financial adviser or a copy of the investor's statement of advice from a financial adviser) to acquire Westpac Capital Notes 10; or
- (ii) the investor is a wholesale client (in the form of a valid wholesale investor certificate for the purposes of section 761G(7)(c) of the *Corporations Act 2001* (Cth) or such other evidence as your broker may require).

DISTRIBUTION CHANNEL AND CONDITIONS

Distribution channel

Westpac Capital Notes 10 should only be distributed by the following means:

- By application to a syndicate broker (including the arranger, joint lead managers and co-managers), intermediaries in a syndicate broker's proprietary and affiliated retail distribution networks or other third party brokers (unless otherwise agreed).

Distribution conditions

Westpac Capital Notes 10 should only be distributed under the following circumstances:

- Where the syndicate broker:
 - has policies and procedures in relation to providing personal advice and identifying wholesale clients (to the extent applicable);
 - has adequate systems and processes (including as to the keeping of records and provision of training) to comply with the TMD, including to determine whether, and evidence that, clients approached by the syndicate broker to participate in the offer are retail clients or wholesale clients;
 - undertakes regular periodic due diligence on their proprietary and affiliated retail distribution networks;
 - offers Westpac Capital Notes 10 to their clients based on the distribution conditions and the eligibility criteria (including that where the investor is a retail client, they have received personal advice to acquire the product); and
 - requires intermediaries in their networks to sign back-to-back bid forms and confirmation letters providing, amongst other things, representations and warranties similar to those provided by the syndicate broker to Westpac.

Appropriateness of distribution conditions

Westpac has assessed that the distribution conditions are appropriate and will make it likely that investors who acquire Westpac Capital Notes 10 are in the target market described above.

TMD REVIEWS

Specified reviews	<p>Westpac will conduct an initial review of the appropriateness of the TMD on 11 December 2023, being the last day of the period of 14 calendar days commencing on the first day of the offer period (Initial Review).</p> <p>Westpac will conduct a subsequent review on 14 December 2023, being the period of time commencing from the Initial Review to the date falling 2 business days prior to the date of issue of Westpac Capital Notes 10.</p>
Additional review triggers	<p>In addition, Westpac will review this TMD if any one of the following triggers occur, which reasonably suggest the TMD is no longer appropriate:</p> <ul style="list-style-type: none"> • Complaints: There is a significant increase beyond expected levels in complaints, or a significant change in the nature of complaints relating to Westpac Capital Notes 10. • Regulator notification: The receipt of a product intervention power order or directions from ASIC requiring Westpac to immediately cease retail product distribution conduct in respect of Westpac Capital Notes 10. • Significant dealing: Westpac is made aware of a significant dealing of Westpac Capital Notes 10 to retail investors who are outside of the target market described in this TMD and have not received personal advice to acquire Westpac Capital Notes 10. • Change in law: There is a change in law or its application, or APRA or ASIC policy, or other regulatory guidance that materially affects Westpac Capital Notes 10.

REPORTING REQUIREMENTS

The following information must be provided in writing to Westpac by all third parties engaged in (or responsible for other entities engaged in) retail product distribution conduct of Westpac Capital Notes 10 in accordance with this TMD, within the required timeframes:

Information type	Description	Time frame for reporting
Complaints	If complaints are received in relation to Westpac Capital Notes 10, the number of, and substance of, complaints (to the extent permitted under privacy and other laws)	Weekly report during the offer period
Regulator feedback	Any significant feedback it receives in writing from a regulator which relates to the suitability of Westpac Capital Notes 10 or the requirements applying to distribution of Westpac Capital Notes 10 except to the extent that the information is subject to legal professional privilege or confidentiality obligations, or is proprietary information or its provision would breach applicable law including the <i>Privacy Act 1988</i> (Cth)	As soon as reasonably practicable, and in any case, no later than 10 business days after the third party receives the regulatory feedback
Significant dealings	Information relating to any significant dealing in Westpac Capital Notes 10 to investors who are outside of the target market	As soon as practicable, and in any case, no later than 10 business days after the third party becoming aware of the significant dealing