

# Medium Term Note Programme of Westpac New Zealand Limited as Issuer.

## Product Disclosure Statement.

Dated 18 December 2020. This document is a replacement product disclosure statement, replacing the product disclosure statement dated 20 December 2019 for the Medium Term Note Programme of Westpac New Zealand Limited.

This document gives you important information about this investment to help you decide whether you want to invest.

There is other useful information about this offer on [companiesoffice.govt.nz/disclose](https://companiesoffice.govt.nz/disclose). Westpac New Zealand Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013.

You can also seek advice from a financial adviser to help you to make an investment decision.



# Section 1. Key information summary.

## What is this?

This is an offer of unsecured, unsubordinated medium term notes (**Notes**). Notes are debt securities issued by Westpac New Zealand Limited NZBN 9429034324622 (**Westpac NZ**). You give Westpac NZ money, and in return Westpac NZ promises to pay you interest (as applicable) and repay the money at the end of the term. If Westpac NZ runs into financial trouble, you might lose some or all of the money you invested.

## About Westpac NZ and its subsidiaries (Westpac NZ Group).

Westpac NZ was incorporated in New Zealand on 14 February 2006 and is a registered bank under the Reserve Bank of New Zealand Act 1989.

The Westpac NZ Group provides banking and financial services. In particular, Westpac NZ provides a wide range of consumer, business and institutional banking products and services to consumers, small to medium sized businesses, large corporate and institutional customers and the New Zealand Government.

Information about Westpac NZ, including its consolidated financial statements, is published in disclosure statements required under the Reserve Bank of New Zealand Act 1989. Westpac NZ's disclosure statements are available at **westpac.co.nz** (click on the link 'Disclosure Statements' at the bottom left corner of the homepage).

## Purpose of this offer.

The purpose of the offer of Notes is to raise funds which will be used for general corporate purposes, including making loans available to Westpac NZ's customers.

## Key terms of the offer.

<b>Issuer</b>	Westpac NZ
<b>Description</b>	A retail programme for the issuance of unsecured, unsubordinated medium term notes.
<b>Series and tranches</b>	<p>The Notes are issued in series, and each series may be made up of one or more tranches of Notes issued on different dates. All the Notes in a series will have identical terms, except that different tranches within the series will have different issue dates, and may have different issue prices, first interest payment dates and interest commencement dates.</p> <p>Final terms will be prepared for each tranche of Notes, setting out the specific details for that tranche (see section 2 (Terms of the Offer) for further details about the final terms).</p>
<b>Issue price</b>	Notes may be issued at an issue price equal to, above or below their principal amount, as set out in the final terms.
<b>Term</b>	The term until maturity of any Notes will be set out in the final terms.
<b>Interest rate</b>	<p>Notes may bear interest at either:</p> <ul style="list-style-type: none"><li>– a fixed rate for the whole term of the Notes; or</li><li>– a floating rate calculated as a specific margin (which will apply for the whole term of the Notes) over the bank bill rate (as set on the first day of each interest period).</li></ul> <p>Non-interest bearing (zero coupon) Notes may also be issued.</p> <p>Any interest rate, or the method by which any interest rate will be determined (and any relevant additional fallback provisions for unavailability of the bank bill rate), will be specified in the final terms.</p>
<b>Interest periods</b>	Interest (if any) will be payable periodically in arrear on the interest payment dates, or after each interest period, specified in the final terms. The first and/or last interest period of any tranche of Notes may be short or long, if so specified in the final terms.
<b>Further payments, fees or charges</b>	<p>By subscribing for or otherwise acquiring Notes, you agree to indemnify Westpac NZ for any loss suffered by it as a result of any breach by you of the selling restrictions set out in section 4 of this document (Key Features of the Notes) or specified in the final terms.</p> <p>Taxes may be deducted from interest payments on the Notes. See section 6 of this document (Tax) for further details.</p>
<b>Application amounts</b>	The minimum subscription amount is \$10,000 and higher multiples of \$1,000, unless otherwise specified in the final terms.

## No guarantee.

The Notes are not guaranteed by any member of the Westpac NZ Group, Westpac Banking Corporation ABN 33 007 457 141 or by any other person. Westpac NZ is solely responsible for repayment of the Notes.

The Notes do not represent a protected account, deposit or liability of Westpac Banking Corporation or any other company in the Westpac Banking Corporation group other than Westpac NZ. Neither Westpac Banking Corporation nor any other company in the Westpac Banking Corporation group stands behind or otherwise guarantees Westpac NZ or the principal amount or investment performance of any financial product acquired from or through Westpac NZ.

If at any time Westpac NZ is substituted as the issuer of the Notes (see section 4 of this document (Key Features of the Notes) for further details), then Westpac NZ will provide an unconditional and irrevocable guarantee of the Notes.

## How you can get your money out early.

You cannot redeem the Notes before their maturity date unless there is an event of default in respect of the Notes (see section 4 of this document (Key Features of the Notes) for further details).

If any call option dates are specified in the final terms, Westpac NZ may redeem Notes at its option on a call option date.

Westpac NZ does not intend to quote these Notes on a market licensed in New Zealand but they will be able to be traded through dealers on established 'over-the-counter' (**OTC**) markets. This means that you may be able to sell them through dealers on such OTC markets before the end of their term if there are interested buyers. If you sell your Notes, the price you get will vary depending on factors such as the financial condition of the Westpac NZ Group and movements in the market interest rates. You may receive less than the full amount that you paid for them.

There may not be an active trading market in the Notes and an investment in the Notes may not be very liquid. See section 5 of this document (Risks of Investing) for further details.

If you wish to sell your Notes on an OTC market, you should contact your broker or financial adviser for assistance. For any such sale of your Notes, you will be required to comply with any terms set by the broker or financial adviser, and are likely to pay brokerage fees at applicable rates.

## How the Notes rank for repayment.

If Westpac NZ goes into liquidation:

- You will be repaid only **after** Westpac NZ's secured creditors and creditors preferred by law (for example, Inland Revenue and employees).
- You will be repaid **at the same time and to the same extent** as all other unsecured unsubordinated creditors of Westpac NZ (including other holders of Notes).
- You will be repaid **before** Westpac NZ's subordinated creditors (including any subordinated noteholders) and shareholders.

You should also read section 4 of this document (Key Features of the Notes).

## No security.

The Notes are unsecured.

## Key risks affecting this investment.

Investments in debt securities have risks. A key risk is that Westpac NZ does not meet its commitments to repay you or pay you interest (credit risk). Section 5 of this document (Risks of Investing) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rate for these Notes should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with a higher risk of defaulting on their commitments. You need to decide whether the offer is fair.

Westpac NZ considers that the most significant risk factors are:

- As a bank, Westpac NZ faces particular risks that its customers and counterparties may default on their obligations. Its business could be adversely affected.
- Westpac NZ operates in a highly regulated environment. Any significant regulatory developments, or change in regulatory policy, could have an adverse effect on how Westpac NZ's business is conducted and on the results of operations.
- Westpac NZ is subject to risks relating to the availability and cost of funding. Adverse movements in the level and volatility of interest rates, or a failure by Westpac NZ to maintain its current credit ratings, may adversely affect Westpac NZ's ability to meet its liquidity and funding needs and the cost of Westpac NZ's funding.
- Westpac NZ may be adversely affected by events that relate to its business operations generally.

This summary does not cover all of the risks of investing in the Notes. You should also read section 5 of this document (Risks of Investing) and section 4 of this document (Key Features of the Notes).

## What is the Notes' credit rating?

A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that the financial product being offered is a safe investment. A credit rating should be considered alongside all other relevant information when making an investment decision.

The programme under which the Notes are offered has been rated by S&P Global Ratings (S&P) and Moody's Investors Service (Moody's).

S&P gives ratings from AAA through to C. S&P ratings may be modified with a (+) or (-) sign to show relative standing within a rating category.

Moody's gives ratings from Aaa through to Ca. Moody's ratings may be modified with a number, 1 to 3, indicating whether the obligation ranks at the higher end (1), mid-range (2), or lower end (3) of a rating category.

A credit rating is not a recommendation to buy, sell or hold Notes.

## Credit ratings of the programme under which the Notes are offered

As set out in the table below, at the date of this document the programme is rated **AA-** by S&P and **A1** by Moody's.

<b>Summary of S&amp;P's description of issuer's capacity to meet its financial commitments</b>	<b>S&amp;P</b>	<b>Moody's</b>
<b>Extremely strong</b>	AAA	Aaa
<b>Very strong</b>	AA <b>Programme rating: AA-</b>	Aa
<b>Strong</b>	A	A <b>Programme rating: A1</b>
<b>Adequate</b>	BBB	Baa
<b>Less vulnerable</b>	BB	Ba
<b>More vulnerable</b>	B	B
<b>Currently vulnerable</b>	CCC	Caa
<b>Currently highly vulnerable</b>	CC to C	Ca to C*
<b>In default</b>	D	-

\*If a rating of "C" is given by Moody's, the issuer is typically in default.

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## Section 2. Terms of the offer.

<b>Issuer</b>	Westpac New Zealand Limited ( <b>Westpac NZ</b> )
<b>Description</b>	A retail programme for the issuance of unsecured, unsubordinated medium term notes ( <b>Notes</b> ).
<b>Currency</b>	The Notes will be denominated in New Zealand dollars.
<b>Dealers</b>	Westpac NZ may appoint dealers and managers for particular Note issuances from time to time at its discretion.
<b>Programme documents</b>	<p>The Notes are constituted and issued under:</p> <ul style="list-style-type: none"><li>– a note deed poll dated 21 November 2016, as amended or replaced from time to time (<b>Note Deed Poll</b>). The Note Deed Poll is a contract binding on both Westpac NZ and holders, and the general terms and conditions of the Notes are appended to it; and</li><li>– final terms will be prepared in respect of each tranche of Notes. The final terms set out the details for that specific tranche (including the issue date, maturity date, interest payment dates and interest rate (if any)). They modify the general terms and conditions appended to the Note Deed Poll for that tranche.</li></ul> <p>You should also read the Note Deed Poll and the final terms. Copies of the Note Deed Poll and (after they have been prepared) final terms may be obtained from the offer register at <a href="http://companiesoffice.govt.nz/disclose">companiesoffice.govt.nz/disclose</a>.</p>
<b>Series and tranches</b>	The Notes are issued in series, and each series may be made up of one or more tranches of Notes issued on different dates. All the Notes in a series will have identical terms, except that different tranches within the series will have different issue dates, and may have different issue prices, first interest payment dates and interest commencement dates.
<b>Issue price</b>	Notes may be issued at an issue price equal to, above or below their principal amount, as set out in the final terms. If you purchase or subscribe for Notes at a price above their principal amount, you may receive less than your original investment, resulting in negative returns overall (particularly in a low or negative interest rate environment).
<b>Term</b>	The term until maturity of any Notes will be set out in the final terms.
<b>Redemption</b>	Unless previously redeemed (see “Issuer call” and “Events of default” in section 4 of this document (Key Features of the Notes)) or purchased by Westpac NZ and cancelled, the outstanding principal amount of each Note and any accrued interest will, subject to any deductions on account of tax, be payable at maturity.
<b>Interest rate:</b>	<p>Notes may bear interest at either:</p> <ul style="list-style-type: none"><li>– a fixed rate for the whole term of the Notes; or</li><li>– a floating rate calculated as a specific margin (which will apply for the whole term of the Notes) over the bank bill rate (as set on the first day of each interest period).</li></ul> <p>Non-interest bearing (zero coupon) Notes may also be issued.</p> <p>Any interest rate, or the method by which any interest rate will be determined (and any relevant additional fallback provisions for unavailability of the bank bill rate), will be specified in the final terms.</p>
<b>Interest periods:</b>	Interest (if any) will be payable periodically in arrear on the interest payment dates, or after each interest period, specified in the final terms. The first and/or last interest period of any tranche of Notes may be short or long, if so specified in the final terms.

<b>Ranking</b>	<p>If Westpac NZ goes into liquidation:</p> <ul style="list-style-type: none"> <li>- You will be repaid only <b>after</b> Westpac NZ's secured creditors and creditors preferred by law (for example, Inland Revenue and employees).</li> <li>- You will be repaid <b>at the same time and to the same extent</b> as all other unsecured unsubordinated creditors of Westpac NZ (including other holders of Notes).</li> <li>- You will be repaid <b>before</b> Westpac NZ's subordinated creditors (including any subordinated noteholders) and shareholders.</li> </ul> <p>You should also read section 4 of this document (Key Features of the Notes)</p>
<b>Further payments, fees or charges</b>	<p>By subscribing for or otherwise acquiring Notes, you agree to indemnify Westpac NZ for any loss suffered by it as a result of you breaching the selling restrictions set out in section 4 of this document (Key Features of the Notes) or specified in the final terms.</p> <p>Taxes may be deducted from interest payments on the Notes. See section 6 of this document (Tax) for further details.</p>
<b>Application amounts</b>	<p>The minimum subscription amount is \$10,000 and higher multiples of \$1,000, unless otherwise specified in the final terms.</p>
<b>Note Registrar and Paying Agent</b>	<p>Link Market Services Limited</p>

## Section 3. Purpose of the offer.

The purpose of the offer of Notes is to raise funds which will be used for general corporate purposes, including making loans available to Westpac NZ's customers.

## Section 4. Key features of the Notes.

### Form and status of the Notes.

Each Note is a registered debt obligation of Westpac NZ constituted by, and owing under, the Note Deed Poll. Title to each Note will be conclusively determined by the name of the holder entered in the Note register, subject to correction for fraud or error. Westpac NZ is entitled to deal exclusively with the person(s) named in the Note register for all purposes, including when making any payments.

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of Westpac NZ, ranking equally among themselves and at least equally with all other present and future unsecured and unsubordinated obligations of Westpac NZ, except for liabilities mandatorily preferred by law. See below under the heading “Ranking”.

### Ranking.

If Westpac NZ goes into liquidation:

- You will be repaid only **after** Westpac NZ’s secured creditors and creditors preferred by law (for example, Inland Revenue and employees).
- You will be repaid **at the same time and to the same extent** as all other unsecured unsubordinated creditors of Westpac NZ (including other holders of Notes).
- You will be repaid **before** Westpac NZ’s subordinated creditors (including any subordinated noteholders) and shareholders.


After the issuance of any Notes, Westpac NZ may from time to time borrow or raise additional debt, or otherwise incur liabilities, that:

- rank in priority to the Notes. This may include secured bonds, other secured borrowing of Westpac NZ, and liabilities preferred by law; or
- rank equally with or below the Notes. This may include further issuances of Notes, other unsubordinated, unsecured borrowings of Westpac NZ, and subordinated debt.

Westpac NZ is not restricted from creating such further liabilities, and may do so without your consent. The creation of such further liabilities may reduce the amount recoverable by you in the case of liquidation of Westpac NZ.

The below diagram summarises the ranking of the Notes on a liquidation of Westpac NZ.

### Ranking of the Notes on a liquidation of Westpac NZ

Ranking	Categories of liability/equity	
High  Low	<b>Liabilities that rank in priority to the Notes on a liquidation of Westpac NZ</b>	Secured liabilities Liabilities preferred by law, including employee entitlements and amounts payable to Inland Revenue
	<b>Liabilities that rank equally with Notes on a liquidation of Westpac NZ</b>	Unsubordinated and unsecured liabilities
	<b>Liabilities that rank below the Notes on a liquidation of Westpac NZ</b>	Subordinated and unsecured liabilities
	<b>Equity</b>	

**A ranking diagram, including indicative amounts based on the financial position of the Westpac NZ Group as at its most recent balance date, is incorporated by reference into this document and is available on the offer register at [companiesoffice.govt.nz/disclose](http://companiesoffice.govt.nz/disclose).**

### Events of default.

If an event of default as set out in the Note Deed Poll occurs and continues unremedied in relation to any Notes in a series, you may, by notice in writing to Westpac NZ (with a copy to the Note Registrar) require your Notes in that series to be repaid early at their principal amount together with accrued interest, subject to any deductions on account of tax.

The events of default include (among others) failure by Westpac NZ to pay any interest or principal in respect of the relevant series of Notes within 14 days of the relevant due date.

### Issuer call.

If any call option dates are specified in the final terms, Westpac NZ may at its option redeem any Notes on a call option date. Westpac NZ will provide notice of any such redemption at least 30 days (and not more than 60 days) (or any other period specified in the final terms) before the relevant redemption date.

On any such redemption the Notes will be repaid at their principal amount together with accrued interest, subject to any deductions on account of tax.



## Selling restrictions.

Westpac NZ is not offering Notes to the public in any jurisdiction other than New Zealand (except to the extent specified in any final terms).

You may only offer for sale or sell any Note in conformity with all applicable laws and regulations in any jurisdiction in which it is offered, sold or delivered. No product disclosure statement, information memorandum, advertisement or other offering material in respect of any Note may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws.

Westpac NZ has not taken and will not take any action which would permit a public offering or sale or ownership of the Notes, or possession or distribution of any offering material in respect of the Notes, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

By subscribing for or otherwise acquiring Notes, you agree to indemnify Westpac NZ for any loss suffered by it as a result of any breach of the above selling restrictions by you.

## Transfers.

You may transfer any of your Notes by:

- a written instrument of transfer in any commonly used form that complies with the standard form and procedures of the Note Registrar and applicable law;
- instructing the Note Registrar to transfer the Notes into the name(s) of the transferee(s) through NZClear in accordance with the standard form and procedures of the Note Registrar; or
- any other method of transfer of marketable securities that is not contrary to any law and that is approved by Westpac NZ.

Any transfer request must be accompanied by any evidence reasonably required by the Note Registrar or Westpac NZ to prove the title of the person transferring the Notes, or otherwise in accordance with the Note Deed Poll.

Interests in Notes entered into NZClear will be transferable in accordance with NZClear's rules and operating guidelines. See further below under the heading "Notes held in NZClear".

You may not transfer part only of your holding if it would result in you or the transferee holding or continuing to hold Notes with an aggregate principal amount that is less than \$10,000 or is not a higher multiple of \$1,000 (or such other denominations as may be specified in the final terms).

## Payments and record dates.

Payment in respect of each Note will be made to the person whose name appears in the Note register as the holder on the record date.

The record date for any payment due in respect of the Notes, other than non-interest bearing (zero coupon) Notes, is the close of business on the tenth day before the due date for that payment. The record date in respect of zero coupon Notes is the close of business on the day before the due date for payment.

If more than one person is named in the Note register, payment will be made to the first person named.

- For Notes which are not held in NZClear, payment will be made by the Paying Agent by direct credit to a bank account specified by you by notice in writing to the Note Registrar or (if you have not specified a bank account) by cheque sent to your address as recorded in the Note register on the record date.
- For Notes held in NZClear, payment will be made by Westpac NZ crediting on the relevant payment date the amount due to the account of the Paying Agent or other account previously notified by the Paying Agent or NZClear to Westpac NZ.

During the period from a record date until the relevant payment date, the Note Registrar may refuse to register the transfer of any Notes.

## Fixed Rate Notes - interest calculations and payment days.

Unless otherwise specified in the final terms, for Notes that bear fixed rate interest:

- Interest payments will be made in equal amounts for each interest period (except for any irregular first or last interest period).
- If the due date for any payment is not a business day, payment will be made (without adjustment) on the next date which is a business day.
- In a low or negative interest rate environment you may receive less than your original investment, resulting in negative returns overall.

## **Floating Rate Notes - interest calculations and payment days.**

Unless otherwise specified in the final terms, for Notes that bear floating rate interest:

- The interest rate will be calculated as a specific margin (which will apply for the whole term of the Notes) over the bank bill rate (as set on the first day of each interest period), as determined by Westpac NZ in accordance with the Note Deed Poll (and, where applicable, any additional fallback provisions for the unavailability of the bank bill rate in the final terms).
- The amount of interest that accrues during each interest period will be based on the actual number of days in that interest period.
- If the due date for any payment is not a business day, payment will be made on the next date which is a business day, unless that day falls in the next calendar month in which case payment will be made on the first preceding day that is a business day, and the calculation of any accrued interest will be adjusted up or down accordingly.
- In a low or negative interest rate environment, you may receive limited or no interest payments and a low or negative return. However, the interest rate will not be less than zero unless otherwise specified in the final terms.

## **Zero Coupon Notes - payment days.**

Unless otherwise specified in the final terms, if the due date for payment on a non-interest bearing (zero coupon) Note is not a business day, payment will be made (without adjustment) on the next date which is a business day.

In a low or negative interest rate environment, you may receive a low or negative return based on the price at which you subscribed for or purchased the Notes.

## **Issuer substitution.**

Westpac NZ may, without the consent of holders of Notes, substitute another company or other body corporate as issuer of the Notes (and any such issuer may subsequently substitute another company or other body corporate as issuer of the Notes) provided that in those circumstances, references to Westpac NZ in this document include the substituted issuer.

Such substitution may only occur if certain requirements in the Note Deed Poll are met, including that Westpac NZ (or, as

the case may be, the existing issuer) provides an unconditional and irrevocable guarantee of the Notes.

## **Meetings and variation of the Notes.**

Meetings of holders of Notes may be called to consider matters affecting their interests generally. In such meetings, defined majorities may bind you and all other holders, even if you did not attend and vote at the relevant meeting or voted in a manner contrary to the majority.

The Notes may also be varied without your consent in certain limited circumstances, including:

- in the case of a substitution of the issuer as described under the heading "Issuer substitution" above; or
- if (in the reasonable opinion of Westpac NZ) the variation is necessary or advisable to comply with any law, is of a formal, technical or administrative nature only, is made to cure any ambiguity or is not materially prejudicial to the interests of holders of the Notes as a whole.

## **Notes held in NZClear.**

Notes offered to institutional and other investors may be held in NZClear. Investors may acquire interests in those Notes if they are members of NZClear, or through a nominee who is a member. If your Notes are held in NZClear, your rights (and the rights of each other person holding an interest in the Notes) are subject to NZClear's rules and operating guidelines.

Westpac NZ is not responsible for anything that NZClear does or omits to do or for any loss occasioned by the failure of NZClear.

## **Governing law.**

The Notes and the Note Deed Poll are governed by New Zealand law. Accordingly, future judicial decisions and changes to New Zealand law or administrative practices may affect the interpretation of the Notes.

## Section 5. Risk of investing.

### General risks.

Your investment in the Notes is subject to the following general risks:

#### Credit risk on Westpac NZ.

The principal risk of Westpac NZ not meeting its obligations to holders under the Notes is that Westpac NZ may become insolvent, may be placed in receivership, liquidation or statutory management or otherwise may be unable to and/or fail to make any payment. In that event, you might not recover all your principal investment or receive the expected returns.

#### Secondary market risk.

The Notes will be able to be traded through brokers on established 'over-the-counter' (OTC) markets. However, there may be no active trading market and an investment in Notes may not be very liquid. In particular, the nature of OTC markets means there is no organised central location for investors to buy and sell Notes and it may be more difficult for brokers to find buyers and sellers for Notes at any time than it is in comparison to highly liquid securities. The price at which you may be able to sell Notes may also be affected by factors related to the creditworthiness of Westpac NZ, and market-related factors such as movements in market interest rates.

Therefore, you may not be able to sell your Notes easily or at prices that will provide you with a return comparable to similar investments that have a developed secondary market, and you may receive less from a sale of your Notes than the amount you paid for them.

### Specific risks relating to Westpac NZ's creditworthiness.

Westpac NZ is aware of the following circumstances that exist or are likely to arise that significantly increase the risk that Westpac NZ may default on its payment obligations under the Notes.

The selection of risks has been based on an assessment as at the date of this document of both the probability of the risk occurring, and the impact it would have. The importance of different risks may change over time and other risks may emerge.

Westpac NZ expects some of these risks (alone or in combination) to arise in the ordinary course of its business. When they do, this can lead to a loss, increase in costs or a reduction in revenues for Westpac NZ. For instance, provision is made for some credit defaults in the ordinary course of business.

Westpac NZ closely manages these risks and in the ordinary course of business these risks are not expected to have a materially adverse impact on Westpac NZ. However, unusual circumstances can also arise, such as widespread defaults in a particular sector, or the dysfunction and unavailability of international funding markets. These circumstances may occur for a range of reasons including, for example, as a consequence of a communicable disease outbreak or a

pandemic such as the COVID-19 pandemic. The occurrence of any such circumstance may make the risks more difficult to manage. The impact on Westpac NZ can then be more severe, which would in turn lead to an increased risk of default.

It is not possible to forecast precisely the probability or magnitude of any of these risks, and in particular, the financial impact of the COVID-19 pandemic which is still evolving and highly uncertain. However, Westpac NZ seeks to reduce their likelihood, and the magnitude of their impact through developed processes including:

- a risk management strategy that includes core risk principles as well as policies and processes for measuring and monitoring risk, and is designed to reflect that everyone in Westpac NZ is responsible for identifying and managing risk and operating within Westpac NZ's desired risk profile as determined by the Westpac NZ board;
- a management assurance programme designed to identify the key operational and compliance risks, the controls in place to mitigate those risks and to obtain assurance that those controls have continued to operate effectively; and
- an independent audit function which covers the management of risks across Westpac NZ under an assurance plan.

The key potential impacts to you of any of these risks occurring, or a failure of the risk management systems or strategies, are:

- actual or perceived reduction in credit quality of Westpac NZ and/or the credit rating of Westpac NZ leading to a loss in the market value of Notes, if sold on the secondary market; and
- default by Westpac NZ in repaying the Notes or paying interest due on them.

#### Westpac NZ may incur losses from defaults by customers and counterparties

Westpac NZ faces the possibility that customers or counterparties may fail to fully honour their contractual obligations to Westpac NZ. This risk arises from Westpac NZ's lending activities as well as from interbank, treasury and international trade activities, and may cause losses in Westpac NZ's business.

Customer and counterparty defaults may increase as a result of market slowdowns, declines in property prices, conditions affecting specific industry sectors or geographic regions to which Westpac NZ has significant exposures.

Westpac NZ also expects that a communicable disease outbreak or a pandemic such as the COVID-19 pandemic may result in increased losses, which may be material, due to financial stress caused to Westpac NZ's customers and counterparties in a range of industry sectors.

Westpac NZ primarily manages these credit risks through a transaction-managed approach for larger customers (involving a detailed individual customer and transaction risk

analysis) and a program-managed approach for certain high-volume customer credit portfolios (involving management on a statistical basis). Westpac NZ has a range of products and services tailored to assist customers suffering from COVID-19 related hardship.

### **Westpac NZ operates in a highly regulated environment and could be adversely affected by changes in or failing to comply with laws, regulations and legislative policy.**

As a financial institution, Westpac NZ is subject to regulation and regulatory oversight, including capital adequacy requirements and conditions of registration specified by the Reserve Bank of New Zealand. Regulation is becoming increasingly extensive and complex. Any significant regulatory developments, or change in regulatory policy, including as a consequence of actions taken by regulators in response to a communicable disease outbreak or a pandemic such as the COVID-19 pandemic, could have an adverse effect on how Westpac NZ's business is conducted and on the results of its operations.

Failure to comply with these and other laws, regulations or codes of practice (including without limitation in relation to money laundering, terrorist financing, market manipulation and sanctions) could result in regulatory fines and sanctions, compensatory actions, changes to conditions of registration, reputational loss or Westpac NZ's banking licence being revoked.

Westpac NZ is highly dependent on the conduct of its employees, contractors and external service providers, and could be adversely affected in the event that an employee, contractor or external service provider engages in conduct that does not comply with any law, regulation or code of practice or is unfair or inappropriate. While Westpac NZ has policies and processes to manage employee, contractor or external service provider misconduct, these policies and processes may not always be effective.

Westpac NZ has implemented a compliance management framework and dedicated compliance function to assist management of compliance risks.

### **Westpac NZ could suffer losses due to operational risks.**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It also includes, among other things, technology risk, information security risk, model risk and outsourcing risk. While Westpac NZ has policies and processes to manage the risk of human error, these policies and processes may not always be effective and these risks may increase in periods of restricted movement such as has arisen from the COVID-19 pandemic.

Westpac NZ could incur losses from incorrect or fraudulent payments, money laundering, unauthorised transactions, unauthorised access to its networks and misconduct or negligence by employees.

Operational risks could impact on Westpac NZ's operations or adversely affect demand for its products and services. Operational risks can directly impact Westpac NZ's reputation and result in financial losses which would adversely affect its financial performance or condition. In addition, a communicable disease outbreak or a pandemic such as the

COVID-19 pandemic may also negatively impact on the ability of Westpac NZ's back office support functions and key external suppliers and service providers to operate, in turn disrupting Westpac NZ's business and operations.

Westpac NZ has implemented a dedicated operational risk function and management framework to manage such risks.

### **Interest rate risks could adversely impact Westpac NZ's results.**

As a bank, Westpac NZ is subject to risks involving adverse movements in the level and volatility of interest rates. If Westpac NZ were to suffer substantial losses due to any market volatility (including as a consequence of a communicable disease outbreak or a pandemic such as the COVID-19 pandemic) it may adversely affect its business, prospects, liquidity, capital resources, financial performance or financial condition.

Westpac NZ hedges its exposure to interest rate risk through the use of derivatives.

### **Westpac NZ may not be able to obtain funding on acceptable terms.**

In order to carry on its business Westpac NZ requires access to significant amounts of funding on an ongoing basis. It is exposed to the risk that it may not be able to fund assets, or meet its payment obligations as they come due, without incurring unacceptable losses (liquidity risk). This liquidity risk is inherent in Westpac NZ's balance sheet due to mismatches in the maturity of assets and liabilities.

Westpac NZ's credit ratings could also affect the cost and availability of its funding from capital markets and other funding sources. They may also be important to customers or counterparties when evaluating Westpac NZ's products and services.

A communicable disease outbreak or a pandemic such as the COVID-19 pandemic may have a negative economic impact on Westpac NZ. The current and ongoing economic impacts of the COVID-19 pandemic have negatively affected Westpac NZ's credit ratings and, as the economic impacts from the COVID-19 pandemic continue, there is a risk that there will be further negative movement in Westpac NZ's credit ratings.

Negative changes to Westpac NZ's credit ratings could adversely affect its cost of funds and related margins, collateral requirements, liquidity, competitive position and its access to capital markets. The extent and nature of these impacts would depend on various factors, including the extent of any ratings change, whether Westpac NZ's ratings differ among rating agencies and whether any ratings changes also impact Westpac NZ's peers or the sector.

Westpac NZ manages liquidity risk through a liquidity risk management framework covering all aspects of liquidity risk management.

Further information about the risks faced by Westpac NZ and its business more generally is contained in the disclosure statements that Westpac NZ publishes under the Reserve Bank of New Zealand Act 1989. The most recent disclosure statements that Westpac NZ has published are available at [westpac.co.nz](http://westpac.co.nz) (click on the link 'Disclosure Statements' at the bottom left corner of the homepage).

## Section 6. Tax.

New Zealand tax residents (and non-residents who receive payments of interest subject to the resident withholding tax rules) will have resident withholding tax deducted from the interest that is payable under the Notes, unless they produce to the Note Registrar acceptable evidence of resident withholding tax exempt status on or before the record date for the relevant payment.

If you receive payments of principal or interest on the Notes subject to the non-resident withholding tax rules, an amount equal to the approved issuer levy payable will be deducted from payments to you in lieu of deducting non-resident withholding tax (except where you elect otherwise and Westpac NZ agrees, or the payment of approved issuer levy will not reduce the rate of non-resident withholding tax to nil, or it is not possible under applicable law, in which case non-resident withholding tax will be deducted). In the event of any change of law to the approved issuer levy regime, Westpac NZ reserves the right not to pay approved issuer levy. See the Note Deed Poll for further details.

If, in respect of any of your Notes, the Paying Agent or Westpac NZ becomes liable to account for withholding taxes, or make any payment of, or on account of, tax payable by you, then the Paying Agent and Westpac NZ shall be indemnified by you in respect of such liability. See the Note Deed Poll for further details.

There may be other tax consequences from acquiring or disposing of the Notes.

The above generalised summary is based on the taxation laws in force in New Zealand as at the date of this document. Future changes to these or other laws may affect the tax consequences of an investment in the Notes. See also “Governing law” in section 4 of this document (Key Features of the Notes).

If you have any queries relating to the tax consequences of an investment in the Notes, you should obtain professional advice on those consequences.

## Section 7. How to complain.

Complaints about the Notes can be directed to Westpac NZ at:

### **The Treasurer**

Westpac New Zealand Limited  
Westpac on Takutai Square  
53 Galway Street  
Auckland 1010

Tel (09) 367 3539

Email [treasurer@westpac.co.nz](mailto:treasurer@westpac.co.nz)

If you have any queries about the administration of the Notes (including in relation to payments in respect of the Notes) you should contact the Note Registrar in first instance at:

### **Link Market Services Limited**

Level 11, Deloitte Centre  
80 Queen Street  
Auckland 1010

Tel (09) 375 5998

Fax (09) 375 5990

Email [enquiries@linkmarketservices.co.nz](mailto:enquiries@linkmarketservices.co.nz)

Westpac NZ is also a member of the Banking Ombudsman Scheme, which is an approved dispute resolution scheme. Complaints about the Notes can be directed to the scheme at:

### **The Banking Ombudsman**

Banking Ombudsman  
Freepost 218002  
PO Box 25327  
Featherston Street  
Wellington 6146

Tel 0800 805 950

The Banking Ombudsman Scheme will not charge a fee to any complainant to investigate or resolve a complaint.

Complaints may also be directed to the Financial Markets Authority through its website at [fma.govt.nz](http://fma.govt.nz).



## Section 8. Where you can find more information.

Further information relating to Westpac NZ and the Notes is available on the offer register at [companiesoffice.govt.nz/disclose](https://companiesoffice.govt.nz/disclose). A copy of information on the offer register is available on request to the Registrar of Financial Service Providers.

Further information about Westpac NZ is contained in Westpac NZ's most recent disclosure statement (which includes Westpac NZ's most recent consolidated financial statements). Westpac NZ's most recent disclosure statement, and other information about Westpac NZ, can be found online at [westpac.co.nz](https://westpac.co.nz) (click on the link 'Disclosure Statements' at the bottom left corner of the homepage). A printed copy of the most recent disclosure statement is also available, free of charge, upon request to Westpac NZ.

Enquiries about the Notes can be made, and copies of the Note Deed Poll and further copies of this document can be obtained free of charge, on request, by contacting the Note Registrar (see section 10 of this document (Contact Information)).

## Section 9. How to apply.

You may apply for Notes by contacting the Note Registrar or Westpac NZ (see section 10 of this document (Contact Information)).

For each application you must complete the application form at the back of this document and pay the issue price.

## Section 10. Contact information.

Westpac NZ may be contacted at:

Westpac New Zealand Limited  
Westpac on Takutai Square  
53 Galway Street  
Auckland 1010  
Tel (09) 367 3539  
Email [treasurer@westpac.co.nz](mailto:treasurer@westpac.co.nz)

The Note Registrar may be contacted at:

Link Market Services Limited  
Level 11, Deloitte Centre  
80 Queen Street  
Auckland 1010  
Tel (09) 375 5998  
Fax (09) 375 5990  
Email [enquiries@linkmarketservices.co.nz](mailto:enquiries@linkmarketservices.co.nz)



**F. IRD number and withholding taxes**

Each applicant must provide their IRD number (or confirm that you are non-resident and indicate your country of tax residence below):

	Name of applicant/trust	IRD Number:
First applicant	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Second applicant	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Third applicant	<input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

\* If RWT applies and the applicant is acting as a bare trustee, this section F should be completed on behalf of the underlying investor.

Deduct resident withholding tax (RWT) rate from all my/our interest payments at the following rate (tick ✓ one):

10.5%\*\*  17.5%  28%\*\*\*  30%  33%  39%\*\*\*  Exempt\*\*\*\*

\* Only available for an individual that reasonably expects their taxable income for the income year to be \$14,000 or less and trustees of certain testamentary trusts (a trust created under a will).

\*\* Available for companies only.

\*\*\* Available from 1 October 2021 (prior to that date RWT will be deducted at 33%).

\*\*\*\* If you tick "Exempt", you are confirming your IRD number is listed on the IRD RWT exemption register.

Country of residence for tax purposes:

First applicant

Second applicant

Third applicant

Please note that investors must be members of the public or institutions in New Zealand or investors in jurisdictions where the Notes may be lawfully offered in compliance with all applicable laws and regulations.

If not a New Zealand tax resident, are you engaged in business in New Zealand through a fixed establishment in New Zealand and either (1) will hold the Notes for the purpose of that business or (2) are a registered bank in New Zealand?

First applicant  Yes  No

Second applicant  Yes  No

Third applicant  Yes  No

If, in respect of any of your Notes, the Paying Agent or Westpac NZ becomes liable to account for withholding taxes, or make any payment of, or on account of, tax payable by you, then the Paying Agent and Westpac NZ shall be indemnified by you in respect of such liability.

**G. Electronic correspondence and confirmation information**

To enable Westpac NZ to provide you with all your investor correspondence in relation to your holding of Notes (including confirmation information) electronically (where possible), please complete your email address below. If you do not provide an email address, investor correspondence will be mailed to you at the postal address provided on this application form.

Email

**H. Agreement of conditions**

By signing this application form, I/we:

- a. confirm that **I/we have received, read and understood the Product Disclosure Statement;**
- b. apply for the principal amount of Notes set out and referred to above and agree to accept such Notes (or such lesser number as may be allotted to me/us) on, and subject to, the terms and conditions set out in the Product Disclosure Statement, the Note Deed Poll, the final terms and this application form;
- c. acknowledge that this application cannot be withdrawn or revoked by the applicant once it has been submitted;
- d. declare that all details and statements made by me/us in this application form are complete and accurate; and I/we certify that, where information is provided by me/us in this application form about another person, I/we are authorised by such person to disclose the information to you and to give authorisation;
- e. acknowledge that I/we am/are not in a jurisdiction which prohibits the making of this application or the issue of the Notes to me/us and that I/we am/are not acting for a person in such jurisdiction; and by applying for the Notes I/we agree to indemnify Westpac NZ and its directors, officers, employees and agents in respect of any loss, cost, liability or expense sustained or incurred by Westpac NZ as a result of my/our breaching that warranty or the selling restrictions described in the Product Disclosure Statement or the final terms;
- f. acknowledge that the information in this application form is obtained, used and disclosed by Westpac NZ, the Note Registrar and their agents in order to consider and process your application and to administer your investment. I/we authorise Westpac NZ and the Note Registrar to disclose information in situations where Westpac NZ or the Note Registrar are required or permitted to do so by any applicable law or by a governmental, judicial or regulatory entity or authority in any jurisdiction; and
- g. agree to provide my/our financial adviser, Westpac NZ, the Note Registrar and their agents with all requested information that is required to satisfy applicable laws, including, without limitation, the customer due diligence obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, and further agree that my/our financial adviser may provide Westpac NZ, the Note Registrar and their agents any information it has received (in connection with this application or previously) to satisfy any such obligations.

All applicants on this application form must sign.

Signature Applicant 1  Date DD / MM / YYYY

Signature Applicant 2  Date DD / MM / YYYY

Signature Applicant 3  Date DD / MM / YYYY



## I. Important conditions

- You are irrevocably bound by the terms and conditions set out in the Product Disclosure Statement, the Note Deed Poll, the final terms and this application form.
- A joint application must be signed by both or all applicants and, unless otherwise advised, such joint holders will be treated as joint tenants with right of survivorship. Only the address of the first named of the joint holders will be recorded on the Note register and all interest payments, notices, etc will be sent to that address.
- An application by a company must be signed by two directors or by an attorney or a person duly authorised to sign on behalf of the company.
- An application by a trust must be signed on behalf of the trust by one or more duly authorised signatories of the trust and you must give the names of the trustee(s) for registration purposes.
- No notice of any trust in respect of any Notes will be entered in the Note register or be otherwise recognised, and Westpac NZ will regard the trustees as the legal owners of the investment.
- Applications signed by an attorney or duly authorised signatories must be accompanied by relevant evidence of authority, including, in the case of signature under a power of attorney, the completion of the certificate of non-revocation of power of attorney included in this application form, and, in the case of signature by an agent, the completion of the certificate of non-revocation of agency included in this application form.
- Westpac NZ is committed to your privacy and has a Privacy Policy which explains how Westpac NZ collects, stores and uses your personal information. The Westpac Privacy Policy is available at any Westpac NZ branch or online at [westpac.co.nz](http://westpac.co.nz). If you are an individual under the Privacy Act 2020, you have the right to access and correct any of your personal information. You can also access your information on the Note Registrar's website ([linkmarketservices.co.nz](http://linkmarketservices.co.nz)). You will be required to enter your holder number and FIN for secure access.

Terms defined in the Product Disclosure Statement have the same meaning in this application form.

## Right to reject offer

Applicants must provide a completed application form (with payment) by the date and time, and to the location specified by or on behalf of Westpac NZ (if any) for the relevant issuance of Notes. Unless otherwise expressly agreed to by Westpac NZ in its absolute discretion, application forms received or postmarked after such closing date and time will not be accepted. Westpac NZ has the right to accept or reject all or part of this offer or withdraw the invitation to apply for this investment without giving any reason.

If this application form is not completed correctly or if the accompanying payment is for the wrong amount, it may still be treated as valid. Westpac NZ's decision as to whether to treat an application as valid, and how to construe, amend or complete it, shall be final. You will not, however, be treated as having applied to purchase more Notes than the number indicated on this application form, or more Notes than those for which payment has been made.

## J. Certificate of non-revocation of power of attorney

Complete this section if you are acting on behalf of the applicant on this application form for whom you have power of attorney.

I, FULL NAME

of PLACE AND COUNTRY OF RESIDENCE,

OCCUPATION, CERTIFY:

- THAT by deed dated DATE OF INSTRUMENT CREATING THE POWER OF ATTORNEY,

FULL NAME OF PERSON/BODY CORPORATE WHICH GRANTED THE POWER OF ATTORNEY of

PLACE AND COUNTRY OF RESIDENCE OF PERSON/BODY CORPORATE WHICH GRANTED THE POWER OF ATTORNEY\*

appointed me HIS / HER / ITS attorney;

- THAT I have completed and executed this application for Notes under that power of attorney and pursuant to the powers thereby conferred on me; and

- THAT at the date of this certificate I have not received notice or information of the revocation of that power of attorney, whether by death or dissolution of the donor or otherwise.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of MONTH/YEAR

Signature of attorney \_\_\_\_\_

\* If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

**K. Certificate of non-  
revocation of  
agent**

Complete this section  
if you are acting on  
behalf of the applicant  
on this application form  
for whom you are acting  
as agent.

I, FULL NAME

of PLACE AND COUNTRY OF RESIDENCE,

OCCUPATION, CERTIFY:

- THAT the agency agreement dated DATE OF INSTRUMENT CREATING THE AGENCY,

NAME OF PERSON/BODY CORPORATE WHICH APPOINTED YOU AS AGENT

of PLACE AND COUNTRY OF RESIDENCE OF PERSON/BODY CORPORATE WHICH APPOINTED YOU AS AGENT\*\*

appointed me HIS / HER / ITS agent;

- THAT I have completed and executed this application for Notes as agent under that agency appointment and pursuant to the powers thereby conferred on me; and
- THAT at the date of this certificate I have not received notice or information of the revocation of that agency appointment, whether by death or dissolution of the donor or otherwise.

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of MONTH/YEAR

Signature of agent \_\_\_\_\_

\*\* If donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.



