

PRODUCT DISCLOSURE STATEMENT

Carbon Forward Contracts.

Issued by Westpac Banking Corporation
ABN 33 007 457 141

Dated: 30 September 2024

This is a replacement product disclosure statement. It replaces Westpac Banking Corporation's Carbon Forward Contracts Product Disclosure Statement dated 29 September 2023.

This document provides important information about Carbon Forward Contracts to help you decide whether you want to enter into any of these derivatives. There is other useful information about this offer at: **disclose-register.companiesoffice.govt.nz**

Many derivatives are complex and high-risk financial products that are not suitable for most retail investors. If you do not fully understand a derivative described in this document and the risks associated with it, you should not enter into it. You can also seek advice from a financial advice provider to help you make your decision. You should ask if that provider has experience with these types of derivatives.

Westpac Banking Corporation acting through its New Zealand branch has prepared this document in accordance with the Financial Markets Conduct Act 2013.



1. Key Information Summary

What is this?

This is a product disclosure statement for Carbon Forward Contracts (**Carbon Forwards**) provided by Westpac Banking Corporation (**Westpac**). Carbon Forwards are derivatives, which are contracts between you and Westpac that will require you and Westpac to make a payment or deliver carbon units to each other. The value of the contract will depend on the price of the underlying carbon units. The contract specifies the terms on which those payments and deliveries must be made.

Warning

Risk that you may owe money under the derivative - If the price of the underlying carbon units changes, you may suffer losses. In particular, unlike most other kinds of financial products, you may end up owing significant amounts of money. You should carefully read section 2.4 (What happens at the settlement date?) on how payments are calculated.

Your liability to make collateral payments - Westpac may require you to make additional payments (collateral) to contribute towards your future obligations under the derivatives you enter into with Westpac, including any Carbon Forward. These payments may be required at short notice and can be substantial. You should carefully read section 5 (How Westpac treats funds and property received from you) about your obligations.

Risks arising from issuer's creditworthiness - When you enter into derivatives with Westpac, you are exposed to a risk that Westpac cannot make payments or deliver carbon units as required. You should carefully read section 3 of the PDS (risks of these derivatives) and consider Westpac's creditworthiness. If Westpac runs into financial difficulty, the collateral you provide may be lost.

About Westpac

Westpac Banking Corporation is incorporated in Australia with ABN 33 007 457 141 and is a registered bank in New Zealand under the Banking (Prudential Supervision) Act 1989. Westpac, acting through its New Zealand branch, provides financial markets services in New Zealand under the Westpac Institutional Bank brand.

Which derivatives are covered by this PDS?

This PDS covers Carbon Forward Contracts.

A Carbon Forward allows the seller to sell a specified number of carbon units to the buyer for an agreed price on an agreed date in the future.

You can enter into a Carbon Forward with us as:

- (a) the party that sells the carbon units; or
- (b) the party that buys the carbon units.

A Carbon Forward may help you manage a price risk relating to carbon units that you are exposed to.

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2. Key features of the derivatives

A glossary of some of the defined terms used in this PDS is included in section 11 (Glossary).

2.1 What is a Carbon Forward?

A Carbon Forward is an agreement with Westpac for one of us (the **buyer**) to buy an agreed number of carbon units from the other (the **seller**) on a date which is more than two business days in the future at an agreed price. An agreement to buy or sell carbon units for settlement within two business days is called a carbon spot transaction. This PDS does not apply to carbon spot transactions.

A **carbon unit** refers to a unit of carbon dioxide equivalent that is capable of being traded under an emissions trading scheme.

You can enter into a Carbon Forward with us as either the buyer or the seller. You can also specify the type of carbon units you would like to buy or sell (as applicable).

A Carbon Forward may be useful in managing the risk associated with movements in the price of the specific type of carbon units covered by the Carbon Forward.

A Carbon Forward should only be used where you have a genuine commercial need to manage the risk associated with movements in the price of a specific type of carbon units. It should not be used for trading or speculative purposes.

2.2 Key terms of a Carbon Forward

When you enter into a Carbon Forward you tell us whether you will be a buyer or seller and you nominate:

type of carbon units	The type of carbon units that will be exchanged.
Number of Units	The number of carbon units that will be exchanged.

and either:

payment date	The date on which the buyer must pay the seller for the carbon units.
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or:

delivery date	The date on which the seller must transfer the Number of Units to the buyer.
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The payment date or delivery date you nominate must be more than two business days after the date you enter into the Carbon Forward. Carbon Forwards may be available for different types of carbon units. Your Westpac financial markets dealer can confirm if your desired type of carbon units can be covered.

We will then determine:

- the delivery date or payment date (depending on which date you have nominated). If you are the buyer, the delivery date will usually be after the payment date. If you are the seller, the payment date will usually be after the delivery date; and

- the price we are prepared to offer, known as the **Carbon Forward Price**. If you enter into a Carbon Forward, the Carbon Forward Price is the price per carbon unit at which you must buy or sell the Number of Units. This is based on your settlement date, the Number of Units and the type of carbon units nominated by you.

In this PDS, the term:

- **your settlement date** means the payment date (if you are the buyer) or the delivery date (if you are the seller); and
- **our settlement date** means the payment date (if we are the buyer) or the delivery date (if we are the seller).

2.3 How do we set the Carbon Forward Price?

The Carbon Forward Price is the price per carbon unit the buyer must pay, or the seller will receive, for the Number of Units on the payment date. It is a fixed price that is determined before you enter into the Carbon Forward.

The Carbon Forward Price does not represent a forecast that we have made, nor does it guarantee what future spot carbon prices will be. Rather, we determine the Carbon Forward Price (including our profit margin for the Carbon Forward) taking into account:

- the **spot carbon price**. This is the base price for the Carbon Forward Price and is the price at which we are willing to buy or sell the relevant type of carbon units for settlement within two business days. In general, all other things being equal, a higher spot carbon price is likely to make the Carbon Forward Price less favourable to you (if you are the buyer) or more favourable to you (if you are the seller).
- the liquidity of the relevant market for carbon units (the market for trading carbon units between market participants) and the Number of Units being bought or sold. These factors are relevant because, for example, in an illiquid market, it may be harder for us to manage our risk associated with Carbon Forwards. In general, all other things being equal, in an illiquid market the lower the Number of Units being bought or sold, the more favourable the Carbon Forward Price may be to you. In a liquid market, it may be easier for us to manage our risks associated with Carbon Forwards. In general, all other things being equal, this may mean a more favourable Carbon Forward Price for you.
- your settlement date. In general, all other things being equal, a longer term for your Carbon Forward is likely to make the Carbon Forward Price less favourable to you (if you are the buyer) or more favourable to you (if you are the seller).
- market volatility, meaning the pace and degree of variation of price movements of the relevant carbon units. In general, all other things being equal, greater volatility may make the Carbon Forward Price less favourable to you.
- your creditworthiness. In general, all other things being equal, the less creditworthy you are, the less favourable the Carbon Forward Price is likely to be to you.
- our costs. Our costs will make the Carbon Forward Price less favourable to you.

Important

Each factor will impact the Carbon Forward Price to a different extent. Some factors will impact other factors. For example, our assessment of market volatility may change the effect of your settlement date on the Carbon Forward Price. Changing a factor in isolation will not necessarily change the Carbon Forward Price we offer you.

2.4 What happens at the settlement date?

On your settlement date, you must buy or sell (as applicable) the Number of Units at the Carbon Forward Price.

If you are buying carbon units from us under a Carbon Forward:

- on the payment date (that is, your settlement date), you must pay us an amount that is calculated by multiplying the Carbon Forward Price by the Number of Units; and
- we will then transfer the Number of Units to you on the delivery date (that is, our settlement date).

If you are selling carbon units to us under a Carbon Forward:

- on the delivery date (that is, your settlement date), you must transfer the Number of Units to us; and
- we will then pay you an amount that is calculated by multiplying the Carbon Forward Price by the Number of Units on the payment date (that is, our settlement date).

You must buy or sell (as applicable) the Number of Units at the Carbon Forward Price irrespective of what the spot carbon price is at the relevant time.

If you are the buyer, you must provide funds that are immediately available on settlement.

If you are the seller, on the delivery date you must transfer the Number of Units that are due from you under the Carbon Forward into our holding account on the relevant emissions unit register, as advised to you by us. On the payment date, we will then deposit the amount we owe you in the bank account previously agreed with you. This must be a bank account with us or another member of the Westpac Group in New Zealand nominated by you, in your name and denominated in New Zealand dollars (NZD). Alternative arrangements can be made with our prior agreement.

If you have entered into more than one Carbon Forward with us and:

- payments in the same currency are due from each of us to the other on the same day; or
- carbon units of the same type and vintage (if any) are deliverable by each of us to the other on the same day,

then unless we agree otherwise, those payments or deliveries (as the case may be) will be made on a net basis. Where payments or deliveries are made on a net basis, whichever of you or us has the smaller obligation does not make a payment or delivery at all and the other with the greater obligation pays an amount of currency or delivers the number of carbon units equal to the difference between the two amounts owing or Number of Units to be delivered.

If you fail to deliver the Number of Units (if you are the seller) or make the required payment (if you are the buyer) when due under a Carbon Forward we may exercise our rights under the terms of your Confirmation (see section 2.16 (What about Confirmations?)), including rights of early termination. Further detail on these matters is set out in section 2.18 (Rights under a Confirmation to terminate a Carbon Forward).

2.5 Can I extend my settlement date?

At any time up to your settlement date, you may ask us to extend your settlement date.

We are entitled to choose whether or not to grant an extension of your settlement date. Extensions are not automatically agreed and will be subject to our credit approval process. We will only allow extensions for genuine commercial reasons and not for speculative purposes. Even where you have genuine commercial reasons to extend your settlement date, we may not always be willing to agree an extension. As part of the extension process we may ask you to sign additional documentation. As our settlement date is either after, or the same as, your settlement date we will also need to extend our settlement date.

If we agree terms to extend your settlement date we will need to agree with you an **extension adjustment**.

Our determination of the extension adjustment takes into account the same factors that impacted the Carbon Forward Price, as applied at the time you request the extension and having regard to the later settlement date.

For convenience, we will quote the extension adjustment as an adjustment to your existing Carbon Forward Price. This extension adjustment may be positive or negative. Where it is positive, it will be added to your existing Carbon Forward Price. Where it is negative, it will be subtracted from your existing Carbon Forward Price. In effect, you pay any cost of extending your Carbon Forward by accepting the extension adjustment quoted by us and making the required payment (if you are the buyer) or transferring the Number of Units (if you are the seller) at the amended Carbon Forward Price on your new settlement date. See Scenarios 2 and 5 in section 2.11 (Examples) below for examples of the extension process.

If you accept our quote to extend your settlement date of your Carbon Forward, we will send you a Confirmation which details the amendment.

2.6 Can I extend my settlement date for part of the Number of Units?

At any time up to your settlement date you may ask to extend your settlement date for only part of the original Number of Units. In this case, the partial amount will be treated as an extension as described in section 2.5 (Can I extend my settlement date?). If we agree to extend part of the original Number of Units, the balance of the original Number of Units will keep the original Carbon Forward Price and the original settlement dates.

If we agree terms to extend part of your Carbon Forward, we will send you a Confirmation which includes the amendment.

2.7 Can I shorten my settlement date?

At any time up to your settlement date, you may ask us to shorten the term of your Carbon Forward by changing your settlement date to an earlier date. This is called a pre-delivery.

We are entitled to choose whether or not to allow pre-delivery. Pre-delivery is not automatically agreed and will be subject to our credit approval process. We will only allow pre-delivery for genuine commercial reasons and not for speculative purposes. Even where you have genuine commercial reasons to shorten your settlement date, we may not always be willing to agree a pre-delivery. As part of the pre-delivery process we may ask you to sign additional documentation. As our settlement date is either after, or the same as, your settlement date we will also need to bring our settlement date forward.

If we agree terms to allow pre-delivery we will need to agree with you a pre-delivery adjustment. Our determination of the pre-delivery adjustment takes into account the same factors that impact the Carbon Forward Price, as applied at the time you request the pre-delivery and having regard to your earlier settlement date.

For convenience, we will quote the pre-delivery adjustment as an adjustment to your existing Carbon Forward Price. This pre-delivery adjustment may be positive or negative. Where it is positive, it will be added to your existing Carbon Forward Price. Where it is negative, it will be subtracted from your existing Carbon Forward Price. In effect, you pay any cost of pre-delivering your Carbon Forward by accepting the pre-delivery adjustment quoted by us and making the required payment (if you are the buyer) or transferring the Number of Units (if you are the seller) at the amended Carbon Forward Price on your new settlement date. See Scenarios 3 and 6 in section 2.11 (Examples) below for examples of the pre-delivery process.

If we agree terms to pre-deliver your Carbon Forward, we will send you a Confirmation which details the amendment.

2.8 Can I pre-deliver part of the Number of Units?

At any time up to your settlement date you may ask to pre-deliver only part of the original Number of Units. In this case, the partial amount will be treated as a pre-delivery, as described in section 2.7 (Can I shorten my settlement date?). If we agree to pre-delivery of part of the Number of Units, the balance of the original Number of Units will keep the original Carbon Forward Price and the original settlement dates. If we agree terms to pre-deliver part of your Carbon Forward, we will send you a Confirmation which includes the amendment.

Important

You should make your own assessment and obtain your own advice regarding the risks and costs of extending or pre-delivering your Carbon Forward.

2.9 Term

The term of a Carbon Forward is the period between the time you enter into the Carbon Forward and your settlement date. Carbon Forwards are available for terms of up to five years in length (although longer terms may be available on request) subject to the credit requirements set out in section 2.13 (Are there any Westpac credit requirements before dealing?). Requests for a term that is longer than five years will be subject to our credit approval process and may be subject to additional conditions.

The term of any Carbon Forward and any additional conditions will be agreed with you before the Carbon Forward is entered into.

2.10 What are the key benefits of a Carbon Forward?

Protection

A Carbon Forward can help provide you with protection against unfavourable movements in the market price of the relevant carbon unit for the Number of Units for the term of your Carbon Forward. This is because a Carbon Forward is able to provide you with certainty as to the price that you will buy or sell the Number of Units. This can assist you in managing your price exposure to the price of a specific type of carbon units. You gain the certainty that at your settlement date you will buy (if you are the buyer) or sell (if you are the seller) the Number of Units at the Carbon Forward Price.

Certainty

A Carbon Forward allows you to buy or sell (as applicable) the Number of Units at an agreed price on your settlement date. This may assist you in settling contractual obligations, as you will know in advance the Number of Units you will receive (if you are the buyer) or the amount you will receive (if you are the seller) under the Carbon Forward.

Tailored terms

Key variables, including your settlement date and the Number of Units can be tailored to meet your particular needs.

2.11 Examples

Each of the examples below provides an example of one situation only and uses rates and figures that we have selected to demonstrate how a Carbon Forward works. The examples do not reflect the specific circumstances or the obligations that may arise under a Carbon Forward you enter into with us. Depending

on the commercial terms we agree with you, each Carbon Forward we enter into with you may be different from the examples given and you may have different obligations.

In order to assess the merits of any particular Carbon Forward, you would need to use the actual rates and figures we quote to you at the time. Note that the calculations below do not take into account any tax consequences and may include rounding of decimal places.

Scenario 1 – Carbon Emitter - Buyer of carbon units - Settlement Date in Six Months

You are a New Zealand based industrial producer that needs to purchase 100,000 New Zealand carbon units (**NZUs**) in six months' time to satisfy your statutory obligation to surrender carbon units. Assume the present NZU spot carbon price is NZD 65.30 per NZU.

If I do nothing, what NZU price risks do I face?

If you do nothing, the amount of NZD you will pay when you buy the 100,000 NZUs in six months' time will depend on the NZU spot carbon price at that time.

If the NZU spot carbon price decreases, the 100,000 NZUs you require will cost you less than what they would cost you today. Assume the NZU spot carbon price in six months' time is NZD 60.30 per NZU, then you will need to pay:

	NZD 60.30
x	100,000 NZUs
<hr/>	
	NZD 6,030,000.00

If the NZU spot carbon price increases, the 100,000 NZUs you require will cost you more than what they would cost you today. Assume the NZU spot carbon price in six months' time is NZD 69.10 per NZU, then you will need to pay:

	NZD 69.10
x	100,000 NZUs
<hr/>	
	NZD 6,910,000.00

How can a Carbon Forward change this?

To protect yourself against the price of NZUs increasing, you can enter into a Carbon Forward today and fix the price for which you can purchase 100,000 NZUs in six months' time. Continuing with the above example, assume that based on the current NZU spot carbon price you enter into a Carbon Forward with a six month delivery date for 100,000 NZUs and a Carbon Forward Price of NZD 68.30 per NZU.

On the payment date, regardless of what the NZU spot carbon price is at that time, you must buy the full Number of Units from us, calculated using the Carbon Forward Price. You will pay:

	NZD 68.30
x	100,000 NZUs
<hr/>	
	NZD 6,830,000.00

We will then deliver 100,000 NZUs to you on the delivery date.

By entering into a Carbon Forward you have removed the uncertainty of NZU price fluctuations and obtained cash flow certainty by locking in the price that you will pay for the 100,000 NZUs. You have also obtained certainty that you will receive 100,000 NZUs on the delivery date, which you can use to satisfy your statutory

obligation to surrender carbon units. However, in exchange for this price protection and certainty you have also lost the opportunity to take advantage of any favourable NZU price movements.

Scenario 2 – Carbon Emitter - Buyer of carbon units - Extension

You are a New Zealand based industrial producer with a Carbon Forward in place to purchase 100,000 NZUs in one month's time at a Carbon Forward Price of NZD 69.00 per NZU. However, your emissions profile has recently changed and you now no longer need these carbon units until the following year.

Under the Carbon Forward you would be required to purchase the full Number of Units for an amount calculated using the Carbon Forward Price in one month's time. At that time you were due to pay:

	NZD 69.00
x	100,000 NZUs
	<hr/> NZD 6,900,000.00

However, given the change in your emissions profile, you want to delay the purchase for 12 months.

You contact us and request to have the original payment date extended for 12 months. After assessing your request we agree to the extension.

How does the extension work?

Based on your existing contract details and the same factors that impacted the original Carbon Forward Price for your Carbon Forward, we calculate the extension adjustment to be positive NZD 1.00 per NZU. If you accept this quote the details of your Carbon Forward will be amended accordingly and we will send you a Confirmation detailing the amended terms of your Carbon Forward, including a new Carbon Forward Price of NZD 70.00 per NZU. Your new Carbon Forward Price is calculated as follows:

Old Carbon Forward Price +/- extension adjustment = New Carbon Forward Price

in this case:

	NZD 69.00
plus	NZD 1.00
	<hr/> NZD 70.00

On the new payment date, regardless of the NZU spot carbon price at that time, you must buy 100,000 NZUs from us at the new Carbon Forward Price. You will pay:

	NZD 70.00
x	100,000 NZUs
	<hr/> NZD 7,000,000.00

We will then deliver 100,000 NZUs to you on the delivery date.

By extending the term of your Carbon Forward you have now aligned the delivery date with your requirements. Effectively, you have retained your NZU price protection and cash flow certainty for an additional year, as well as the certainty that you will receive the 100,000 NZUs you require to meet your statutory obligations in the following year. However, as with the original Carbon Forward, in exchange for removing the uncertainty of NZU price fluctuations and obtaining certainty you have also lost the opportunity to take advantage of any favourable NZU price movements.

Scenario 3 – Carbon Emitter - Buyer of carbon units – Pre-Delivery

You are a New Zealand based industrial producer with a Carbon Forward in place to purchase 100,000 NZUs in 12 months' time at a Carbon Forward Price of NZD 69.00 per NZU. Since entering into the Carbon Forward your emissions profile has changed and you need the NZUs in one month's time.

Under the Carbon Forward you are required to purchase the 100,000 NZUs at a Carbon Forward Price of NZD 69.00 per NZU in 12 months' time. At that time you were due to pay:

	NZD 69.00
x	100,000 NZUs
	<hr/> NZD 6,900,000.00

However, you now require the 100,000 NZUs in one month's time.

You contact us and request to have your original payment date brought forward 11 months. After assessing your request we agree to the pre-delivery.

How does pre-delivery work?

Based on your existing Carbon Forward details and the same factors that impacted the original Carbon Forward Price for your Carbon Forward we calculate the pre-delivery adjustment to be negative NZD1.00 per NZU.

If you accept this quote the details of your Carbon Forward will be amended accordingly and we will send you a Confirmation detailing the amended terms of your Carbon Forward, including a new Carbon Forward Price of NZD 68.00 per NZU. Your new Carbon Forward Price is calculated as follows:

Old Carbon Forward Price +/- pre-delivery adjustment = New Carbon Forward Price

in this case:

	NZD 69.00
less	NZD 1.00
	<hr/> NZD 68.00

On the new payment date, regardless of the NZU spot carbon price at that time, you must buy 100,000 NZUs from us at the new Carbon Forward Price. You will pay:

	NZD 68.00
x	100,000 NZUs
	<hr/> NZD 6,800,000.00

We will then deliver 100,000 NZUs to you on the new delivery date.

By shortening the term of your Carbon Forward you have now aligned the delivery date with your requirements. You have removed the uncertainty of NZU price fluctuations to the new payment date, obtained cash flow certainty and certainty that you will receive the 100,000 NZUs in order to meet your statutory obligations. However, as with the original Carbon Forward, in exchange for removing the uncertainty of NZU price fluctuations and obtaining certainty you have also lost the opportunity to take advantage of any favourable NZU price movements.

Scenario 4 – Forest Owner - Seller of carbon units – Settlement Date in Six Months

You are a New Zealand based forest owner looking to sell 100,000 NZUs in six months' time.

Assume the present NZU spot carbon price is NZD 68.50 per NZU.

If I do nothing, what NZU price risks do I face?

If you do nothing, the amount of NZD you will receive when you sell the 100,000 NZUs in six months' time will depend on the NZU spot carbon price at that time.

If the NZU spot carbon price decreases, you will receive less for the 100,000 NZUs than if you were to sell them today. Assume the NZU spot carbon price in six months' time is NZD 65.30 per NZU, then you will receive:

	NZD 65.30
x	100,000 NZUs
<hr/>	
	NZD 6,530,000.00

If the NZU spot carbon price increases, you will receive more for the 100,000 NZUs than if you were to sell them today. Assume the NZU spot carbon price in six months' time is NZD 69.50 per NZU, then you will receive:

	NZD 69.50
x	100,000 NZUs
<hr/>	
	NZD 6,950,000.00

How can a Carbon Forward change this?

To protect yourself against the price of NZUs decreasing, you can enter into a Carbon Forward today.

Continuing with the above example, assume that based on the current NZU spot carbon price you enter into a Carbon Forward with a six month delivery date for 100,000 NZUs and a Carbon Forward Price of NZD 69.00 per NZU.

On the delivery date, regardless of what the NZU spot carbon price is at that time, you must transfer the full Number of Units to us and on the payment date we will pay you an NZD amount, calculated using the Carbon Forward Price. You will receive:

	NZD 69.00
x	100,000 NZUs
<hr/>	
	NZD 6,900,000.00

By entering into a Carbon Forward you have removed the uncertainty of NZU price fluctuations and obtained cash flow certainty by locking in the price at which you will sell the 100,000 NZUs. However, in exchange for this price protection and cash flow certainty you have also lost the opportunity to take advantage of any favourable NZU price movements.

Scenario 5 – Forest Owner - Seller of carbon units – Extension

You are a New Zealand based forest owner with a Carbon Forward in place to sell 100,000 NZUs in one week's time at a Carbon Forward Price of NZD 69.00 per NZU. Due to a delay in timing of an allocation of NZUs you will not be able to sell the 100,000 NZUs until one month later than you had initially expected. You would like to extend your Carbon Forward for one month.

Under the Carbon Forward you will be required to sell the full Number of Units for an amount calculated using the Carbon Forward Price in one week's time. At that time you were due to receive:

	NZD 69.00
x	100,000 NZUs
	<hr/> NZD 6,900,000.00

You contact us and request to have your original delivery date extended for one month. After assessing your request we agree to the extension.

How does the extension work?

Based on your existing contract details and the same factors that impacted the original Carbon Forward Price for your Carbon Forward, we calculate the extension adjustment to be positive NZD 0.20 per NZU

If you accept this quote the details of your Carbon Forward will be amended accordingly and we will send you a Confirmation detailing the amended terms of your Carbon Forward, including a new Carbon Forward Price of NZD 69.20 per NZU. Your new Carbon Forward Price is calculated as follows:

Old Carbon Forward Price +/- extension adjustment = New Carbon Forward Price

in this case:

	NZD 69.00
plus	NZD 0.20
	<hr/> NZD 69.20

On the new delivery date, regardless of the NZU spot carbon price at that time, you must sell the 100,000 NZUs to us at the new Carbon Forward Price. On the new payment date you will then receive:

	NZD 69.20
x	100,000 NZUs
	<hr/> NZD 6,920,000.00

By extending the term of your Carbon Forward you have now aligned the delivery date with the date you will have NZUs available to sell. Effectively, you have retained your NZU price protection and cash flow certainty for an additional month. However, as with the original Carbon Forward, in exchange for removing the uncertainty of NZU price fluctuations and obtaining cash flow certainty you have also lost the opportunity to take advantage of any favourable NZU price movements.

Scenario 6 – Forest Owner - Seller of carbon units – Pre-Delivery

You are a New Zealand based forest owner with a Carbon Forward in place to sell 100,000 NZUs in three months' at a Carbon Forward Price of NZD 69.00 per NZU. Due to unexpected capital expenditure, you would like to sell the 100,000 NZUs in one month's time.

Under the Carbon Forward you are required to sell the 100,000 NZUs at a Carbon Forward Price of NZD 69.00 per NZU in three months' time. At that time you were due to receive:

	NZD 69.00
x	100,000 NZUs
	<hr/> NZD 6,900,000.00

You contact us and request to have your original delivery date brought forward two months. After assessing your request we agree to the pre-delivery.

How does pre-delivery work?

Based on your existing contract details and the same factors that impacted the original Carbon Forward Price for your Carbon Forward we calculate the pre-delivery adjustment to be negative NZD 0.20 per NZU.

If you accept this quote the details of your Carbon Forward will be amended accordingly and we will send you a Confirmation detailing the amended terms of your Carbon Forward, including a new Carbon Forward Price of NZD 68.80 per NZU. Your new Carbon Forward Price is calculated as follows:

Old Carbon Forward Price +/- pre-delivery adjustment = New Carbon Forward Price

in this case:

	NZD 69.00
less	NZD 0.20
	<hr/> NZD 68.80

On the new delivery date, regardless of the NZU spot carbon price at that time, you must sell the 100,000 NZUs to us at the new Carbon Forward Price. On the new payment date you will then receive:

	NZD 68.80
x	100,000 NZUs
	<hr/> NZD 6,880,000.00

By shortening the term of your Carbon Forward you have now aligned the delivery date with your requirements. You have removed the uncertainty of NZU price fluctuations to the new delivery date and obtained cash flow certainty. However, as with the original Carbon Forward, in exchange for removing the uncertainty of NZU price fluctuations and obtaining cash flow certainty you have also lost the opportunity to take advantage of any favourable NZU price movements.

2.12 What general terms apply to a Carbon Forward?

We will have provided you with a copy of our Derivatives General Terms and our standard form of **Carbon Confirmation**. The Derivatives General Terms and our standard form of Carbon Confirmation apply to Carbon Forward transactions between us. You agree to the Derivatives General Terms and our form of Carbon Confirmation by entering into pricing discussions with us for a Carbon Forward. You may also be asked to communicate your agreement to our form of Carbon Confirmation and the Derivatives General Terms to us in other ways, such as in writing. Copies of our Derivatives General Terms and our standard form of Carbon Confirmation are available on the offer register at disclose-register.companiesoffice.govt.nz and on request (our contact details are set out in section 6 (About Westpac)).

Important

We strongly recommend that you fully consider the Derivatives General Terms and our standard form of Carbon Confirmation before deciding whether to enter into pricing discussions with us for a Carbon Forward. This is because you are agreeing to our Derivatives General Terms and our standard form of Carbon Confirmation by entering into pricing discussions with us. You should obtain independent advice if you do not understand any aspect of the Derivatives General Terms, our standard form of Carbon Confirmation or any other documents that are provided to you to sign.

2.13 Are there any Westpac credit requirements before dealing?

Before entering into a Carbon Forward, we will assess your financial position to determine whether or not you satisfy our credit requirements and we will advise you of the outcome as soon as possible.

If your application is successful, depending on our assessment of your creditworthiness, we may ask you to complete additional documentation. We will tell you if any further documentation is required at that time.

2.14 Client agreement

Our Derivatives General Terms, together with our standard form of Carbon Confirmation form your client agreement. Your client agreement sets out terms and conditions that apply to Carbon Forward transactions between us.

The commercial terms agreed in relation to any specific Carbon Forward will be contained in a Confirmation - see section 2.16 (What about Confirmations?) for more information.

2.15 Email, facsimile and telephone indemnity

If you want to provide us with email, facsimile or telephone instructions in relation to Carbon Forwards, we may require you to complete an indemnity form. The purpose of this indemnity is to protect us against the consequences of acting on instructions which may not represent your genuine wishes, but which appear to us to be genuine.

2.16 What about Confirmations?

The commercial terms of a particular Carbon Forward will be agreed before you enter into the Carbon Forward. This may occur during a telephone call or by email. Once we reach an agreement with you, both parties are bound by the terms of the Carbon Forward.

Shortly after entering into a Carbon Forward, we will send you a Confirmation based on our standard form of Carbon Confirmation outlining the commercial terms of your Carbon Forward that were agreed between us. In most cases you will need to sign this Confirmation and return it to us. This Confirmation evidences the Carbon Forward that we entered into with you.

It is extremely important that you check your Confirmation to make sure that it accurately records the commercial terms of your Carbon Forward. If there is a discrepancy between your understanding and the Confirmation, or you do not receive a Confirmation from us, please contact your Westpac financial markets dealer as a matter of urgency.

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 or for staff monitoring purposes.

2.17 Rights to alter terms of a Carbon Forward

Westpac has certain rights to alter the Derivatives General Terms without your consent. However, the terms and conditions applying to a particular Carbon Forward can only be altered if we both agree, including an extension or pre-delivery of a Carbon Forward (see sections 2.5 (Can I extend my settlement date?) to 2.8 (Can I pre-deliver part of the Number of Units?)).

2.18 Rights under a Confirmation to terminate a Carbon Forward

Your Confirmation will document the situations where a Carbon Forward can be terminated and the way the amount to be paid following termination is calculated. We both have the right to terminate a particular

Carbon Forward if certain specified termination events occur. The termination events in our standard form of Carbon Confirmation include:

- either you or Westpac fails to make a payment or delivery under the Carbon Forward;
- either you or Westpac breaches any other obligation in relation to the Carbon Forward;
- either you or Westpac becomes insolvent;
- your indebtedness to anyone is not paid when due or becomes due or capable of being declared due and payable before its stated maturity (subject to any applicable thresholds set out in our standard form of Carbon Confirmation or as otherwise notified to you before you enter into your Carbon Forward);
- a representation made by either you or Westpac to the other in connection with the Carbon Forward is not correct or is misleading in any material respect;
- an event or circumstance occurs that is beyond either your or Westpac's control that makes it impossible, impracticable or illegal for either you or Westpac to comply with your or our respective obligations under the agreement; and
- the relevant emissions transfer scheme is abandoned including due to the repeal of the applicable legislation or the termination of the scheme, so that carbon units cannot be transferred under the scheme.

In addition to the standard termination events, your Confirmation may include additional termination events agreed between you and Westpac.

This is only a summary of the termination events provided for in our standard form of Carbon Confirmation. Our standard form of Carbon Confirmation sets out further details of the termination events and the consequences of those events. You should ensure you understand what termination events will apply to your Carbon Forward and the consequences of those events.

If at any time you experience any financial difficulty or are concerned that you may not be able to meet your obligations under a Carbon Forward, please let us know. Our contact details are provided in section 6 (About Westpac).

2.19 What happens if I ask Westpac to terminate a Carbon Forward early?

You may ask us to terminate a Carbon Forward at any time up to your settlement date. We will provide you with a termination quote. There may be a cost or gain to you as a result of a Carbon Forward being terminated early. If there is a cost to you for terminating the Carbon Forward, it may be significant. If you accept the termination quote and pay any applicable cost, we will terminate your Carbon Forward. If there is a gain as a result of the Carbon Forward being terminated early, we will pay you any applicable gain following termination of the Carbon Forward.

In section 4 (Fees), we describe how Westpac receives a financial benefit from entering into a Carbon Forward. Our quote to terminate a Carbon Forward will incorporate the same variables we used when pricing the original Carbon Forward (see section 2.3 (How do we set the Carbon Forward Price?)). These variables will be adjusted for the then current market prices for the remaining term of that Carbon Forward.

We will also consider the cost, or gain, to us of reversing or offsetting your original transaction and any loss of profit. When doing this, we take into account the current market prices that apply to any such offsetting transactions. (An offsetting transaction is a transaction that has the opposite payment obligations to an existing transaction and has the economic effect of cancelling the existing transaction.)

2.20 How much could be payable if the Carbon Forward terminates for another reason?

If a Carbon Forward is terminated early other than due to your request, a default by Westpac or the abandonment of the relevant emission transfer scheme, we will determine the mark-to-market value of that Carbon Forward. The “mark-to-market value” is what we consider to be the current value of the Carbon Forward having regard to what we would need to pay a third party in order for the third party to take over your rights and obligations under the Carbon Forward, or what a third party would pay us to take over those rights and obligations. If we are “out-of-money” based on the mark-to-market value (that is, we would need to pay a third party to take over your rights and obligations under the Carbon Forward), you must pay us an amount equal to the mark-to-market value of the Carbon Forward. Alternatively, if a third party would pay us to take over your rights and obligations under the Carbon Forward, we must pay you an amount equal to the mark-to-market value of the Carbon Forward.

If the Carbon Forward is terminated as the result of the abandonment of the scheme, neither of us have any further obligations under the Carbon Forward. Any amounts that have been paid in relation to the Carbon Forward must be refunded (other than to the extent the amount relates to carbon units that have been delivered).

You should refer to the form of Carbon Confirmation in your client agreement described above in section 2.14 (Client agreement) for full details on amounts that may be payable on early termination, including how the mark-to-market value is determined.

3. Risks of these derivatives

3.1 Product risks

Opportunity cost

By entering into a Carbon Forward you will forgo any benefit of a favourable movement in the price of the particular type of carbon units between the time you enter into the Carbon Forward and your settlement date. The Carbon Forward Price you receive under a Carbon Forward may not be as favourable as the price you could have paid to buy, or received to sell, the Number of Units if you had not entered into a Carbon Forward at all.

Variation / early termination

Termination or variations of your Carbon Forward may result in a cost to you. Those costs may be significant. See sections 2.5 (Can I extend my settlement date?), 2.6 (Can I extend my settlement date for part of the Number of Units?), 2.7 (Can I shorten my settlement date?), 2.8 (Can I pre-deliver part of the Number of Units?), 2.17 (Rights to alter terms of a Carbon Forward), 2.19 (What happens if I ask Westpac to terminate a Carbon Forward early?) and, where an extension adjustment or pre-delivery adjustment is determined as a result of our agreeing to an extension or pre-delivery of a Carbon Forward, section 4 (Fees) for more information.

No cooling-off period

There is no cooling-off period. This means that, except in certain circumstances, once you enter into a Carbon Forward, you cannot terminate or vary the Carbon Forward without our consent even if you no longer need the Carbon Forward or have changed your mind about the Carbon Forward. Variations and/or termination may result in a cost to you. Any costs may be significant. See sections 2.5 (Can I extend my

settlement date?), 2.6 (Can I extend my settlement date for part of the Number of Units?), 2.7 (Can I shorten my settlement date?), 2.8 (Can I pre-deliver part of the Number of Units?), 2.17 (Rights to alter terms of a Carbon Forward), 2.19 (What happens if I ask Westpac to terminate a Carbon Forward early?) and, where an extension adjustment or pre-delivery adjustment is determined as a result of our agreeing to an extension or pre-delivery of a Carbon Forward, 4 (Fees) for more information.

Breach of obligations

Failure to make any payment (if you are the buyer), or deliver the Number of Units (if you are the seller), to us under your Carbon Forward will be a breach of the terms of your Confirmation. If you do not comply with your payment or delivery obligation or any other obligation under your Carbon Forward, we may choose to exercise our right to terminate your Confirmation. This may result in a cost to you, which may be significant. See sections 2.18 (Rights under a Confirmation to terminate a Carbon Forward) and 2.20 (How much could be payable if the Carbon Forward terminates for another reason?) for more information on the costs that arise in the event that a Carbon Forward is terminated early, other than as a result of a request by you.

3.2 Issuer risks

Westpac's creditworthiness

When you enter into a Carbon Forward, you are exposed to the risk that we become insolvent and are unable to meet our obligations under the Carbon Forward.

As is the case with most financial markets products we enter into, we have performance obligations under a Carbon Forward. If we are unable to perform our obligations under your Carbon Forward, you will be exposed to carbon unit price fluctuations as if you had not entered into a Carbon Forward.

Our ability to fulfil our obligations is linked to our financial wellbeing. This is commonly referred to as credit or counterparty risk.

You must make your own assessment of our ability to meet our obligations. However, as an "authorised deposit-taking institution" in Australia and a registered bank in New Zealand, we are subject to prudential regulation which is intended to reduce the risk of us failing to perform our obligations.

In order to assist your assessment of Westpac's creditworthiness you should refer to the disclosure statements we are required to prepare under the Banking (Prudential Supervision) Act 1989 and Westpac's annual reports. These disclosure statements and annual reports are available here: westpac.co.nz/about-us/legal-information-privacy/disclosure-statements.

The disclosure statements prepared under the Banking (Prudential Supervision) Act 1989 relate primarily to Westpac's operations in New Zealand. Westpac's annual reports relate to Westpac's operations worldwide.

Credit Ratings

Westpac Banking Corporation has the following credit ratings with respect to its long-term senior unsecured obligations:

S&P Global Ratings Australia Pty Ltd	AA-, Outlook Stable
Fitch Ratings Inc.	AA-, Outlook Stable
Moody's Investors Service Pty Limited	Aa2, Outlook Stable

In addition, Moody's Investors Service Pty Limited provides a local currency and foreign currency long-term counterparty risk rating (**CRR**). This is an opinion on the ability of Westpac Banking Corporation to honour the uncollateralised portion of non-debt counterparty financial liabilities (such as the uncollateralised portion of financial liabilities arising from derivatives) and also reflects the expected financial losses in the event such liabilities are not honoured.

The CRR is intended to be distinct from the ratings assigned to long-term senior unsecured obligations.

Westpac Banking Corporation's CRR is Aa1, no Outlook provided.

The following is a summary of the major rating categories available, and Westpac's placement within those rating categories for its long-term senior unsecured obligations and its CRR.

S&P	AAA	AA	A	BBB	BB	B	CCC	CC to C	D
Fitch	AAA	AA	A	BBB	BB	B	CCC	CC to C	RD & D
Moody's	Aaa	Aa	A	Baa	Ba	B	Caa	Ca to C *	-
Description of the issuer's capacity to meet its financial commitments**	Extremely strong	Very strong	Strong	Adequate	Less vulnerable	More vulnerable	Currently vulnerable	Currently highly vulnerable	In default
Default probability***	1 in 600	1 in 300	1 in 150	1 in 30	1 in 10	1 in 5	1 in 2		



Westpac's credit ratings in relation to its long-term senior unsecured obligations are:

AA-	(S&P)
AA-	(Fitch)
Aa2	(Moody's)

The S&P, Fitch and Moody's ratings are "Outlook Stable".

Westpac's CRR from Moody's is Aa1, no "Outlook".

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

** Summary description of S&P ratings.

*** The approximate median likelihood that an investor will not receive repayment on a five-year investment on time and in full based upon historical default rates published by each agency, as at 2008 (source: Reserve Bank of New Zealand publication "Explaining Credit Ratings", dated November 2008).

S&P ratings from "AA" to "CCC" and Fitch ratings from "AA" to "B" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. Moody's adds numerical modifiers 1, 2 and 3 to each generic rating classification from "Aa" to "Caa". A "1" indicates that the obligation ranks in the higher end of the rating category; a "2" indicates a mid-range ranking; and a "3" indicates a ranking in the lower end of that rating category. Ratings may also be subject to positive, negative or stable outlooks.

A credit rating is an independent opinion of the capability and willingness of an entity to meet its financial obligations (in other words, its creditworthiness). It is not a guarantee that the issuer will be able to meet its obligations under derivatives.

3.3 Risks when entering or settling the derivatives

We use internal and external systems and services to provide Carbon Forwards to you. Unexpected underperformance of an email, facsimile, telephone service, computer system or the relevant emissions unit register may result in a delay or failure to either enter into or settle a Carbon Forward as intended. In particular, if you are entering into a Carbon Forward by email, technology issues may delay the receipt of emails between us. This unexpected under performance may mean that a Carbon Forward is not entered into when you intended (meaning, for example, you may not be able to enter into a Carbon Forward at the Carbon Forward Price that you had wanted) or that you do not receive a payment from us (if you are the seller) or the Number of Units from us (if you are the buyer) on our settlement date.

Pricing we offer you in an email for a particular Carbon Forward is indicative only. This means that you may not be able to enter into a Carbon Forward at the Carbon Forward Price referred to in our email.

4. Fees

4.1 What fees or charges apply?

There are usually no upfront costs with a Carbon Forward. We derive a financial benefit from Carbon Forwards by incorporating our profit margin into the Carbon Forward Price. In effect, you pay for the Carbon Forward by accepting the Carbon Forward Price quoted by us and making the required payment (if you are the buyer) or transferring the Number of Units (if you are the seller). The Carbon Forward Price is determined on an individual basis for each Carbon Forward and will be agreed with you before you enter into the particular Carbon Forward. The factors that are relevant to determining the Carbon Forward Price (including our profit margin), and the impact of each of those factors on the cost of acquiring a Carbon Forward, are explained in section 2.3 (How do we set the Carbon Forward Price?).

We also take these factors into account when setting the extension adjustment and the pre-delivery adjustment if you ask us to alter the term of your Carbon Forward. See sections 2.5 (Can I extend my settlement date?) and 2.7 (Can I shorten my settlement date?) for more information. These factors will have the same impact on our determination of the extension adjustment and the pre-delivery adjustment as they do on the Carbon Forward Price.

5. How Westpac treats funds and property received from you

5.1 Our processes for receiving payments and carbon units from you

If you are the buyer under a Carbon Forward, NZD amounts due to us in respect of a Carbon Forward can be paid in several ways, such as by making a direct debit payment or payment through another electronic delivery mechanism operated by a member of the Westpac Group in New Zealand. If you are the seller under a Carbon Forward, the Number of Units must be transferred to our holding account on the relevant emissions unit register.

Please contact your usual Westpac financial markets dealer for more information.

5.2 Amounts and carbon units received from you

Amounts paid, or carbon units transferred, to us in satisfaction of your obligations under a Carbon Forward become our property on payment or transfer.

In general, there is no requirement for you to deliver any form of cash collateral or other security in support of the Carbon Forward. However, in certain circumstances we may require you to enter into such arrangements as a condition of your credit approval. If you enter into any such arrangement with us and are required to provide us with cash collateral under that arrangement, that cash collateral you provide will become our property. However, we will have a contractual obligation to deliver an equivalent amount of cash to you when the cash collateral is no longer required under the terms of the collateral arrangement.

6. About Westpac

Westpac is incorporated in Australia. Westpac is an “authorised deposit-taking institution” in Australia and is a registered bank in New Zealand under the Banking (Prudential Supervision) Act 1989. Westpac operates in New Zealand through its New Zealand branch and among other things provides financial markets products and services to customers of the Westpac Group in New Zealand.

Westpac is located at:

Westpac on Takutai Square
Level 8
16 Takutai Square
Auckland 1010

Any enquiries about Carbon Forwards can be made to your Westpac financial markets dealer or by contacting us during normal business hours on:

0800 659 307

or in writing to:

PO Box 934
Auckland 1140

or to our Takutai Square address set out above.

7. How to complain

Sometimes you may want to talk about problems you are having with us or a Carbon Forward. Fixing these problems is very important to us.

We have put in place processes to deal 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 so please contact your usual Westpac financial markets dealer in the first instance. Alternatively, you can write to us at:

Attention: Chief Operating Officer, Westpac Banking Corporation – New Zealand Branch
PO Box 934
Auckland 1140

or at:

Attention: Chief Operating Officer, Westpac Banking Corporation – New Zealand Branch
Westpac on Takutai Square
Level 8
16 Takutai Square
Auckland 1010

or call:

0800 659 307

We subscribe to the New Zealand Banking Association Code of Banking Practice, which sets out the minimum standards for resolving complaints.

What to do if you are still unhappy

If we are not able to deal with your issues to your satisfaction, you may contact our external dispute resolution provider, the Office of the Banking Ombudsman. The Office of the Banking Ombudsman is an approved dispute resolution scheme and may be able to consider your complaint. The Office of the Banking Ombudsman may be contacted by writing to:

Freepost 218002
PO Box 25327
Wellington 6140

by calling:

0800 805 950

or by email:

help@bankomb.org.nz

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

8. Where you can find more information

Further information about us and Carbon Forwards is available from the offer register. The offer register can be accessed at: **disclose-register.companiesoffice.govt.nz**

A copy of information on the offer register is available on request from the Registrar of Financial Service Providers.

Other information about Westpac's financial markets services in New Zealand is available (free of charge) at: **westpac.co.nz/wib/financial-markets**

Westpac is a listed issuer in both Australia and New Zealand and is subject to regular reporting and disclosure obligations under the listing rules of the Australian Securities Exchange (**ASX**) and NZX Limited (**NZX**). Copies of documents lodged by Westpac with ASX or NZX can be obtained (free of charge) from the section on Westpac on the ASX and NZX websites.

9. How to enter into client agreement

Before you can enter into a Carbon Forward, you must enter into a client agreement with us. More information about our forms of client agreement and the process that must be completed before you enter into a client agreement is set out in sections 2.12 (What general terms apply to a Carbon Forward?) to 2.15 (Email, facsimile and telephone indemnity)

To start the process of entering into a client agreement, please contact your Westpac financial markets dealer.

10. General information

10.1 Additional important information about this PDS

If you decide to enter into a Carbon Forward, you should keep a copy of this PDS and any associated documentation.

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

10.2 New Zealand investors

Only investors in New Zealand are invited to apply for a Carbon Forward. If you are not in New Zealand, Westpac is not inviting you to apply for a Carbon Forward under this PDS.

Supply of this PDS does not create a “regulated offer” for the purposes of the Financial Markets Conduct Act 2013. Whether or not an offer is a “regulated offer” depends on your investor status under the Financial Markets Conduct Act 2013.

10.3 Taxation

Taxation law is complex and may have significant consequences for investments. If you have any queries on the tax consequences of entering into a Carbon Forward, you should obtain professional advice on those consequences. Westpac is not responsible or liable for any such consequences.

10.4 Changes to this PDS

Information in this PDS may change over time. The PDS will not necessarily be updated and/or resent to you. Please refer to the offer register disclose-register.companiesoffice.govt.nz for the latest information.

11. Glossary

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

buyer	Whoever of you or us that is buying the carbon units under the Carbon Forward.
Carbon Forward	A Carbon Forward Contract, being the product that is the subject of this PDS.
Carbon Forward Price	The agreed price per carbon unit at which the Number of Units will be sold by the seller to the buyer under a Carbon Forward.
Carbon Confirmation	A document entitled “Confirmation: Westpac Spot and Forward Carbon Transactions” which sets out the standard terms of a Carbon Forward.
carbon unit	A unit of carbon dioxide equivalent that is capable of being traded under an emissions trading scheme.
client agreement	The agreement between us relating to the issue of a Carbon Forward by us to you. The terms of this agreement are our Derivatives General Terms and our standard form Carbon Confirmation.
Confirmation	The Carbon Confirmation for a particular Carbon Forward, which includes the commercial terms of that Carbon Forward, such as whether you are the buyer or the seller, the Number of Units, the type of carbon units you are buying or selling, the Carbon Forward Price, the payment date and the delivery date.
delivery date	The date on which the seller must transfer the Number of Units to the buyer.
Derivatives General Terms	The general terms applying to derivatives issued by Westpac, an additional copy of which can be obtained from the offer register: <u>disclose-register.companiesoffice.govt.nz</u> or on request from Westpac.
extension adjustment	An amount determined by us which is applied to adjust your existing Carbon Forward Price if we agree to your request to extend your settlement date. The extension adjustment may be positive or negative. Where it is positive, it will be added to your existing Carbon Forward Price. Where it is negative, it will be subtracted from your existing Carbon Forward Price.
Number of Units	The agreed amount of a specific type of carbon units to be sold by the seller to the buyer under a Carbon Forward.
NZD	New Zealand dollars.
NZU	A New Zealand carbon unit.

our settlement date	The payment date (if we are the buyer) or the delivery date (if we are the seller).
payment date	The date on which the buyer must pay the seller for the Number of Units, calculated using the Carbon Forward Price.
PDS	This product disclosure statement.
pre-deliver and pre-delivery	pre-deliver and pre-delivery will occur if we agree to shorten the term of your Carbon Forward by changing your settlement date to an earlier date.
pre-delivery adjustment	An amount determined by us which is applied to adjust your existing Carbon Forward Price if we agree to your request to pre-deliver your Carbon Forward. The pre-delivery adjustment may be positive or negative. Where it is positive, it will be added to your existing Carbon Forward Price. Where it is negative, it will be subtracted from your existing Carbon Forward Price.
seller	Whoever of you or us that is selling the carbon units under the Carbon Forward.
spot carbon price	The price at which we are willing to buy or sell the relevant type of carbon units for settlement within two business days.
Westpac, we, our or us	(unless the context requires otherwise) Westpac Banking Corporation, incorporated in Australia (ABN 33 007 457 141).
Westpac Group	Westpac Banking Corporation and its subsidiaries.
You, your	The customer receiving this PDS.
your settlement date	The payment date (if you are the buyer) or the delivery date (if you are the seller).

