

# WNZL 2024 Perpetual Preference Share Terms

## WNZL Perpetual Preference Share Terms

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### 1 Form and Issue Price

#### 1.1 Form

The PPS:

- (a) are perpetual preference shares of WNZL;
- (b) are unsecured;
- (c) are constituted by the Constitution and these Terms; and
- (d) take the form of entries in the Register.

#### 1.2 Issue Price

Each PPS is issued fully paid at an issue price of NZ\$1.

#### 1.3 No certificates

No certificate or other evidence of title will be issued by or on behalf of WNZL to evidence title to PPS unless WNZL determines that certificates should be made available or it is required to do so pursuant to any applicable law.

#### 1.4 Quotation

WNZL must use all reasonable endeavours to procure that the PPS will be quoted on the NZX Debt Market.

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## 2 Ranking on Liquidation

### 2.1 Ranking

- (a) Holders do not have any right to prove in a Liquidation in respect of PPS, except as permitted under clause 2.1(b).
- (b) In a Liquidation, each PPS confers upon the Holder, in the distribution of surplus assets of WNZL, the right to payment of the Liquidation Sum that ranks:
  - (i) ahead of the rights of holders of Ordinary Shares;
  - (ii) equally with the right conferred by each other PPS on each relevant Holder and the rights or claims of holders of all other Equal Ranking Capital Securities; and
  - (iii) behind the claims of all Senior Creditors.

The PPS are perpetual and these Terms do not include events of default or any other provisions entitling the Holders to require that the PPS be Redeemed. Holders do not have any right to apply for a Liquidation or administration of WNZL or any other member of the WNZL Group, or to cause a receiver, or receiver and manager, to be appointed in respect of WNZL or any other member of the WNZL Group, on the grounds of WNZL's failure or potential failure to pay Distributions or for any other reason in connection with WNZL's compliance with these Terms.

## 2.2 No Acceleration

Under no circumstances may a Holder seek to have any obligations of WNZL under the PPS accelerated.

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## 3 Distributions

### 3.1 Distributions

- (a) Subject to these Terms, each PPS entitles the Holder to receive a cash distribution (**Distribution**) payable in arrear on each Distribution Payment Date in an amount determined in accordance with clause 3.4 (*Calculation of Distributions*) and 3.6 (*Adjustment to calculation of Distributions if not Fully Credited*).
- (b) Payment of the Distribution on each PPS is subject to clauses 3.7 (*Distribution payments are discretionary and conditional*), 3.8 (*Distributions are non-cumulative*) and 6 (*Payments*).

### 3.2 Distribution Rate determination

- (a) The rate (expressed as a percentage per annum) to be used for calculating Distributions in accordance with clause 3.4(a) or (b) (*Calculation of Distributions*) for each Distribution Payment Date on or before the First Optional Redemption Date is the rate calculated according to the following formula:

$$\text{Distribution Rate} = (\text{Swap Rate} + \text{Margin})$$

- (b) The rate (expressed as a percentage per annum) to be used for calculating Distributions in accordance with clause 3.4(c) (*Calculation of Distributions*) for each Distribution Payment Date after the First Optional Redemption Date is the rate calculated according to the following formula:

$$\text{Distribution Rate} = (\text{Base Rate} + \text{Margin}),$$

provided that, if the rate determined in accordance with this clause 3.2(b) is less than 0% per annum, the Distribution Rate will be deemed to be 0% per annum.

- (c) In these Terms:

**3 Month Bank Bill Rate**, for a Distribution Payment Date, means:

- (i) the FRA rate administered by the New Zealand Financial Benchmark Facility (**NZFBF**) (or any other person that takes over the administration of that rate) for bank bills having a term of, or of about, 3 months as displayed at or about 10.45am or such later time as WNZL may determine on the preceding Scheduled Distribution Payment Date on Bloomberg BKBM page 'GDCO 2805' (or any successor page); or
- (ii) if that rate is not displayed by 10.45am or such later time as WNZL may determine on that date (other than on account of a BKBM Disruption Event), the equivalent rate provided by the NZFBF (or any person that takes over the administration of that rate) at or around that time on that date,

in each case expressed as a percentage per annum and rounded, if necessary, to the nearest 4 decimal places with 0.00005% being rounded up.

**Alternative Reference Rate**, for a Distribution Payment Date, means the rate determined by WNZL at or about 10.45am or such other time as is customary for determining the rate on the preceding Scheduled Distribution Payment Date as a rate that is generally accepted in the market for bank securities denominated in NZ dollars with an interest period of, or of about, 3 months, or if WNZL is not able, after making reasonable efforts, to ascertain such rate, or there is no such rate:

- (i) a reference rate that is, in WNZL's opinion, appropriate to bank securities denominated in NZ dollars with an interest period of, or of about, 3 months; or
- (ii) such other reference rate as WNZL considers appropriate having regard to available comparable indices,

in each case expressed as a percentage per annum and rounded, if necessary, to the nearest 4 decimal places with 0.00005% being rounded up.

**Base Rate** means:

- (i) the 3 Month Bank Bill Rate; or
- (ii) if a BKBM Disruption Event occurs, the Alternative Reference Rate.

**BKBM Disruption Event** means a determination by WNZL that the rate referred to in paragraph (i) of the definition of 3 Month Bank Bill Rate has become unavailable.

**Margin** means the rate (expressed as a percentage per annum) determined by WNZL in consultation with the Managers through the Bookbuild and announced by WNZL via NZX on or about the Rate Set Date.

**Swap Rate** means:

- (i) the mid-market rate for an interest rate swap with a term of 5 years commencing on the Issue Date, as determined by WNZL, according to market convention, with reference to Bloomberg page 'ICNZ4' (or any successor page) on the Rate Set Date; or
- (ii) if a rate is unable to be determined in accordance with paragraph (i) above, or if WNZL forms a view, on reasonable grounds, that the rate so determined is not an accurate reflection of market rates, the average of the mean bid and offered swap rates quoted by each of 3 leading banks (or such 1 or more of them as are quoting) selected by WNZL on the Rate Set Date for an interest rate swap with a term of 5 years commencing on the Issue Date,

in each case expressed as a percentage per annum, adjusted for quarterly payments and rounded, if necessary, to the nearest 2 decimal places with 0.005% being rounded up.

### 3.3 BKBM Disruption Event

If a BKBM Disruption Event occurs, WNZL:

- (a) will use as the Base Rate such Alternative Reference Rate as it may determine in accordance with these Terms;
- (b) will make such adjustments to these Terms as it determines are reasonably necessary to calculate Distributions in accordance with such Alternative Reference Rate;
- (c) in making the determinations under paragraphs (a) and (b) above:

- (i) will act in good faith and in a commercially reasonable manner;
  - (ii) may consult with such sources of market practice as it considers appropriate;
  - (iii) will have regard to the applicable eligibility criteria for Additional Tier 1 Capital; and
  - (iv) may otherwise make such determination in its discretion; and
- (d) will notify Holders, the Registry and the RBNZ of its decision to use an Alternative Reference Rate at least 5 Business Days prior to the first Scheduled Distribution Payment Date on which the Alternative Reference Rate is to be determined.

### 3.4 Calculation of Distributions

- (a) The Distribution payable on each PPS on each Scheduled Distribution Payment Date on or before the First Optional Redemption Date and on the Redemption Date (if it falls on a date on or before the First Optional Redemption Date that is a Scheduled Distribution Payment Date) is calculated according to the following formula:

$$\text{Distribution payable} = \frac{\text{Distribution Rate} \times (1 - \text{Tax Rate}) \times \text{Issue Price}}{4}$$

- (b) The Distribution payable on each PPS on the Redemption Date (if it falls on a date before the First Optional Redemption Date that is not a Scheduled Distribution Payment Date) is calculated according to the following formula:

$$\text{Distribution payable} = \frac{\text{Distribution Rate} \times (1 - \text{Tax Rate}) \times \text{Issue Price}}{4} \times \frac{A}{B}$$

- (c) The Distribution payable on each PPS on each Distribution Payment Date after the First Optional Redemption Date and on the Redemption Date (if it falls on a date after the First Optional Redemption Date) is calculated in accordance with the following formula:

$$\text{Distribution payable} = \frac{\text{Distribution Rate} \times (1 - \text{Tax Rate}) \times \text{Issue Price} \times A}{365}$$

where the Distribution Rate is expressed as a decimal and:

"A" means, in respect of a Distribution Payment Date, the number of days from (and including) the preceding Distribution Payment Date (or the Issue Date in the case of the first Distribution Payment Date) to (but excluding) the Distribution Payment Date;

"B" means, in respect of a Distribution Payment Date, the number of days from (and including) the preceding Scheduled Distribution Payment Date (or the Issue Date in the case of the first Distribution Payment Date) to (but excluding) the date that would have been the next Scheduled Distribution Payment Date had the PPS not been Redeemed; and

"Tax Rate" means the New Zealand tax rate used for calculating the maximum Imputation Ratio permitted by law at which Imputation Credits may be attached to the Distribution (expressed as a decimal).

### 3.5 Distributions to be Fully Credited

Subject to clause 3.6 (*Adjustment to calculation of Distributions if not Fully Credited*), WNZL shall attach Imputation Credits to each Distribution at the rate necessary for the Distribution to be Fully Credited.

### 3.6 Adjustment to calculation of Distributions if not Fully Credited

If any Distribution is not Fully Credited in accordance with clause 3.5 (*Distributions to be Fully Credited*), the Distribution will be increased by an amount in NZ dollars equal to the shortfall in Imputation Credits which would otherwise have been attached to the Distribution had the Distribution been Fully Credited.

### 3.7 Distribution payments are discretionary and conditional

- (a) WNZL has full discretion at all times to cancel Distributions on the PPS.
- (b) In addition, the payment of a Distribution on a Distribution Payment Date is subject to:
  - (i) the payment of the Distribution not resulting in a breach of the Conditions of Registration at the time of the payment; and
  - (ii) WNZL being Solvent on the Distribution Payment Date and remaining Solvent immediately after such payment is made.
- (c) WNZL must notify Holders as soon as reasonably practicable if payment of any Distribution will not be made because of this clause.

### 3.8 Distributions are non-cumulative

- (a) Distributions are non-cumulative. If payment of any Distribution is not made for any reason, WNZL has no liability to pay that unpaid Distribution to the Holder and the Holder has no:
  - (i) claim or entitlement (including, without limitation, on a Liquidation); or
  - (ii) right to apply for Liquidation,
 in respect of such non-payment.
- (b) No interest accrues on any unpaid Distributions.
- (c) Non-payment of a Distribution for any reason does not constitute an event of default.

### 3.9 Distribution Payment Dates

- (a) Distributions in respect of each PPS are payable on:
  - (i) each date that is the numerically corresponding date to the Issue Date and which falls at quarterly intervals from the Issue Date until (but excluding) the Redemption Date (each a **Scheduled Distribution Payment Date**); and
  - (ii) the Redemption Date,
 (each a **Distribution Payment Date**).
- (b) If a Distribution Payment Date after the First Optional Redemption Date is not a Business Day, the Distribution Payment Date will be the next Business Day unless that day falls in

the next calendar month, in which case it will be the preceding Business Day, and, in either case, the amount of the Distribution paid will be adjusted to reflect the actual payment date.

### **3.10 Record Dates**

Distributions are only payable on a Distribution Payment Date to those persons registered as Holders on the Record Date for that Distribution Payment Date.

### **3.11 Restrictions in the case of non-payment of Distributions**

If for any reason a Distribution has not been paid in full on the relevant Distribution Payment Date, WNZL must not:

- (a) authorise or pay any Dividends; or
- (b) undertake any discretionary Buy Back or Capital Reduction,

unless and until:

- (c) the amount of the unpaid Distribution is paid in full within 20 Business Days of that Distribution Payment Date;
- (d) the PPS have been Redeemed; or
- (e) a Distribution is paid in full on a subsequent Distribution Payment Date.

### **3.12 Notification**

- (a) WNZL must determine the Distribution Rate for each Distribution Payment Date on or before the First Optional Redemption Date in accordance with clause 3.2 (*Distribution Rate determination*) and announce the Distribution Rate via NZX and notify the Registry of the Distribution Rate on or about the Rate Set Date.
- (b) WNZL must determine the Distribution Rate for each Distribution Payment Date after the First Optional Redemption Date in accordance with clause 3.2 (*Distribution Rate determination*) and announce the Distribution Rate via NZX and notify the Registry of the Distribution Rate on or about the preceding Scheduled Distribution Payment Date.

### **3.13 Calculations and determinations final**

The calculation or determination by WNZL of all rates and amounts payable by it in relation to the PPS is, in the absence of manifest or proven error, final and binding on WNZL and each Holder.

## **4 Optional Redemption**

### **4.1 Redemption at the option of WNZL**

Subject to the other provisions of this clause 4, WNZL may at its option Redeem all of the PPS:

- (a) on an Optional Redemption Date; or
- (b) following the occurrence of a Tax Event or Regulatory Event.

## 4.2 Optional Redemption Notice

- (a) WNZL may only Redeem the PPS if WNZL has given to Holders a Redemption Notice in the manner provided in clause 4.2(b) of its election to do so not less than 30 days nor more than 120 days prior to the proposed Redemption Date.
- (b) The Redemption Notice must specify:
  - (i) the details of any Tax Event or Regulatory Event to which the Redemption Notice relates; and
  - (ii) the date on which it is proposed the Redemption will occur, which must be:
    - (A) in the case of clause 4.1(a) (*Redemption at the option of WNZL*), an Optional Redemption Date; and
    - (B) in the case of clause 4.1(b) (*Redemption at the option of WNZL*), a Business Day following a Tax Event or a Regulatory Event.

## 4.3 RBNZ approval to Redeem

WNZL may only Redeem the PPS under this clause 4 if:

- (a) either:
  - (i) prior to, or concurrent with, the Redemption, WNZL replaces the PPS with a paid-up capital instrument:
    - (A) of the same, or better, quality and contributing at least the same regulatory capital amount (for the purposes of the RBNZ's capital adequacy requirements applying to WNZL at the time); and
    - (B) the terms and conditions of which are sustainable for the income capacity of the WNZL Group; or
  - (ii) if WNZL does not intend to replace the PPS, WNZL has demonstrated to the RBNZ's satisfaction that, after the Redemption, the WNZL Group's:
    - (A) capital ratios would be sufficiently above their respective minimums; and
    - (B) prudential capital buffer ratio would be sufficiently above its buffer trigger ratio;
- (b) WNZL has provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ;
- (c) the RBNZ has given its prior written approval to the Redemption; and
- (d) WNZL is Solvent on the Redemption Date and will remain Solvent immediately after the Redemption.

## 4.4 Final Distribution

For the avoidance of doubt, Redemption may occur even if WNZL, in its absolute discretion, does not make a Distribution on the Redemption Date.

#### **4.5 No Redemption at the option of the Holders**

Holders do not have a right to require Redemption of their PPS at any time.

#### **4.6 Effect of Redemption Notice**

Any Redemption Notice given under this clause 4 is irrevocable and WNZL must (subject to clauses 4.3 (*RBNZ approval to Redeem*) and 6.1 (*Payments generally*)) Redeem the PPS on the Redemption Date specified in that Redemption Notice.

#### **4.7 Agreements of Holders as to redemption**

By its purchase of PPS, each Holder irrevocably acknowledges and agrees that:

- (a) the RBNZ's approval for any optional Redemption of the PPS by WNZL in accordance with clause 4.1 (*Redemption at the option of WNZL*) is at the absolute discretion of the RBNZ and the Holder should not expect that the RBNZ's approval will be given for any such Redemption of the PPS; and
- (b) the Holder has no right to require a Redemption of the PPS.

#### **4.8 Redemption mechanics**

- (a) Each PPS will be Redeemed by payment on the Redemption Date of the Issue Price to the Holder.
- (b) On the Redemption Date the only right Holders will have in respect of the PPS will be to be paid the Issue Price in accordance with these Terms and upon payment of that amount, all other rights conferred, or restrictions imposed, by the PPS will no longer have effect.

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## **5 Title and transfer of PPS**

### **5.1 Title**

Title to PPS is acquired and passes when details of the acquisition or transfer are registered in the Register.

### **5.2 Register**

Entries in the Register constitute conclusive evidence that the person so entered is the Holder of the relevant PPS, subject to:

- (a) rectification for fraud or manifest or proven error; and
- (b) the other provisions of these Terms and applicable law.

### **5.3 Non-recognition of interests**

- (a) Except as required by law or directive and as provided in these Terms, WNZL and the Registry must treat the person whose name is entered in the Register as the Holder of PPS as the absolute owner of the PPS.
- (b) No notice of any trust, encumbrance or other interest in, or claim to, PPS will be entered in the Register. Neither WNZL nor the Registry need take notice of any trust,

encumbrance or other interest in, or claim to, any PPS, except as ordered by a court of competent jurisdiction or required by law or directive, and no trust, encumbrance or other interest in, or claim to, any PPS will in any way affect any provision of these Terms.

- (c) This clause 5.3 applies whether or not a payment has been made when scheduled on PPS and despite any notice of ownership of, trust, encumbrance or other interest in, or claim to, the PPS.

#### 5.4 Joint Holders

Where 2 or more persons are entered in the Register as the joint Holders of PPS, they are taken to hold the PPS as joint tenants with rights of survivorship, but the Registry is not bound to register more than 3 persons as joint Holders of PPS.

#### 5.5 Dealings in whole

At all times, the PPS may be held or transferred only in whole PPS.

#### 5.6 Transfer

- (a) Subject to these Terms, a Holder may transfer PPS:
- (i) in accordance with the rules of any securities settlement system declared to be a designated FMI (**Settlement System**) under section 20 of the Financial Market Infrastructures Act 2021; or
  - (ii) by any proper or sufficient instrument of transfer of marketable securities under applicable law, which must be delivered to the Registry with any evidence the Registry or WNZL reasonably requires to prove title to or the right to transfer PPS.
- (b) No transfer of any part of a Holder's holding may be effected if such transfer would result in the transferor or the transferee holding or continuing to hold a Non-marketable Parcel of PPS.
- (c) The Registry must register a transfer of PPS to or by a person who is entitled to make or receive the transfer as a consequence of:
- (i) death, bankruptcy, liquidation or winding-up of a Holder; or
  - (ii) a vesting order by a court or other body with power to make the order,
- on receiving the evidence that the Registry or WNZL requires.

#### 5.7 Settlement System

While the PPS remain quoted on the NZX Debt Market:

- (a) the rights and obligations of a person holding PPS; and
- (b) all dealings (including transfers) in relation to the PPS,

will be subject to and governed by the Settlement System operated by NZX.

#### 5.8 Selling Restrictions

The LDD only constitutes an offer of PPS to investors in New Zealand. WNZL has not taken and will not take any action that would permit a public or regulated offering of the PPS, or possession

or distribution of any offering material in respect of the PPS, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

## 5.9 Agreements of Holders as to Selling Restrictions

By its purchase of PPS, each Holder irrevocably acknowledges and agrees:

- (a) that PPS may only be offered for sale or sold in accordance with the Selling Restrictions; and
- (b) to indemnify WNZL, the Registry, each Manager and their respective directors, officers, employees and agents in respect of any loss, cost, liability or expense sustained or incurred by WNZL, the Registry, the Manager or their respective directors, officers, employees or agents as a result of the breach by the Holder of the Selling Restrictions.

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## 6 Payments

### 6.1 Payments generally

All payments in respect of the PPS:

- (a) subject to clause 7 (*Taxation*) in the case of Taxes, must be made:
  - (i) in NZ dollars; and
  - (ii) free of any set-off, deduction or counter claim except as required by law or any agreement with a governmental authority;
- (b) are subject to applicable fiscal and other laws and the administrative practices and procedures of fiscal and other authorities;
- (c) will be made in accordance with:
  - (i) the particulars recorded in the Register on the relevant Record Date; and
  - (ii) these Terms.

### 6.2 Payment on Business Days

If a payment:

- (a) is scheduled to be paid on the PPS on a day which is not a Business Day, then the date for payment will be postponed to the next day that is a Business Day; or
- (b) is to be made to an account on a Business Day on which banks are not open for business in the place the account is located, payment will be made on the next day on which banks are open for business in that place,

and, in either case, no interest or other additional amount is payable in respect of that delay in payment.

### 6.3 Rounding

Unless otherwise specified, all calculations required by these Terms will be rounded to 6 decimal places. For the purposes of making any payment in respect of a Holder's aggregate holding of PPS, any fraction of a cent will be disregarded.

#### **6.4 Payments to Holders**

Each payment in respect of a PPS will be made to the person that is recorded in the Register as the Holder of that PPS as at the close of business on the Record Date for that payment.

#### **6.5 Manner of payment to Holders**

Payments will be made by WNZL by crediting on the relevant payment date the amount due to a NZ dollar bank account maintained in New Zealand with a financial institution (excluding credit card accounts), notified by the Holder to the Registry by close of business on the Record Date in respect of that payment.

#### **6.6 Uncompleted payments**

If:

- (a) a Holder has not notified the Registry by close of business on the Record Date of a NZ dollar bank account maintained in New Zealand with a financial institution (excluding credit card accounts) to which payments in respect of the PPS may be credited; or
- (b) the transfer of any amount for payment to the credit of the nominated account does not complete for any reason,

WNZL or the Registry will send a notice advising of the uncompleted payment by email, other electronic means or post to the address or number shown in the Register or provided by the Holder to the Registry. In that case, the amount of the uncompleted payment will be held as a deposit in a non-interest bearing account maintained by WNZL or the Registry until the first to occur of the following:

- (i) the Holder nominates a suitable NZ dollar bank account maintained in New Zealand with a financial institution to which the payment may be credited;
- (ii) claims may no longer be made in respect of that amount, in which case the moneys shall be paid to and be the property of WNZL; or
- (iii) WNZL becomes entitled or obliged to deal with the amount in accordance with the law relating to unclaimed moneys.

No interest or other additional amount is payable in respect of any delay in payment under this clause 6.6.

#### **6.7 Time limit on claims**

Any claim against WNZL for a payment under a PPS is void unless made within 4 years from the date on which payment first became due.

#### **6.8 Payment to joint Holders**

A payment to any 1 of joint Holders will discharge WNZL's liability in respect of that payment irrespective of any notice to the contrary that may be provided to WNZL by any such Holder.

#### **6.9 Withholdings**

- (a) Subject to clause 7 (*Taxation*) in the case of Taxes, WNZL (or any person through whom payments are made), in its absolute discretion, may withhold payment to a Holder where it is required to do so under any applicable fiscal or other law or any administrative practice or procedure of any fiscal or other authority (including any law prohibiting dealings with terrorist organisations or money laundering, or any other type of sanction

and any withholding or deduction arising under or in connection with FATCA), or where it has reasonable grounds to suspect that the Holder may be subject to any such law, administrative practice or procedure or sanction or involved in acts of terrorism or money laundering, and may deal with such payment and the Holder's PPS in accordance with such applicable law, administrative practice or procedure or the requirements of any relevant government or regulatory authority.

- (b) WNZL shall not be liable for any costs or loss suffered by a Holder in exercising its discretion under clause 6.9(a), even where a Holder later demonstrates that it was not subject to such law, administrative practice or procedure or sanction or involved in acts of terrorism or money laundering.

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## 7 Taxation

### 7.1 Deductions

- (a) WNZL may deduct from any Distribution or any other amount payable in accordance with these Terms the amount of any Taxes. Deductions of Taxes will be made at the maximum rates from time to time applicable unless a Holder provides evidence satisfactory to the Registry that a lesser rate is applicable.
- (b) If any such deduction has been made and the amount of the deduction accounted for by WNZL to the relevant revenue authority and the balance of the Distribution has been paid to the relevant Holder, the full amount payable to such Holder shall be deemed to have been duly paid and satisfied by WNZL.
- (c) WNZL shall pay the full amount required to be deducted to the relevant revenue authority within the time allowed for such payment without incurring any penalty under the applicable law and shall, if required by any Holder, deliver to that Holder a copy of any relevant evidence issued by the revenue authority (to the extent issued) without delay after it is received by WNZL.
- (d) A Holder must notify the Registry of:
  - (i) prior to the first applicable Record Date for that Holder, its country of residence for tax purposes (if the Holder is not a New Zealand tax resident);
  - (ii) prior to any Record Date, any change in circumstances from those previously notified that could affect the payment or withholding obligations of WNZL; and
  - (iii) any other information requested by the Registry in order to determine the payment or withholding obligations of WNZL.

Where two or more persons are entered in the Register as the joint Holders of PPS, this clause shall separately apply to each Holder.

- (e) By accepting payment of any Distribution or any other amount payable in accordance with the Terms, the Holder indemnifies WNZL for all purposes in respect of any liability WNZL may incur for not deducting any amount from such payment on account of New Zealand non-resident withholding tax or New Zealand resident withholding tax. Any such liability may be recovered from the Holder as a debt due to WNZL and may be withheld from and set-off against further payments to that Holder. Nothing in this clause prejudices or affects any other right or remedy of WNZL.
- (f) If, in relation to any PPS, WNZL becomes liable to make any payment of or on account of tax payable by the Holder, WNZL is indemnified by the Holder in relation to such liability. Any moneys paid by WNZL in relation to any such liability may be recovered from the

Holder as a debt due to WNZL and may be withheld from and set-off against further payments to that Holder. Nothing in this clause prejudices or affects any other right or remedy of WNZL.

## 7.2 FATCA

If WNZL or any other person is required to withhold amounts under or in connection with FATCA from any payments made with respect to PPS, Holders and beneficial owners of PPS will not be entitled to receive any gross up or other amount to compensate them for such withholding.

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## 8 Amendment of these Terms

### 8.1 Amendment without consent

Subject to complying with all applicable laws and clause 8.3 (*RBNZ notification*), WNZL may amend these Terms without the authority, assent or approval of Holders if, in the reasonable opinion of WNZL, the amendment:

- (a) is made to cure an ambiguity or correct a manifest error;
- (b) is of a formal, minor or technical nature;
- (c) is necessary or expedient for the purpose of complying with any law, the requirements of any statutory authority, the NZX Listing Rules or the listing or quotation requirements of any securities exchange on which WNZL may propose to seek a listing or quotation of the PPS;
- (d) is necessary or expedient for the purpose of enabling the PPS to be quoted or to remain quoted on a securities exchange or to be lodged or to remain lodged in a clearing system or to be offered for sale or for subscription under the laws for the time being in force in any place;
- (e) is made in accordance with clause 3.3(b) (*BKBM Disruption Event*); or
- (f) will not materially adversely affect the rights of Holders as a whole.

### 8.2 Amendment with consent

Without limiting clause 8.1 (*Amendment without consent*) but subject to clause 8.3 (*RBNZ notification*), WNZL may amend these Terms if the amendment has been approved by a special resolution of Holders.

### 8.3 RBNZ notification

No amendment to these Terms is permitted unless, at least 5 Business Days prior to the amendment being made, notification of the amendment has been made to the RBNZ by WNZL, accompanied by any supporting documentation required by the RBNZ's prudential regulatory requirements.

### 8.4 Meanings

In this clause 8, "**amend**" includes modify, cancel, alter or add to and "**amendment**" has a corresponding meaning.

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## 9 General

### 9.1 No guarantee

The PPS are not guaranteed or insured by the New Zealand Government or under any compensation scheme of the New Zealand Government, or by any other government, under any other compensation scheme or by any government agency or any other party.

### 9.2 Further issues

Each of the following is expressly permitted and authorised by these Terms and does not affect, or constitute a modification or variation of, the rights or privileges attaching to the PPS:

- (a) the issue or incurrence by WNZL or any other member of the WNZL Group of securities or liabilities of any kind, or the conversion of existing securities or liabilities into securities or liabilities of any kind, ranking prior or senior to, equally with, or subordinate or junior to, or having different rights from, the PPS; and
- (b) the redemption, buy-back or return or distribution of capital by WNZL or any other member of the WNZL Group in respect of any share capital of WNZL or the WNZL Group.

### 9.3 No other rights

The PPS do not confer on Holders any right to:

- (a) vote at any general meeting of WNZL or participate in any other decision or resolution of holders of Ordinary Shares or any other class of shares in WNZL (other than the PPS);
- (b) participate in the issue of any other securities of WNZL or any other member of the WNZL Group or to participate in any bonus issues of securities of WNZL or any other member of the WNZL Group; or
- (c) otherwise participate in the profits or property of WNZL, except by receiving payments as set out in these Terms.

### 9.4 Interest group protections

Nothing in clause 9.3 (*No other rights*) limits or otherwise affects a Holder's rights under section 117(1) of the Companies Act.

### 9.5 No set-off

Except as mandatorily required by law:

- (a) except as provided in clauses 7.1(e) and 7.1(f) (*Taxation*) WNZL does not have any right to set-off any amounts owing to it by a Holder against any amount payable by it to the Holder in connection with the PPS; and
- (b) no Holder has any right to set-off any amounts payable to it by WNZL in connection with the PPS against any amount owing by it to WNZL in connection with the PPS or otherwise.

### 9.6 Meetings

Proceedings at meetings of Holders are governed by schedule 1 of the Companies Act except to the extent that the Constitution makes provision for the matters that are expressed in that schedule to be subject to the Constitution.

## 9.7 Agreements of Holders as to information disclosure

By its purchase of PPS, each Holder irrevocably acknowledges and agrees that WNZL may collect, use or disclose any information about the Holder in accordance with the WNZL Privacy Policy (as such policy may be amended or substituted from time to time). As at the date of these Terms, WNZL's Privacy Policy is available at [www.westpac.co.nz/about-us/legal-information-privacy/privacy-policy/](http://www.westpac.co.nz/about-us/legal-information-privacy/privacy-policy/).

## 9.8 Contract and Commercial Law Act 2017

The provisions of:

- (a) Clause 5.9(b) (*Agreements of Holders as to Selling Restrictions*) are intended to be for the benefit of and enforceable by the Registry, each Manager and their respective directors, officers, employees and agents; and
- (b) Clause 2 (*Ranking on Liquidation*) are intended to be for the benefit of and enforceable by the Senior Creditors and holders of Equal Ranking Capital Securities,

pursuant to part 2, subpart 1 of the Contract and Commercial Law Act 2017.

## 9.9 Nature of PPS

- (a) The PPS are not deposit liabilities of, or protected accounts with, WNZL or any other member of the WNZL Group, are not protected deposits for the purposes of the Deposit Takers Act 2023 and are not subject to the depositor compensation scheme provisions of the Deposit Takers Act 2023.
- (b) WNZL is not an authorised deposit-taking institution under the Australian Banking Act. The depositor protection provisions in Division 2 of Part II of the Australian Banking Act do not apply to WNZL. The PPS are not deposit liabilities of Westpac Banking Corporation nor protected accounts for the purposes of the Australian Banking Act or the Financial Claims Scheme established under the Australian Banking Act and are not subject to the depositor protection provisions of the Australian Banking Act.
- (c) Neither Westpac Banking Corporation nor any member of the Westpac Group guarantees the PPS.

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# 10 Notices

## 10.1 Notices to Holders

All notices, certificates, consents, approvals, waivers and other communications in connection with the PPS to the Holders must be in writing and may be:

- (a) sent by prepaid post (airmail if appropriate) or left at the address of the relevant Holder (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the relevant notice or communication);
- (b) given by an advertisement published in The Post, The New Zealand Herald or any other newspaper nationally circulated within New Zealand;
- (c) so long as the PPS are quoted on the NZX Debt Market, given by making an announcement on NZX; or

- (d) sent to an email address or other number or address used for the purposes of sending or receiving communications by electronic means, in each case provided by the relevant Holder to the Registry for the purposes of receiving such notices.

## 10.2 Non-receipt of notices by Holders

If there are 2 or more Holders, the non-receipt of any notice by, or the accidental omission to give any notice to, a Holder does not invalidate the giving of that notice.

## 10.3 Notices to WNZL and the Registry

- (a) Each notice or other communication to be made or delivered under these Terms by a Holder to WNZL or the Registry shall:
- (i) be made in writing by email or letter; and
  - (ii) be made or delivered to WNZL or the Registry at the email address or physical address set out in clause 10.3(b) or 10.3(c) (as the case may be).
- (b) The contact details of WNZL shall be as follows (or such other address as may be notified by WNZL to the Holders):

Address: Westpac on Takutai Square  
53 Galway Street  
Auckland

Attention: Treasurer

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

- (c) The contact details of the Registry shall be as follows (or such other address as may be notified by the Registry to the Holders):

Address: Level 30, PwC Tower  
15 Customs Street West  
Auckland 1010

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

## 10.4 When effective

Communications take effect from the time they are received or taken to be received (whichever happens first) unless a later time is specified in them.

## 10.5 Receipt

Unless a later time is specified in it, a notice or other communication will be taken to be received:

- (a) if sent by email or by other electronic means, when actually received in its entirety in legible form, unless that day is not a Business Day, or is after 5.00pm (New Zealand time)

on a Business Day, in which case that communication will be regarded as received at 9.00am (New Zealand time) on the next Business Day;

- (b) if sent by post, on the 3<sup>rd</sup> Business Day after posting if posted to an address in New Zealand and on the 7<sup>th</sup> Business Day after posting if posted to an address outside of New Zealand;
- (c) if published by an announcement on NZX, when the announcement is released by NZX; and
- (d) if published in a newspaper, on the first date that publication has been made in the chosen newspaper.

## 11 Governing law and jurisdiction

### 11.1 Governing law

The PPS and these Terms shall be governed by and construed in all respects in accordance with the laws of New Zealand.

### 11.2 Submission to jurisdiction

WNZL agrees, and each Holder is taken to have agreed that any legal action or proceeding arising out of or in connection with these Terms ("**Proceedings**") may be brought in the courts of New Zealand, and WNZL and each Holder irrevocably submits to the non-exclusive jurisdiction of such courts.

### 11.3 Non-exclusive jurisdiction

Nothing contained in clause 11.2 (*Submission to jurisdiction*) shall limit the right of WNZL or any Holder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions, preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

### 11.4 Waiver of objection

WNZL irrevocably waives, and each Holder is taken to have irrevocably waived, any objection which it may have now or hereafter to such courts being nominated as the forum to hear and determine any Proceedings, and to settle any disputes, which may arise out of or in connection with this agreement and any claim that any such court is not a convenient or appropriate forum.

## 12 Interpretation and definitions

### 12.1 Interpretation

The following rules of interpretation apply in these Terms unless the contrary intention appears or the context otherwise requires.

- (a) Definitions and interpretation under the Constitution will also apply to these Terms unless the contrary intention is expressed.
- (b) Unless the context otherwise requires, if there is any inconsistency between the provisions of these Terms and the Constitution then, to the maximum extent permitted by law, the provisions of these Terms will prevail.

- (c) Unless otherwise specified, a reference to a clause is a reference to a clause of these Terms.
- (d) Headings and boldings are for convenience only and do not affect the interpretation of these Terms.
- (e) The singular includes the plural and vice versa.
- (f) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.
- (g) Unless otherwise specified, if an event under these Terms must occur on a stipulated day which is not a Business Day, then the event will be on the next Business Day. This clause 12.1(g) does not apply to the determination of a Distribution Payment Date or the making of any payments under these Terms.
- (h) A reference to NZ dollars and NZ\$ is a reference to the lawful currency of New Zealand.
- (i) Unless otherwise specified, a reference to time in these Terms is a reference to New Zealand time.
- (j) Where WNZL is required to give or serve a notice by a certain date under these Terms, WNZL is required to despatch the notice by that date (including, at WNZL's discretion, by posting or lodging notices with a mail house) and delivery or receipt (or deemed receipt) is permitted to occur after that date.
- (k) Where a Holder is required to give or deliver a notice to WNZL by a certain date under these Terms, the notice must be received by WNZL by that date.
- (l) Calculations, elections and determinations made by WNZL under these Terms are binding on Holders in the absence of manifest error.
- (m) If any provision of these Terms is prohibited or unenforceable in its terms but would not be prohibited or unenforceable if it were read down, and is capable of being read down, that provision must be read down accordingly. If, despite this clause 12.1(m), a provision is still prohibited or unenforceable, if the provision would not be prohibited or unenforceable if a word or words were omitted, the relevant words must be severed and, in any other case, the whole provision must be severed. However, the remaining provisions of these Terms are of full force and effect.
- (n) Any provision which refers to the requirements of the RBNZ or any prudential regulatory requirements will apply to WNZL only if WNZL is subject to regulation and supervision by the RBNZ or such prudential regulatory authority (as applicable) at the relevant time.
- (o) Any provision which requires the RBNZ's approval:
  - (i) will apply only if the RBNZ requires that such approval be given at the relevant time; and
  - (ii) does not imply that the RBNZ has given its approval as of the Issue Date.
- (p) A reference to a matter which is described in the Conditions of Registration or the RBNZ's prudential requirements is a reference to that matter as it is updated, varied or replaced and described in the Conditions of Registration or the RBNZ's prudential requirements from time to time.

- (q) A reference to an event occurring "after" the elapse of a period of time means the relevant period not including the day on which the relevant event which triggered the commencement of the period of time occurred.

## 12.2 Definitions

In these Terms, except where the contrary intention appears:

**3 Month Bank Bill Rate** has the meaning given in clause 3.2 (*Distribution Rate determination*).

**Additional Tier 1 Capital** has the meaning prescribed by the RBNZ's prudential requirements from time to time.

**Administrative Action** means any judicial decision, official administrative pronouncement or action, published or private ruling, interpretative decision, regulatory procedure or policy, application or a regulatory procedure or policy.

**Alternative Reference Rate** has the meaning given in clause 3.2 (*Distribution Rate determination*).

**Australian Banking Act** means the Banking Act 1959 of Australia.

**Base Rate** has the meaning given in clause 3.2 (*Distribution Rate determination*).

**BKBM Disruption Event** has the meaning given in clause 3.2 (*Distribution Rate determination*).

**Bookbuild** means the process conducted after the closing of the offer of the PPS whereby certain investors lodge bids for PPS and, on the basis of those bids, WNZL in consultation with the Managers determines the Margin and allocations of the PPS.

**Business Day** means:

- (a) for the purposes of giving notices, a day which is a business day within the meaning of the NZX Listing Rules; or
- (b) for all other purposes, a day on which commercial banks are open for general business in Auckland and Wellington.

**Buy Back** means a transaction involving the acquisition by WNZL of its Ordinary Shares made in accordance with the Companies Act.

**Capital Reduction** means a reduction in capital by WNZL of its Ordinary Shares made in accordance with the Companies Act.

**Companies Act** means the Companies Act 1993.

**Common Equity Tier 1 Capital** has the meaning prescribed by the RBNZ's prudential requirements from time to time.

**Conditions of Registration** means the conditions of registration or licence imposed on WNZL by the RBNZ, as amended from time to time.

**Constitution** means the constitution of WNZL, as amended from time to time.

**Distribution** has the meaning given in clause 3.1 (*Distributions*).

**Distribution Payment Date** has the meaning given in clause 3.9 (*Distribution Payment Dates*).

**Distribution Rate** means:

- (a) in respect of a Distribution Payment Date on or before the First Optional Redemption Date, the rate determined in accordance with clause 3.2(a) (*Distribution Rate determination*); and
- (b) in respect of a Distribution Payment Date after the First Optional Redemption Date, the rate determined in accordance with clause 3.2(b) (*Distribution Rate determination*).

**Dividends** means any interim, final or special dividends payable in accordance with the Companies Act and the Constitution in relation to Ordinary Shares.

**Equal Ranking Capital Securities** means instruments which satisfy the requirements set out in one of the following paragraphs (a) or (b):

- (a) any instruments, present and future, issued by WNZL which:
  - (i) by their terms are, or are expressed to be, subordinated in a Liquidation of WNZL to the claims of Senior Creditors;
  - (ii) qualify as Additional Tier 1 Capital of WNZL; and
  - (iii) in a Liquidation of WNZL rank, or are expressed to rank, prior to, and senior in right of payment to, instruments which constitute Common Equity Tier 1 Capital of WNZL; or
- (b) any other instruments, present and future, issued by WNZL where the right to repayment ranks, or is expressed to rank, in a Liquidation of WNZL equally with the claims of Holders (irrespective of whether or not such instruments qualify as Additional Tier 1 Capital of WNZL).

**FATCA** means sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (or any consolidation, amendment, re-enactment or replacement of those provisions and including any regulations or official interpretations issued, agreements entered into or non-US laws enacted with respect to those provisions).

**First Optional Redemption Date** means the Scheduled Distribution Payment Date that is on the 5<sup>th</sup> anniversary of the Issue Date.

**Fully Credited**, in relation to a Distribution, means that Imputation Credits are validly attached to the Distribution so that the Imputation Ratio of the Distribution is the maximum Imputation Ratio permitted by law.

**Holder** means, in respect of a PPS, the person whose name is for the time being entered in the Register as the owner of it or, where it is held jointly by two or more persons, the persons whose names appear in the Register as the joint owners of the PPS.

**Imputation Credit** and **Imputation Ratio** have the meanings given to them in section YA 1 of the Income Tax Act 2007.

**Issue Date** means the date on which the PPS are issued.

**Issue Price** means NZ\$1 per PPS.

**LDD** means the limited disclosure document for the offer of the PPS.

**Liquidation** means the liquidation of WNZL otherwise than for the purpose of, and followed by, a scheme of amalgamation or reconstruction, not involving an insolvency, where the obligations of

WNZL in relation to the PPS are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of WNZL are transferred or where an arrangement with similar effect not involving an insolvency is implemented.

**Liquidation Sum** means an amount equal to the Issue Price.

**Manager** means each person named as arranger, joint lead manager or co-manager in the LDD.

**Margin** has the meaning given in clause 3.2 (*Distribution Rate determination*).

**Non-marketable Parcel** means a parcel of PPS registered in the same name or same joint names, the aggregate Issue Price of which is less than NZ\$5,000 or is not a multiple of NZ\$1,000.

**NZX** means NZX Limited, and includes any person or authority which may in the future assume and perform the functions of NZX Limited.

**NZX Debt Market** means the debt market operated by NZX.

**NZX Listing Rules** means the listing rules of NZX, as amended, varied or waived from time to time.

**Optional Redemption Date** means:

- (a) the First Optional Redemption Date; and
- (b) each Scheduled Distribution Payment Date after the First Optional Redemption Date.

**Ordinary Share** means an ordinary share in the capital of WNZL.

**PPS** means the perpetual preference shares issued by WNZL under the Constitution and these Terms.

**Rate Set Date** means the date specified as such in the LDD.

**RBNZ** means the Reserve Bank of New Zealand or any authority succeeding to its powers or responsibilities.

**Record Date** means, in the case of:

- (a) the payment of a Distribution, the date which is 10 calendar days before the relevant Distribution Payment Date; or
- (b) the payment of the Issue Price of the PPS upon a Redemption, a date determined by WNZL and notified to NZX, the Registry and Holders,

or in either case such other date as may be required by NZX.

If a Record Date is a day which is not a Business Day, then the Record Date will be the immediately preceding Business Day.

**Redemption** means the redemption of the PPS for their Issue Price under these Terms and **Redeem**, **Redeemable** and **Redeemed** have corresponding meanings.

**Redemption Date** means, in respect of each PPS:

- (a) the Optional Redemption Date specified in the Redemption Notice in accordance with clause 4.2(b)(ii)(A) (*Optional Redemption Notice*); or

- (b) the date specified in the Redemption Notice in accordance with clause 4.2(b)(ii)(B) (*Optional Redemption Notice*),

or, except where clause 6.2(a) (*Payment on Business Days*) applies, if the PPS are not Redeemed on that day, the date on which the PPS are Redeemed.

**Redemption Notice** means a notice issued in accordance with clause 4.2 (*Optional Redemption Notice*).

**Register** means the register of Holders established and maintained by, or on behalf of, WNZL in accordance with section 87 of the Companies Act.

**Registry** means Link Market Services Limited or such other person or persons resident in New Zealand as WNZL may from time to time appoint to maintain the Register.

**Regulatory Event** means either:

- (a) as a result of:
- (i) any amendment to, clarification of, or change in, laws or regulations of New Zealand; or
  - (ii) any Administrative Action or any amendment to, clarification of, or change in an Administrative Action,

in each case by any legislative body, court, government authority or regulatory body (irrespective of the manner in which such amendment, clarification, change or Administrative Action is announced) that occurs or will occur after the Issue Date provided it could not reasonably have been anticipated by WNZL as at the Issue Date:

- (iii) additional requirements would be imposed on the WNZL Group in relation to the PPS; or
  - (iv) there would be a negative impact on the eligibility of the PPS as Additional Tier 1 Capital, which has or would have more than a minor impact on the WNZL Group and which WNZL determines, in its sole discretion, to be unacceptable; or
- (b) WNZL determines that all, some or a proportion of all or some PPS (in more than a de minimis amount) are not, or will not be, treated as Additional Tier 1 Capital, other than as a result of a change of treatment that could reasonably have been anticipated by WNZL as at the Issue Date.

**Scheduled Distribution Payment Date** has the meaning given in clause 3.9 (*Distribution Payment Dates*).

**Selling Restrictions** means the restrictions specified as such in section 10.1 of the LDD.

**Senior Creditors** means all creditors of WNZL (present and future), including depositors of WNZL and all holders of WNZL's senior or subordinated debt:

- (a) whose claims are admitted in a Liquidation; and
- (b) whose claims are not made as holders of indebtedness arising under:
  - (i) an Equal Ranking Capital Security; or

- (ii) an Ordinary Share.

**Settlement System** has the meaning given in clause 5.6 (*Transfer*).

**Solvent** means satisfying the solvency test contained in section 4 of the Companies Act, as modified by section 52 of that Act.

**Swap Rate** has the meaning given in clause 3.2 (*Distribution Rate determination*).

**Taxes** means charges, deductions, duties (including stamp duty, financial institutions duty, transaction duty and bank account debit tax), fees, imposts, levies, taxes and withholdings (together with any interest, penalties, fines and expenses in connection with any of them) collected by a government agency and **Tax** has a corresponding meaning.

**Tax Event** means a determination by WNZL to the effect that:

- (a) there has been a change in New Zealand law, regulation or directive (including by way of the imposition of any New Zealand law, regulation or directive);
- (b) there has been a change in the interpretation or administration of any New Zealand law, regulation or directive by any authority (including the New Zealand Inland Revenue Department); or
- (c) WNZL (or any tax group of which it is part) is or will be required to comply with any change in New Zealand law, regulation or directive or changed interpretation or administration,

in each case that applies, or is to apply, after the Issue Date and which directly or indirectly affects the taxation treatment in relation to the PPS and that would result in more than a de minimis increase in WNZL's costs (including the costs to any tax group of which it is part) in respect of the PPS, provided such event is not minor and could not have been anticipated when the PPS were issued.

**Tax Rate** has the meaning given to it in clause 3.4 (*Calculation of Distributions*).

**Terms** means these terms and conditions of the PPS.

**Westpac Banking Corporation** means Westpac Banking Corporation (ABN 33 007 457 141), including foreign branches of Westpac Banking Corporation.

**Westpac Group** means Westpac Banking Corporation and its controlled entities taken as a whole.

**WNZL** means Westpac New Zealand Limited (company number 1763882).

**WNZL Group** has the meaning given to "banking group" in the Conditions of Registration (as amended from time to time).

### 12.3 Companies Act:

In these Terms, except where a contrary intention applies, each of the following has the meaning given to it in the Companies Act:

- (a) distribution;
- (b) dividend; and
- (c) special resolution.