Westpac Term Deposits Term Sheet

Description of Investment

Issuer

Westpac New Zealand Limited ('**Westpac**', '**we**', '**us**' and '**our**').

Investment Type

A Term Deposit is an unsecured New Zealand dollar deposit with Westpac that earns a fixed rate of interest for a fixed term. The full amount of the Term Deposit is payable by you at the time the investment is made.

Interest Rate and Term

You select your term and interest rate when you invest in a Term Deposit. You can view the available terms and interest rates (before tax) at **westpac.co.nz/termdeposit** which may change at any time.

Minimum Investment

NZ$5,000 per Term Deposit. The amount can change where interest rates are advertised as 'specials'. You must maintain the minimum investment or we may cancel your investment and repay you the remaining principal together with any unpaid interest. Such repayment will be treated as an early withdrawal and be subject to the application of a reduced rate of interest for early withdrawals as specified below.

Minimum Term

30 days.

Maximum Term

Five years.

Terms and Conditions

Your investment is subject to these terms and Westpac's General Terms and Conditions. A copy of the General Terms and Conditions can be obtained from **westpac.co.nz** or at any Westpac branch.

Early Withdrawals, Payments and Tax

Early Withdrawals

Outside of the seven business days cooling off period (described below), you can withdraw all or part of your Term Deposit before the end of the fixed term only if we agree. In deciding whether to agree, we will apply our early withdrawal policy which may change from time to time. Details of our current early withdrawal policy are set out at **westpac.co.nz/earlywithdrawalpolicy** and are available from any Westpac branch.

Reduced rate of interest for early withdrawals

If an early withdrawal is approved a reduced rate of interest will apply to funds withdrawn before maturity unless determined otherwise under our early withdrawal policy. The reduced rate of interest is calculated by taking the **lesser** of:

(a) the original agreed rate of interest, less 3% per annum; or

(b) the rate of interest on offer at the time the investment was made for the actual term run through to the date of early withdrawal or a similar term (as we determine in our sole discretion), less 3% per annum,

provided that in no event will the reduced rate of interest be less than 0%.

In some cases, the application of the reduced rate of interest may result in:

I. no interest being payable on the amount withdrawn or repaid early; and

II. a deduction from your principal investment amount if the amount of previous interest paid (if any) is more than the amount calculated from applying the reduced rate of interest.

You will be advised of the amount of the reduced interest rate when you request an early withdrawal. An early repayment may result in an overpayment of withholding tax on your interest already received. You can generally seek a refund of overpaid withholding tax (if any) by lodging a tax return or appropriate form with the IRD.

Cooling off period

You have a seven business days cooling off period starting on the date you take out your Term Deposit or reinvest your existing Term Deposit. During this period, you may cancel your investment and you will not be paid interest. If we agree, you may also make changes to:

- the amount of your investment; and/or
- the term and/or interest payment frequency and/or interest payment type of your investment.

You cannot change the amount, term, interest payment frequency or interest payment type after the cooling off period.

For the purposes of these terms, 'business days' has the meaning given to the term 'working days' in the Interpretation Act 1999.

Repayments

You can choose to have your investment, together with any earned and unpaid interest (less any tax), reinvested on maturity, or paid out to a New Zealand bank account. If you choose to reinvest, it will be at the interest rates, and subject to the terms and conditions, applying to Term Deposits at that time.

In case of any repayment of your investment before maturity, a reduced rate of interest will apply (see the 'Reduced rate of interest for early withdrawals' section above).

If your Term Deposit is due to mature on a day that is not a business day, it will be processed on the previous business day, unless you elect that your investment ends on the **next** business day. If you hold a Term Deposit jointly, any repayment will be made jointly unless otherwise authorised by all the joint holders.

Tax

We are required to deduct withholding tax from the interest you earn in accordance with the applicable tax legislation, which may change from time to time.

If you are a New Zealand tax resident or a non-resident engaged in business through a fixed establishment in New Zealand, you should provide Westpac with your IRD number and resident withholding tax ('**RWT**') rate, otherwise RWT will be deducted at the relevant 'no notification' or 'default' rate. Current RWT rates can be found at **ird.govt.nz** (search for 'RWT'). RWT does not need to be deducted if you provide us with an appropriate RWT exemption certificate.

If you are a non-resident not engaged in business through a fixed establishment in New Zealand, we are required to deduct non-resident withholding tax ('**NRWT**') at the applicable rate. You can alternatively elect for us to pay approved issuer levy ('**AIL**') to the IRD in certain circumstances instead of NRWT, provided you agree that we may deduct the AIL amount from the gross interest payable on your investment. The AIL amount is not refundable. Further information on AIL can be found at **ird.govt.nz** (search for 'AIL').

Westpac does not accept any responsibility for the tax consequences of your investment in a Term Deposit. You should seek independent professional advice as to your particular tax position.

Additional Information

Westpac Disclosure Statement

Important information about Westpac's financial position can be found in the current disclosure statement issued by Westpac. You are entitled to a copy of that disclosure statement on request at any branch of Westpac, free of charge. A copy is also available at **westpac.co.nz** (click on the link "Disclosure Statements" which is located at the bottom left corner of the homepage).

Consider Carefully

Investment decisions are very important. They often have long-term consequences. Read these terms, the General Terms and Conditions and the Westpac Disclosure Statement carefully. Ask questions. Seek advice before committing yourself.

Changes to Terms

The term and interest rate of a Term Deposit will not change for the term of the investment unless you and we agree. Westpac may change the other terms and conditions that apply to Term Deposits by giving notice at least 14 days in advance in accordance with the Code of Banking Practice.

Westpac Obligations

A Term Deposit does not represent a protected account, deposit or liability of Westpac Banking Corporation ABN 33 007 457 141 or any other company in the Westpac Banking Corporation group other than Westpac. Neither Westpac Banking Corporation nor any other company in the Westpac Banking Corporation group stands behind or otherwise guarantees Westpac or the principal amount or investment performance of any financial product acquired from or through Westpac.

This term sheet is dated 8 December 2016.

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