



**U.S.\$10,000,000,000 Programme for the
Issuance of Debt Instruments**
Unconditionally and irrevocably guaranteed by



This base prospectus has been approved by the United Kingdom Financial Conduct Authority (the “**FCA**”), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the “**Prospectus Directive**”) and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of debt instruments (the “**Instruments**”) under this programme (the “**Programme**”) during the period of 12 months after the date hereof (the “**Base Prospectus**”). Application will be made to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Instruments to be admitted to trading on the London Stock Exchange’s Regulated Market. The London Stock Exchange’s Regulated Market is a regulated market for the purposes of Directive 2004/39/EC (the “**Markets in Financial Instruments Directive**”).

Instruments may also be issued under the Programme on the basis that they will be unlisted or admitted to listing and/or trading by such other or further listing authority and/or stock exchange as may be agreed between the Issuer and the relevant Dealer (both as defined herein). Such instruments shall be “**PD Exempt Instruments**” being Instruments for which no prospectus is required to be published pursuant to the Prospectus Directive. Information contained in this Base Prospectus regarding PD Exempt Instruments shall not be deemed to form part of this Base Prospectus and the UK Listing Authority has neither approved nor reviewed information contained in this Base Prospectus in connection with the offering and sale of PD Exempt Instruments. In the case of PD Exempt Instruments, notice of the aforesaid information which is applicable to each Tranche (as defined herein) will be set out in a pricing supplement document (“**Pricing Supplement**”). Accordingly, in the case of PD Exempt Instruments, each reference in this Base Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Pricing Supplement unless the context requires otherwise.

This Base Prospectus supersedes any previous Base Prospectus describing the Programme. Any Instruments issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein. This does not affect any Instruments issued before the date of this Base Prospectus.

Factors which could be material for the purpose of assessing the risks associated with the Instruments issued under the Programme are set out on pages 23 to 42 (inclusive) of this Base Prospectus.

The Instruments have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Instruments are being offered only in offshore transactions in accordance with Regulation S under the Securities Act and, in certain limited circumstances, Registered Instruments may be offered only to “qualified institutional buyers” in accordance with Rule 144A under the Securities Act, in each case, in compliance with applicable securities laws.

Arranger for the Programme

UBS Investment Bank

Dealers

Barclays

BofA Merrill Lynch

BNP PARIBAS

Citigroup

Deutsche Bank

Goldman Sachs International

HSBC

J.P. Morgan

Morgan Stanley

Nomura

Standard Chartered Bank

UBS Investment Bank

Westpac Banking Corporation

11 December 2017

S&P Global Ratings Australia Pty Limited has assigned Westpac Securities NZ Limited (“**WSNZL**” or the “**Issuer**”) a senior unsecured credit rating of AA-. The outlook for the rating is negative. The short term credit rating assigned by S&P Global Ratings Australia Pty Limited to the Issuer is A-1+. Moody’s Investors Service Pty Limited has assigned the Issuer a senior unsecured credit rating of A1. The outlook for the rating is stable. The short term credit rating assigned by Moody’s Investors Service Pty Limited to the Issuer is P-1.

S&P Global Ratings Australia Pty Limited has assigned Westpac New Zealand Limited (“**WNZL**”) a senior unsecured credit rating of AA-. The outlook for the rating is negative. The short term credit rating assigned by S&P Global Ratings Australia Pty Limited to WNZL is A-1+. Moody’s Investors Service Pty Limited has assigned WNZL a senior unsecured credit rating of A1. The outlook for the rating is stable. The short term credit rating assigned by Moody’s Investors Service Pty Limited to WNZL is P-1.

S&P Global Ratings Australia Pty Limited has assigned the Programme an unsecured and unsubordinated long-term credit rating of AA-. The unsecured and unsubordinated short term credit rating assigned by S&P Global Ratings Australia Pty Limited to the Programme is A-1+. Moody’s Investors Service Pty Limited has assigned the Programme a senior unsecured credit rating of (P)A1. The short term credit rating assigned by Moody’s Investors Service Pty Limited to the Programme is (P)P-1.

Neither S&P Global Ratings Australia Pty Limited nor Moody’s Investors Service Pty Limited is established in the European Union or has applied for registration under Regulation (EU) No. 1060/2009 as amended (the “**CRA Regulation**”). However, S&P Global Ratings Australia Pty Limited is endorsed by Standard & Poor’s Credit Market Services Europe Limited and Moody’s Investors Service Pty Limited is endorsed by Moody’s Investor Services Limited, each of which is established in the European Union and registered under the CRA Regulation.

Each of the Issuer and WNZL accepts responsibility for the information contained in this Base Prospectus and each Final Terms or Pricing Supplement, as applicable (as defined herein). To the best of the knowledge of the Issuer and WNZL (each of whom have taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

References herein to the “**Programme Date**” are to the date specified on the cover of this Base Prospectus. References herein to the “**WBC Group**” are to Westpac Banking Corporation (“**WBC**”) and its controlled entities.

This Base Prospectus should be deemed to include any other documents incorporated by reference herein and, in relation to any Series (as defined herein) of Instruments, should be read and construed together with the relevant Final Terms or Pricing Supplement, as applicable.

No person has been authorised by the Issuer or WNZL to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any additional written information supplied by the Issuer or WNZL or such other information as has been published in the public domain by the Issuer or WNZL and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or WNZL or any Dealer (as defined in the “**Subscription and Sale**” section in this Base Prospectus).

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates make any representation or warranty, or accept any responsibility, as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus nor any Final Terms or Pricing Supplement, as applicable, nor the offering, sale or delivery of any Instrument shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date thereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer or WNZL since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with this Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms or Pricing Supplement, as applicable, and the offering, sale and delivery of the Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms or Pricing Supplement, as applicable, comes are required by the Issuer, WNZL and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of this Base Prospectus or any Final Terms or Pricing Supplement, as applicable, and other offering material relating to the Instruments, see the "*Subscription and Sale*" section in this Base Prospectus. In particular, the Instruments and the WNZL Guarantee of the Instruments (as defined in the "Terms and Conditions of the Instruments") have not been and will not be registered under the Securities Act and may include Instruments in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to, or for the account of, U.S. persons within the meaning of Regulation S under the Securities Act ("**U.S. person**"). Neither this Base Prospectus nor any Final Terms or Pricing Supplement, as applicable, may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

Neither this Base Prospectus nor any Final Terms or Pricing Supplement, as applicable, constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by the Issuer, WNZL, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms or Pricing Supplement, as applicable, should subscribe for or purchase any Instruments. Each recipient of this Base Prospectus or any Final Terms or Pricing Supplement, as applicable, shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and WNZL.

Each potential investor in the Instruments must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including Instruments with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency (as defined below);
- (iv) understand thoroughly the terms of the Instruments and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial and/or legal adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Instruments are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Instruments which are complex financial instruments unless it has the expertise (either alone or with a financial and/or legal adviser) to evaluate how the Instruments will perform under changing conditions, the resulting effects on the value of the Instruments and the impact this investment will have on the potential investor's overall investment portfolio.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Instruments in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of the Instruments may be restricted by law in certain jurisdictions. The Issuer, WNZL and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, WNZL or the Dealers which would permit a public offering of any Instruments or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Instruments may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Instruments may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Instruments. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Instruments in New Zealand, Australia, the United States, the European Economic Area (including the United Kingdom, the Netherlands, the Republic of Italy, the Kingdom of Spain and France) (the "EEA"), Japan, Singapore, Taiwan and Hong Kong; see *Subscription and Sale and Transfer and Selling Restrictions*.

This Base Prospectus has been prepared on the basis that any offer of Instruments in any Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State") will only be made to any legal entity which is a qualified investor as defined in the Prospectus Directive, as implemented in that Relevant Member State, and therefore pursuant to an exemption from the requirement to publish a prospectus for offers of Instruments. Accordingly, any person making or intending to make an offer in a Relevant Member State of Instruments which are the subject of an offering contemplated in this Base Prospectus as

completed by Final Terms in relation to the offer of those Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do any of them authorise, the making of any offer of Instruments in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Instruments includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Instruments are not intended, from 1 January 2018, to be offered, sold or otherwise made available to, and, with effect from such date, should not be offered, sold or otherwise made available to, any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

All references in this Base Prospectus to a “**Member State**” are references to a Member State of the EEA, references to “**US\$**”, “**US dollars**”, “**USD**” or “**US cents**” are to the lawful currency of the United States of America, all references to “**A\$**”, “**AUD**” and “**Australian cents**” are to the lawful currency of Australia, all references to “**NZ\$**”, “**NZD**” and “**NZ cents**” are to the lawful currency of New Zealand, all references to “**£**”, “**Sterling**” and “**GBP**” are to the lawful currency of the United Kingdom, all references to “**S\$**” are to the lawful currency of Singapore and all references to “**Yen**” or “**JPY**” are to the lawful currency of Japan. References to “**€**”, “**Eur**”, “**euro**” or, as the context may require, “**euro cents**” are to the currency, introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty on European Union of those member states of the European Union which are participating in the European economic and monetary union (the “**Eurozone**”). References to “**Australia**” are to the Commonwealth of Australia, its territories and possessions.

In connection with the issue of any Tranche (as defined herein) of Instruments under the Programme, the Dealer or Dealers (if any) specified as the stabilising dealers (the “**Stabilising Dealer(s)**”) (or persons acting on behalf of any Stabilising Dealer(s)) may over allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Instruments is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Instruments and 60 days after the date of the allotment of the relevant Tranche of Instruments. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Dealer(s) (or person(s) acting on behalf of any Stabilising Dealer(s)) in accordance with all applicable laws and rules.

Unless otherwise stated, a reference in this Base Prospectus to “**Moody’s**” or “**Moody’s Investors Services**” shall be a reference to Moody’s Investors Service Pty Limited and a reference to “**Standard & Poor’s**” or “**S&P**” shall be a reference to S&P Global Ratings Australia Pty Limited.

The Instruments do not represent protected accounts, deposits or other liabilities of WBC.

- (i) The holding of Instruments is subject to investment risk, including possible delays in repayment and loss of income and principal invested.
- (ii) Neither the Issuer nor WNZL is an authorised deposit-taking institution under the Banking Act 1959 (Australia).
- (iii) Neither WBC nor any Dealer in any way stands behind the value and/or performance of the Instruments or guarantees the payment of interest or the repayment of principal due on the Instruments.
- (iv) None of the obligations of the Issuer or WNZL in respect of the Instruments is guaranteed in any way by WBC or any of its controlled entities, except that WNZL has provided a guarantee to the extent described in this Base Prospectus.

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SUMMARY

Summaries are made up of disclosure requirements known as “**Elements**”. These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for these types of securities and this Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

Words and expressions defined in the “Terms and Conditions of the Instruments” shall have the same meanings in this summary.

| Section A – Introduction and Warnings: | | |
|---|---|--|
| A.1 | Warning: | This summary should be read as an introduction to the Base Prospectus. Any decision to invest in the Instruments should be based on consideration of the Base Prospectus as a whole by the investor, including any information incorporated by reference. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor may, under the national legislation of the Member States, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such Instruments. |
| A.2 | Consent to use of this Base Prospectus: | <p><u>Issue specific summary</u></p> <p>[Not applicable. The Instruments are issued in denominations of at least €100,000 (or its equivalent in any other currency).]/</p> <p>[Not applicable. The Instruments are issued in denominations of less than €100,000 (or its equivalent in any other currency) but will only be offered to any legal entity which is a qualified investor as defined in the Prospectus Directive, as implemented in that Relevant Member State, pursuant to an exemption from an obligation under the Prospective Directive to publish a prospectus.]</p> |

| Section B – Issuer: | | |
|----------------------------|--|---|
| B.1 | Legal and commercial name: | Westpac Securities NZ Limited (“ WSNZL ”) |
| B.2 | Domicile, Legal Form, Country of Incorporation and Legislation under | <p>The Issuer is domiciled and incorporated in New Zealand.</p> <p>The Issuer was incorporated on 29 August 2006 as a limited liability company under the laws of New Zealand with registration number 1859984.</p> |

| | which the Issuer operates: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|--|-------------------|-------------------|-----------------|---------|---------|------------------|-----------|-----------|----------------------------|--------------|--------------|---------------------|-------|-------|---|--------------|--------------|--------------------|---------|-------|---------------------------------|--------------|--------------|--------------------|---------|---------|--------------------------------|--------------|--------------|---|---|---|--|--------------|--------------|---|--|--|---------------|--|--|---------------------------|-------|-------|---------------------------------------|------------|------------|-------------------|-------|-------|---------------------|-------------------|-------------------|--------------------|--|--|----------------------------------|-------|-------|-------------|------------|------------|-------------------|--------|--------|--------------------------|-------------------|-------------------|-------------------|---------------|---------------|
| B.4b | Known trends affecting the Issuer and its Industry: | As a wholly-owned indirect subsidiary of Westpac New Zealand Limited (“WNZL”), the same trends affect the Issuer as WNZL. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.5 | Group Position: | The Issuer is a wholly-owned subsidiary of Westpac NZ Operations Limited, which is a wholly-owned subsidiary of WNZL. The ultimate parent of the Westpac group of companies is Westpac Banking Corporation (“WBC”). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.9 | Profit Forecasts or Estimates: | Not applicable. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.10 | Description of any Qualifications in the Audit Report on the Historical Financial Information: | Not applicable. The audit reports on the historical financial information are not qualified. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.12 | Key Historical Financial Information: | <p>Statement of comprehensive income for the year ended 30 September</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2017 NZ \$'000</th> <th style="text-align: right;">2016 NZ \$'000</th> </tr> </thead> <tbody> <tr> <td>Interest income</td> <td style="text-align: right;">192,895</td> <td style="text-align: right;">195,743</td> </tr> <tr> <td>Interest expense</td> <td style="text-align: right;">(187,744)</td> <td style="text-align: right;">(191,403)</td> </tr> <tr> <td>Net interest income</td> <td style="text-align: right;">5,151</td> <td style="text-align: right;">4,340</td> </tr> <tr> <td>Non-interest income</td> <td style="text-align: right;">1,122</td> <td style="text-align: right;">1,065</td> </tr> <tr> <td>Net operating income before operating expenses</td> <td style="text-align: right;">6,273</td> <td style="text-align: right;">5,405</td> </tr> <tr> <td>Operating expenses</td> <td style="text-align: right;">(1,020)</td> <td style="text-align: right;">(968)</td> </tr> <tr> <td>Profit before income tax</td> <td style="text-align: right;">5,253</td> <td style="text-align: right;">4,437</td> </tr> <tr> <td>Income tax expense</td> <td style="text-align: right;">(1,379)</td> <td style="text-align: right;">(1,282)</td> </tr> <tr> <td>Net profit for the year</td> <td style="text-align: right;">3,874</td> <td style="text-align: right;">3,155</td> </tr> <tr> <td>Other comprehensive income (net of tax)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Total comprehensive income for the year</td> <td style="text-align: right;">3,874</td> <td style="text-align: right;">3,155</td> </tr> <tr> <td colspan="3">Balance sheet as at 30 September</td> </tr> <tr> <td colspan="3">Assets</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">8,259</td> <td style="text-align: right;">8,981</td> </tr> <tr> <td>Receivables due from related entities</td> <td style="text-align: right;">13,495,715</td> <td style="text-align: right;">11,381,073</td> </tr> <tr> <td>Current tax asset</td> <td style="text-align: right;">3,220</td> <td style="text-align: right;">2,303</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">13,507,194</td> <td style="text-align: right;">11,392,357</td> </tr> <tr> <td colspan="3">Liabilities</td> </tr> <tr> <td>Payables due to related entities</td> <td style="text-align: right;">2,042</td> <td style="text-align: right;">1,260</td> </tr> <tr> <td>Debt issues</td> <td style="text-align: right;">13,459,583</td> <td style="text-align: right;">11,329,259</td> </tr> <tr> <td>Other liabilities</td> <td style="text-align: right;">34,551</td> <td style="text-align: right;">51,539</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right;">13,496,176</td> <td style="text-align: right;">11,382,058</td> </tr> <tr> <td>Net assets</td> <td style="text-align: right;">11,018</td> <td style="text-align: right;">10,299</td> </tr> </tbody> </table> | | 2017 NZ \$'000 | 2016 NZ \$'000 | Interest income | 192,895 | 195,743 | Interest expense | (187,744) | (191,403) | Net interest income | 5,151 | 4,340 | Non-interest income | 1,122 | 1,065 | Net operating income before operating expenses | 6,273 | 5,405 | Operating expenses | (1,020) | (968) | Profit before income tax | 5,253 | 4,437 | Income tax expense | (1,379) | (1,282) | Net profit for the year | 3,874 | 3,155 | Other comprehensive income (net of tax) | - | - | Total comprehensive income for the year | 3,874 | 3,155 | Balance sheet as at 30 September | | | Assets | | | Cash and cash equivalents | 8,259 | 8,981 | Receivables due from related entities | 13,495,715 | 11,381,073 | Current tax asset | 3,220 | 2,303 | Total assets | 13,507,194 | 11,392,357 | Liabilities | | | Payables due to related entities | 2,042 | 1,260 | Debt issues | 13,459,583 | 11,329,259 | Other liabilities | 34,551 | 51,539 | Total liabilities | 13,496,176 | 11,382,058 | Net assets | 11,018 | 10,299 |
| | 2017 NZ \$'000 | 2016 NZ \$'000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest income | 192,895 | 195,743 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest expense | (187,744) | (191,403) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net interest income | 5,151 | 4,340 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-interest income | 1,122 | 1,065 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net operating income before operating expenses | 6,273 | 5,405 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating expenses | (1,020) | (968) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit before income tax | 5,253 | 4,437 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Income tax expense | (1,379) | (1,282) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net profit for the year | 3,874 | 3,155 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other comprehensive income (net of tax) | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total comprehensive income for the year | 3,874 | 3,155 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Balance sheet as at 30 September | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 8,259 | 8,981 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Receivables due from related entities | 13,495,715 | 11,381,073 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current tax asset | 3,220 | 2,303 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total assets | 13,507,194 | 11,392,357 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Payables due to related entities | 2,042 | 1,260 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt issues | 13,459,583 | 11,329,259 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other liabilities | 34,551 | 51,539 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total liabilities | 13,496,176 | 11,382,058 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net assets | 11,018 | 10,299 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | |
|-----------------------------------|---|--|---------------|-----|-----|------------------|--------|-------|-----------------------------------|---------------|---------------|
| | | <p>Shareholder's equity</p> <table> <tr> <td>Share capital</td> <td>651</td> <td>651</td> </tr> <tr> <td>Retained profits</td> <td>10,367</td> <td>9,648</td> </tr> <tr> <td>Total shareholder's equity</td> <td>11,018</td> <td>10,299</td> </tr> </table> | Share capital | 651 | 651 | Retained profits | 10,367 | 9,648 | Total shareholder's equity | 11,018 | 10,299 |
| Share capital | 651 | 651 | | | | | | | | | |
| Retained profits | 10,367 | 9,648 | | | | | | | | | |
| Total shareholder's equity | 11,018 | 10,299 | | | | | | | | | |
| | <p>Statement of no Material Adverse Change since Last Audited Financial Statements:</p> <p>Description of Significant Changes in Financial or Trading Position:</p> | <p>Since 30 September 2017, the last day of the financial period in respect of which the most recent published audited non-consolidated financial statements of the Issuer have been prepared, there has been no material adverse change in the prospects of the Issuer.</p> <p>Since 30 September 2017, the last day of the financial period in respect of which the most recent published audited non-consolidated financial statements of the Issuer have been prepared, there has been no significant change in the financial or trading position of the Issuer.</p> | | | | | | | | | |
| B.13 | Description of Recent Events Material to the Issuer's Solvency: | Not applicable. There have been no recent events material to the Issuer's solvency. | | | | | | | | | |
| B.14 | If the Issuer is Dependent upon other Entities Within the Group, this must be Clearly Stated: | As a wholly-owned indirect subsidiary of WNZL, the Issuer is dependent upon WNZL for the guarantee of due and punctual payment of all amounts due under the Instruments issued from time to time by the Issuer. | | | | | | | | | |
| B.15 | Issuer Principal Activities: | The principal activity of the Issuer is to raise and manage offshore wholesale funding for WNZL. | | | | | | | | | |
| B.16 | Control of the Issuer: | The Issuer is a wholly-owned subsidiary of Westpac NZ Operations Limited. The Issuer is also an indirect, wholly-owned subsidiary of WNZL. | | | | | | | | | |
| B.17 | Credit Ratings Assigned to the Issuer or its Debt Securities at the Request of or in Co-operation with the Issuer: | <p>S&P Global Ratings Australia Pty Limited has assigned the Issuer a senior unsecured credit rating of AA-. The outlook for the rating is negative. The short term credit rating assigned by S&P Global Ratings Australia Pty Limited to the Issuer is A-1+.</p> <p>Moody's Investors Service Pty Limited has assigned the Issuer a senior unsecured credit rating of A1. The outlook for the rating is stable. The short term credit rating assigned by Moody's Investors Service Pty Limited to the Issuer is P-1.</p> <p><i>Issue specific summary:</i></p> <p>[The Instruments to be issued [are not/have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Instruments of this type issued under the Programme generally]:</p> <p>S&P Global Ratings Australia Pty Limited: [●]</p> <p>Moody's Investors Service Pty Limited: [●]</p> | | | | | | | | | |
| B.18 | Guarantee: | WNZL has executed an amended and restated deed of guarantee dated 11 December 2015 (the " WNZL Deed of Guarantee ") pursuant to which it has unconditionally and irrevocably guaranteed the due and punctual payment of all amounts falling due from time to time in respect of Instruments issued by the Issuer. | | | | | | | | | |

| | | |
|---------------|--|--|
| B.19/ B.1 | Legal and Commercial name: | Westpac New Zealand Limited |
| B.19/ B.2 | Domicile, Legal Form, Country of Incorporation and Legislation under which the Guarantor Operates: | <p>WNZL is domiciled and incorporated in New Zealand.</p> <p>WNZL was incorporated on 14 February 2006 as a limited liability company under the laws of New Zealand registration number 1763882.</p> |
| B.19/ B.4b | Known trends affecting the Guarantor and its Industry: | <p>WNZL operates in the New Zealand financial services sector providing services to consumers, businesses, government and institutional customers.</p> <p>The New Zealand market is dominated by the locally incorporated subsidiaries of the four major Australian banks: WNZL, ANZ Bank New Zealand Limited (a subsidiary of Australia and New Zealand Banking Group Limited), ASB Bank Limited (a subsidiary of the Commonwealth Bank of Australia) and Bank of New Zealand (a subsidiary of National Australia Bank). All these major banks offer comprehensive financial services products to consumers and business customers throughout the country. In addition, there is competition from a number of smaller market participants that focus on niche opportunities within the retail and business sectors. Kiwibank Limited, ultimately owned by the New Zealand Government, is also a significant competitor principally operating in the consumer segment across both lending and deposits.</p> <p>New Zealand's economic growth has slowed over 2017, as poor weather has hindered agricultural production and the building industry has faced capacity and financing constraints. The economy has continued to receive support from low interest rates and rapid population growth, although net migration inflows appear to have peaked.</p> <p>House price inflation has slowed in response to a rise in mortgage rates and the RBNZ's limits on loan-to-value ratios ("LVRs"). Housing credit grew by 6.4 per cent in the year to September 2017, compared to 9.2 per cent growth in the year to September 2016.</p> <p>The policies of the newly-elected Government will have a substantial impact on the economy's performance. Growth is expected to slow in 2018, as the Government's various measures to cool housing demand lead to weaker house prices and consumer spending. Increased fiscal spending is likely to boost the rate of growth over 2019 and 2020.</p> <p>The RBNZ reduced the Official Cash Rate ("OCR") to a record low of 1.75 per cent in November 2016. The OCR is expected to remain at this level until late 2019.</p> |
| B.19/ B.5 | Group Position: | <p>WNZL is a wholly owned subsidiary of Westpac New Zealand Group Limited ("WNZGL"), a New Zealand company, which in turn is a wholly-owned subsidiary of Westpac Overseas Holdings No.2 Pty Limited ("WOHL"), an Australian company. WOHL is, in turn, a wholly-owned subsidiary of WBC, an Australian company. WBC is incorporated in Australia under the Corporations Act 2001 of Australia (the "Corporations Act") and its address for service of</p> |

| | | <p>process is Level 20, Westpac Place, 275 Kent Street, Sydney, New South Wales 2000, Australia.</p> <p>As at 30 September 2017, WNZGL had a direct qualifying interest in 100 per cent. of the voting securities of WNZL. WBC has an indirect qualifying interest in 100 per cent. of the voting securities of WNZL.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|--|-------------|-------------|--|---------------|---------------|-----------------|-------|-------|--------------------------------------|---------|---------|---|--------------|--------------|---------------------|-----|-----|--|--------------|--------------|----------------------------------|-------|-------|-------------------------------|-------|-------|-----------------------------|--------------|--------------|---------------------------|-------|-------|--------------------------------|------------|------------|---------------------|-----|-----|-------------------|-----|-----|---------------------|---------------|---------------|
| B.19/ B.9 | Profit Forecasts: | Not applicable. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.19/ B.10 | Description of any Qualification in the Audit Report on the Historical Financial Information: | Not applicable. The audit reports on the historical financial information are not qualified. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.19/ B.12 | Key Historical Financial Information: | <p>Income statement for the year ended 30 September</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2017</th> <th style="text-align: right;">2016</th> </tr> <tr> <th></th> <th style="text-align: right;">NZ \$m</th> <th style="text-align: right;">NZ \$m</th> </tr> </thead> <tbody> <tr> <td>Interest income</td> <td style="text-align: right;">3,917</td> <td style="text-align: right;">4,113</td> </tr> <tr> <td>Interest expense</td> <td style="text-align: right;">(2,176)</td> <td style="text-align: right;">(2,369)</td> </tr> <tr> <td>Net interest income</td> <td style="text-align: right;">1,741</td> <td style="text-align: right;">1,744</td> </tr> <tr> <td>Non-interest income</td> <td style="text-align: right;">405</td> <td style="text-align: right;">400</td> </tr> <tr> <td>Net operating income before operating expenses and impairment</td> <td style="text-align: right;">2,146</td> <td style="text-align: right;">2,144</td> </tr> <tr> <td>Operating expenses</td> <td style="text-align: right;">(954)</td> <td style="text-align: right;">(907)</td> </tr> <tr> <td>Impairment benefits/(charges)</td> <td style="text-align: right;">76</td> <td style="text-align: right;">(59)</td> </tr> <tr> <td>Profit before income</td> <td style="text-align: right;">1,268</td> <td style="text-align: right;">1,178</td> </tr> <tr> <td>Income tax expense</td> <td style="text-align: right;">(359)</td> <td style="text-align: right;">(327)</td> </tr> <tr> <td>Net profit for the year</td> <td style="text-align: right;">909</td> <td style="text-align: right;">851</td> </tr> </tbody> </table> | | 2017 | 2016 | | NZ \$m | NZ \$m | Interest income | 3,917 | 4,113 | Interest expense | (2,176) | (2,369) | Net interest income | 1,741 | 1,744 | Non-interest income | 405 | 400 | Net operating income before operating expenses and impairment | 2,146 | 2,144 | Operating expenses | (954) | (907) | Impairment benefits/(charges) | 76 | (59) | Profit before income | 1,268 | 1,178 | Income tax expense | (359) | (327) | Net profit for the year | 909 | 851 | | | | | | | | | |
| | 2017 | 2016 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | NZ \$m | NZ \$m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest income | 3,917 | 4,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest expense | (2,176) | (2,369) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net interest income | 1,741 | 1,744 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-interest income | 405 | 400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net operating income before operating expenses and impairment | 2,146 | 2,144 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating expenses | (954) | (907) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Impairment benefits/(charges) | 76 | (59) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit before income | 1,268 | 1,178 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Income tax expense | (359) | (327) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net profit for the year | 909 | 851 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <p>Balance sheet as at 30 September</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">2017</th> <th style="text-align: right;">2016</th> </tr> <tr> <th></th> <th style="text-align: right;">NZ \$m</th> <th style="text-align: right;">NZ \$m</th> </tr> </thead> <tbody> <tr> <td>Assets</td> <td></td> <td></td> </tr> <tr> <td>Cash and balances with central banks</td> <td style="text-align: right;">1,659</td> <td style="text-align: right;">1,418</td> </tr> <tr> <td>Receivables due from other financial institutions</td> <td style="text-align: right;">407</td> <td style="text-align: right;">720</td> </tr> <tr> <td>Other assets</td> <td style="text-align: right;">264</td> <td style="text-align: right;">247</td> </tr> <tr> <td>Trading securities</td> <td style="text-align: right;">1,797</td> <td style="text-align: right;">2,128</td> </tr> <tr> <td>Derivative financial instruments</td> <td style="text-align: right;">220</td> <td style="text-align: right;">130</td> </tr> <tr> <td>Available-for-sale securities</td> <td style="text-align: right;">4,087</td> <td style="text-align: right;">3,790</td> </tr> <tr> <td>Loans</td> <td style="text-align: right;">77,261</td> <td style="text-align: right;">75,172</td> </tr> <tr> <td>Due from related entities</td> <td style="text-align: right;">2,017</td> <td style="text-align: right;">1,760</td> </tr> <tr> <td>Property and equipment</td> <td style="text-align: right;">146</td> <td style="text-align: right;">161</td> </tr> <tr> <td>Deferred tax assets</td> <td style="text-align: right;">162</td> <td style="text-align: right;">191</td> </tr> <tr> <td>Intangible assets</td> <td style="text-align: right;">607</td> <td style="text-align: right;">590</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">88,627</td> <td style="text-align: right;">86,307</td> </tr> </tbody> </table> | | 2017 | 2016 | | NZ \$m | NZ \$m | Assets | | | Cash and balances with central banks | 1,659 | 1,418 | Receivables due from other financial institutions | 407 | 720 | Other assets | 264 | 247 | Trading securities | 1,797 | 2,128 | Derivative financial instruments | 220 | 130 | Available-for-sale securities | 4,087 | 3,790 | Loans | 77,261 | 75,172 | Due from related entities | 2,017 | 1,760 | Property and equipment | 146 | 161 | Deferred tax assets | 162 | 191 | Intangible assets | 607 | 590 | Total assets | 88,627 | 86,307 |
| | 2017 | 2016 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | NZ \$m | NZ \$m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash and balances with central banks | 1,659 | 1,418 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Receivables due from other financial institutions | 407 | 720 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other assets | 264 | 247 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trading securities | 1,797 | 2,128 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Derivative financial instruments | 220 | 130 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Available-for-sale securities | 4,087 | 3,790 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans | 77,261 | 75,172 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Due from related entities | 2,017 | 1,760 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property and equipment | 146 | 161 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deferred tax assets | 162 | 191 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Intangible assets | 607 | 590 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total assets | 88,627 | 86,307 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|--|---|---|--|-----|----|-------------------|-----|-----|-------------------------------|--------|--------|--|----|-----|----------------------------------|-----|-----|-------------|--------|--------|-------------------------|----|----|------------|----|----|---|---------------|---------------|-------------------------|-------|-------|--------------|-------|-------|---|--------------|--------------|--------------------------|---------------|---------------|-------------------|--------------|--------------|-----------------------------|--|--|---------------|-------|-------|------------------|-------|-------|----------|------|------|-----------------------------------|--------------|--------------|--|--------|--------|---|--------|--------|
| | | <p>Liabilities</p> <table border="1"> <tbody> <tr> <td>Payables due to other financial institutions</td> <td>143</td> <td>15</td> </tr> <tr> <td>Other liabilities</td> <td>502</td> <td>508</td> </tr> <tr> <td>Deposits and other borrowings</td> <td>58,998</td> <td>58,791</td> </tr> <tr> <td>Other financial liabilities at fair value through income statement</td> <td>19</td> <td>400</td> </tr> <tr> <td>Derivative financial instruments</td> <td>484</td> <td>884</td> </tr> <tr> <td>Debt issues</td> <td>16,729</td> <td>14,727</td> </tr> <tr> <td>Current tax liabilities</td> <td>75</td> <td>71</td> </tr> <tr> <td>Provisions</td> <td>85</td> <td>90</td> </tr> <tr> <td>Total liabilities excluding related entities liabilities</td> <td>77,035</td> <td>75,486</td> </tr> <tr> <td>Due to related entities</td> <td>2,126</td> <td>3,170</td> </tr> <tr> <td>Loan capital</td> <td>2,616</td> <td>1,091</td> </tr> <tr> <td>Total related entities liabilities</td> <td>4,742</td> <td>4,261</td> </tr> <tr> <td>Total liabilities</td> <td>81,777</td> <td>79,747</td> </tr> <tr> <td>Net assets</td> <td>6,850</td> <td>6,560</td> </tr> <tr> <td>Shareholder's equity</td> <td></td> <td></td> </tr> <tr> <td>Share capital</td> <td>3,750</td> <td>3,750</td> </tr> <tr> <td>Retained profits</td> <td>3,165</td> <td>2,886</td> </tr> <tr> <td>Reserves</td> <td>(65)</td> <td>(76)</td> </tr> <tr> <td>Total shareholder's equity</td> <td>6,850</td> <td>6,560</td> </tr> <tr> <td>Interest earning and discount bearing assets</td> <td>87,294</td> <td>85,088</td> </tr> <tr> <td>Interest and discount bearing liabilities</td> <td>74,996</td> <td>72,569</td> </tr> </tbody> </table> | Payables due to other financial institutions | 143 | 15 | Other liabilities | 502 | 508 | Deposits and other borrowings | 58,998 | 58,791 | Other financial liabilities at fair value through income statement | 19 | 400 | Derivative financial instruments | 484 | 884 | Debt issues | 16,729 | 14,727 | Current tax liabilities | 75 | 71 | Provisions | 85 | 90 | Total liabilities excluding related entities liabilities | 77,035 | 75,486 | Due to related entities | 2,126 | 3,170 | Loan capital | 2,616 | 1,091 | Total related entities liabilities | 4,742 | 4,261 | Total liabilities | 81,777 | 79,747 | Net assets | 6,850 | 6,560 | Shareholder's equity | | | Share capital | 3,750 | 3,750 | Retained profits | 3,165 | 2,886 | Reserves | (65) | (76) | Total shareholder's equity | 6,850 | 6,560 | Interest earning and discount bearing assets | 87,294 | 85,088 | Interest and discount bearing liabilities | 74,996 | 72,569 |
| Payables due to other financial institutions | 143 | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other liabilities | 502 | 508 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deposits and other borrowings | 58,998 | 58,791 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other financial liabilities at fair value through income statement | 19 | 400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Derivative financial instruments | 484 | 884 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt issues | 16,729 | 14,727 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current tax liabilities | 75 | 71 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provisions | 85 | 90 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total liabilities excluding related entities liabilities | 77,035 | 75,486 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Due to related entities | 2,126 | 3,170 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loan capital | 2,616 | 1,091 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total related entities liabilities | 4,742 | 4,261 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total liabilities | 81,777 | 79,747 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net assets | 6,850 | 6,560 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shareholder's equity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Share capital | 3,750 | 3,750 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retained profits | 3,165 | 2,886 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reserves | (65) | (76) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total shareholder's equity | 6,850 | 6,560 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest earning and discount bearing assets | 87,294 | 85,088 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest and discount bearing liabilities | 74,996 | 72,569 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Statement of No Material Adverse Change since Last Audited Financial Statements:</p> <p>Description of Significant Changes in Financial or Trading Position:</p> | <p>Since 30 September 2017, the last day of the financial period in respect of which the most recent published audited consolidated financial statements of WNZL have been prepared, there has been no material adverse change in the prospects of WNZL and its controlled entities taken as a whole.</p> <p>Since 30 September 2017, the last day of the financial period in respect of which the most recent published audited consolidated financial statements of WNZL have been prepared, there has been no significant change in the financial or trading position of WNZL and its controlled entities taken as a whole.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.19/ B.13 | Description of Recent Events Material to the Guarantor's Solvency: | Not applicable. There have been no recent events material to WNZL's solvency. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.19/ B.14 | If the Guarantor is Dependent upon other Entities Within the Group, | As an intermediate holding company, WNZL is dependent on WBC for the provision of funding and upon the business performance of its operating subsidiaries. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | this must be Clearly Stated: | |
| B.19/ B.15 | Guarantor Principal Activities: | WNZL is one of New Zealand's largest banking organisations and provides a wide range of consumer, business and institutional banking, wealth and insurance products and services to consumers, businesses, government and institutional customers in New Zealand. |
| B.19/ B.16 | Control of the Guarantor: | WNZL is wholly-owned and controlled by WBC. |
| B.19/ B.17 | Credit Ratings: | S&P Global Ratings Australia Pty Limited has assigned WNZL a senior unsecured credit rating of AA-. The outlook for the rating is negative. The short term credit rating assigned by S&P Global Ratings Australia Pty Limited to WNZL is A-1+. Moody's Investors Service Pty Limited has assigned WNZL a senior unsecured credit rating of A1. The outlook for the rating is stable. The short term credit rating assigned by Moody's Investors Service Pty Limited to the Issuer is P-1. |
| B.19/ B.18 | Guarantee: | WNZL has executed the WNZL Deed of Guarantee pursuant to which it has unconditionally and irrevocably guaranteed the due and punctual payment of all amounts falling due from time to time in respect of Instruments issued by the Issuer. |

Section C – Instruments:

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| C.1 | Description of the Type and Class of Securities: | <p>Instruments will be issued in series (each a “Series”). Each Series may comprise one or more tranches (“Tranches”) issued on different issue dates. The Instruments of each Series will all be subject to identical terms except that the issue date and/or the amount of the first payment of interest and/or the issue price may be different in respect of different Tranches and a Series may comprise Instruments in more than one denomination. The Instruments of each Tranche will all be subject to identical terms save that a Tranche may comprise Instruments of different denominations.</p> <p>Instruments may be issued in bearer or registered form. In respect of each Tranche of Instruments issued in bearer form, the Issuer will deliver a temporary global Instrument or, in respect of Instruments to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the “TEFRA C Rules”) applies, a permanent global Instrument. Such global Instrument will be either (i) deposited on or before the relevant issue date therefor with a depository or a common depository for Euroclear Bank SA/NV (“Euroclear”) and/or Clearstream Banking, S.A. (“Clearstream, Luxembourg”) and/or any other relevant clearing system or (ii) lodged on or before the relevant issue date thereof with a sub-custodian in Hong Kong for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (“CMU Service”). Each temporary global Instrument will be exchangeable either for a permanent global Instrument or, in certain cases, for Instruments in definitive bearer form and/or (in the case of certain Series comprising both bearer Instruments and registered Instruments) registered form in accordance with its terms. Each permanent global Instrument will be exchangeable for Instruments in definitive bearer form and/or (in the case of certain Series comprising both bearer Instruments and registered Instruments) registered form in</p> |
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| | | <p>accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, either have interest coupons (“Coupons”) attached and, if appropriate, a talon (“Talon”) for further Coupons and will, if the principal thereof is repayable by instalments, have a grid for recording the payment of principal endorsed thereon or, in certain cases, have payment receipts (“Receipts”) attached. Instruments in bearer form are exchangeable in accordance with the terms thereof for Instruments in registered form. Instruments in registered form may not be exchanged for Instruments in bearer form.</p> <p><i>Issue specific summary:</i></p> <p>Series Number: [●]</p> <p>Tranche Number: [●]</p> <p>[Bearer Instruments:]</p> <p>[Initially represented by a Temporary Global Instrument or Permanent Global Instrument] [/]</p> <p>[Temporary Global Instrument exchangeable for a Permanent Global Instrument or for Definitive Instruments and/or (if the relevant Series comprises both Bearer Instruments and Registered Instruments) Registered Instruments] [/]</p> <p>[Permanent Global Instrument exchangeable at the option of the bearer for Definitive Instruments and/or (if the relevant Series comprises both Bearer Instruments and Registered Instruments) Registered Instruments] [/]</p> <p>[Registered Instruments:] [/]</p> <p>[Name and specified office of Registrar] Form of Instruments: [●]</p> <p>Aggregate Nominal Amount: [●]</p> <p>ISIN: [●]</p> <p>Common Code: [●]</p> |
| C.2 | Currency: | <p>Instruments may be denominated in any currency or currencies subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Instruments may, subject to compliance as aforesaid, be made in and/or linked to a currency or currencies other than the currency in which such Instruments are denominated.</p> <p><i>Issue specific summary:</i></p> <p>The Specified [Currency/Currencies] of the Instruments [is/are] [●].</p> |
| C.5 | Description of any Restriction on the Free Transferability of Securities: | <p>There is no such restriction on free transferability of the Instruments.</p> <p>The offering of the Instruments by the Dealers is subject to the selling restrictions with respect to the applicable laws of the jurisdiction in or from which the offering of the Instruments takes place, including the United States of America, the EEA, the United Kingdom, Australia, Hong Kong, Japan, France, Italy, The Netherlands, New Zealand, Taiwan and Singapore.</p> |

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| C.8 | Description of the Rights Attaching to the Securities, Including Ranking and any Limitation on those Rights: | <p>Payments</p> <p>Except for the Zero Coupon Instruments, all other Instruments confer the entitlement to receive interest in respect of the Instruments in respect of each period for which the Instruments remain outstanding, and to be repaid the principal amount of the Instruments on maturity.</p> <p>Withholding Tax</p> <p>Payments in respect of Instruments, Receipts or Coupons, or the WNZL Deed of Guarantee (if applicable), will be made without withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of New Zealand and/or the United Kingdom or, in either case, any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or (as the case may be) WNZL will (subject to certain exceptions) pay such additional amounts as will result in the Holders of Instruments, Receipts or Coupons receiving such amounts as they would have received in respect of such Instruments, Receipts or Coupons had no such withholding or deduction been required.</p> <p>Limitation on rights</p> <p>The Issuer may be entitled to redeem the Instruments prior to their stated Maturity Date, or to make repayment in a currency other than the currency in which the Instruments are denominated.</p> <p>Tax redemption</p> <p>Early redemption of the Instruments for tax reasons is permitted.</p> <p>Events of Default</p> <p>The Terms and Conditions contain Events of Default including those relating to (a) non-payment, (b) breach of other obligations, (c) winding-up, (d) cessation of business, (e) appointment of receiver, encumbrancer or official manager or execution of enforcement over assets, (f) inability to pay debts as they fall due and (g) the WNZL Deed of Guarantee ceasing to be in force other than in connection with a Solvent Reconstruction. The provisions include minimum thresholds, provisos and grace periods.</p> <p>Meetings of Holders of Instruments</p> <p>Meetings of Holders of Instruments may be called to consider matters affecting their interests generally. These provisions governing such meetings permit defined majorities to bind all Holders of Instruments including Holders who did not vote on the relevant resolution and Holders who voted in a manner contrary to the majority.</p> <p>Governing law</p> <p>English law.</p> <p>Ranking</p> <p>The Instruments are issued on an unsubordinated basis and rank at least <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer (other than those mandatorily preferred by law).</p> <p>The obligations of WNZL under the WNZL Deed of Guarantee constitute its unsubordinated obligations and rank at least <i>pari passu</i> with all other</p> |
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| | | unsecured and unsubordinated obligations of WNZL (other than those mandatorily preferred by law). |
| C.9 | Description of Rights Attaching to the Securities, including Nominal Interest Rate, Interest Payment Date, Maturity Date/Repayment Procedures, Indication of Yield, Name of Representative of Debt Security Holders and where the Rate is not Fixed, Description of the Underlying on which it is Based: | <p>Interest periods and interest rates:</p> <p>Except for the Zero Coupon Instruments, the length of all other interest periods for all other Instruments and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Except for the Zero Coupon Instruments, all Instruments may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Instruments to bear interest at different rates in the same interest period.</p> <p>Fixed Rate Instruments:</p> <p>Fixed interest will be payable in arrear on the specified date or dates in each year.</p> <p><i>Issue specific summary:</i></p> <p>[Fixed Rate Instruments are not being issued.]</p> <p>[Rate{(s)} of Interest: [●] per cent. per annum payable [●] in arrear on each Interest Payment Date]</p> <p>[Interest Payment Date(s): [●] in each year subject to adjustment in accordance with the Business Day Convention set out below]</p> <p>[Fixed Coupon Amount{(s)}: [●] per Calculation Amount]</p> <p>[Business Day Convention: [●]]</p> <p>[Accrual Feature:</p> <p>Applicable/Not Applicable]</p> <p>[Yield in respect of Fixed Rate Instruments:</p> <p>The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.</p> <p><i>Issue specific summary:</i></p> <p>[Indication of yield: [●]]</p> <p>Floating Rate Instruments:</p> <p>Floating Rate Instruments will bear interest determined separately for each Series.</p> <p><i>Issue specific summary:</i></p> <p>[Floating Rate Instruments are not being issued.]</p> <p>[Rate{(s)} of Interest: [●] month [●] +/- [●] per cent. per annum payable [●] in arrear on each Interest Payment Date]</p> <p>[Interest Period(s): [●]]</p> <p>[Interest Payment Dates: [●] in each year, subject to adjustment in accordance with the Business Day Convention set out below]</p> <p>[First Interest Payment Date: [●]]</p> |

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| | <p>[Interest Period End Dates: [●]]</p> <p><i>(Not applicable unless different from Interest Payment Dates)</i></p> <p>[Manner in which the Rate(s) of Interest is/are to be determined: [●]]</p> <p>[Business Day Convention: [●]]</p> <p>[Description of the underlying on which the Floating Rate Instruments are based: [●]]</p> <p>[Accrual Feature: Applicable/Not Applicable]</p> <p>Zero Coupon Instruments:</p> <p>Zero Coupon Instruments may be issued at their nominal amount or at a discount to it and will not bear interest.</p> <p><i>Issue specific summary:</i></p> <p>[Zero Coupon Instruments are not being issued.]</p> <p>[Amortisation Yield: [●] per cent. per annum]</p> <p>[Description of the underlying on which the Zero Coupon Instruments are based: [●]]</p> <p>Partly Paid Instruments:</p> <p>Partly Paid Instruments may be issued where the subscription money is payable in more than one instalment.</p> <p><i>Issue specific summary:</i></p> <p>[Partly Paid Instruments are not being issued.]</p> <p>[Number of instalments: [●]]</p> <p>[Amount of each instalment: [●]]</p> <p>[Date(s) of Payment: [●]]</p> <p>[Method of Payment: [●]]</p> <p>[First Forfeiture Date: [●]]</p> <p>[Description of the underlying on which the Partly Paid Instruments are based: [●]]</p> <p>[Accrual Feature: Applicable/Not Applicable]</p> <p>Dual Currency Instruments:</p> <p>Dual Currency Instruments will bear interest determined separately for each Series, and interest may be payable in one or more currencies other than the currency of Denomination of the Instruments.</p> <p><i>Issue specific summary:</i></p> <p>[Dual Currency Instruments are not being issued.]</p> <p>[Interest Period(s): [●]]</p> |
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| | | <p>[Interest Payment Dates: [●] in each year, subject to adjustment in accordance with the Business Day Convention set out below]</p> <p>[First Interest Payment Date: [●]]</p> <p>[Interest Period End Date: [●]]</p> <p><i>(Not applicable unless different from Interest Payment Dates)</i></p> <p>[Manner in which the Rate(s) of Interest is/are to be determined: [●]]</p> <p>[Business Day Convention: [●]]</p> <p>[Description of the underlying on which the Dual Currency Instruments are based: [●]]</p> <p>[Maturity Date and arrangements for amortisation, including repayment procedures]</p> <p><i>Issue specific summary:</i></p> <p>[Insert maturity date and arrangements for the amortisation of the Instruments, including the repayment procedures]]</p> |
| C.10 | Derivative Component in Interest Payments: | <p><i>Issue specific summary:</i></p> <p>Not applicable. There is not a derivative component in the interest payment.</p> <p>[●]</p> |
| C.11 | Whether Securities are or will be Object of Application for Admission to Trading: | <p>Each Series of Instruments (other than PD Exempt Instruments) may be admitted to the Official List of the UK Listing Authority (“UKLA”) and admitted to trading by the London Stock Exchange’s Regulated Market.</p> <p>PD Exempt Instruments will be unlisted or admitted to listing and/or trading on another market or stock exchange, as set out in the applicable Pricing Supplement.</p> |

Section D – Risks:

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| D.2 | Key Information on the Key Risks specific to the Issuer: | <p>The Issuer is a wholly-owned subsidiary of WNZL and, as such, is affected solely by those same risk factors which affect WNZL. The following is a summary of the key risks relating to WNZL:</p> <p>Regulatory risk</p> <p>WNZL is subject to detailed laws and regulations as a financial institution. As it operates and obtains funding in multiple jurisdictions, WNZL is subject to several different legal, regulatory and supervisory frameworks. Should WNZL fail to comply with all applicable laws and regulations, this could adversely affect WNZL’s business. WNZL faces increasing supervision and regulation, and it is likely that the investment and management time which WNZL will be required to commit to compliance will increase as a consequence. This trend also creates regulatory uncertainty for WNZL.</p> <p>Financial crime</p> <p>WNZL is subject to anti-money laundering and counter-terrorism financing laws, anti-bribery and corruption laws and economic and trade sanctions</p> |
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| | <p>laws in the jurisdictions in which it operates. Should WNZL fail to comply with applicable laws and regulations, this could adversely affect WNZL's business.</p> <p>Reputational risk</p> <p>As part of a larger business group, WNZL is vulnerable to financial and reputational damage by virtue of its association with other members of the WBC Group, any of which may suffer the occurrence of a risk event, including financial stress or failure.</p> <p>Cybersecurity risk</p> <p>WNZL is subject to the risk of cyberattacks, which could result in loss of customers and business opportunities, significant disruption to operations, misappropriation of confidential information and/or that of WNZL's customers and damage to WNZL's computers or systems and/or those of its customers.</p> <p>Technology risk</p> <p>WNZL's information and technology systems might fail to operate properly or become disabled as a result of events that are beyond its control. If WNZL incurs a technology failure it may fail to meet a compliance obligation, resulting in a regulator commencing an investigation and/or taking administrative or enforcement action against WNZL.</p> <p>Funding risk</p> <p>WNZL relies on deposits and credit and capital markets to fund its business and for liquidity. Adverse credit and capital market conditions may significantly affect WNZL's ability to meet funding and liquidity needs and may increase its cost of funding.</p> <p>Credit rating risk</p> <p>A failure to maintain credit ratings could adversely affect WNZL's cost of funds, liquidity, competitive position and access to capital markets.</p> <p>Economic risk</p> <p>There can be no assurance that market disruptions caused by international sovereign and/or bank concerns would not have an impact on WNZL. Such a shock could reduce consumer and business spending and the demand for WNZL's products and services, reduce the ability of WNZL's borrowers to repay their loans and reduce the ability of WNZL's counterparties to fulfil their obligations. These events may adversely affect, among other things, WNZL's financial performance or financial position.</p> <p>Asset market risk</p> <p>A decline in asset markets and/or asset prices could negatively impact the earnings of WNZL's wealth management business and could also impact customers and counterparties and the value of security WNZL holds. This would impact WNZL's ability to recover amounts owing to it in the event of a customer or counterparty default. It may also affect WNZL's level of provisioning which in turn impacts profitability.</p> <p>New Zealand real estate risk</p> <p>Loans secured by New Zealand residential mortgages are important to WNZL's business. A sustained decrease in property valuations in New</p> |
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| | | <p>Zealand could increase the losses WNZL may experience from its existing mortgages and decrease the amount of new mortgages WNZL is able to originate, which could materially and adversely affect WNZL's financial condition, results of operations and future performance.</p> <p>Customer and counterparty default risk</p> <p>Credit risk is the risk of financial loss where a customer or counterparty fails to meet their financial obligations to WNZL. It is a significant risk and arises primarily from WNZL's lending activities.</p> |
| D.3 | Key Information on the Key Risks specific to the Securities: | <p>The following is a summary of the key risks relating to the Instruments:</p> <p>Change of law</p> <p>The Terms and Conditions of the Instruments are governed by the laws of England which shall be in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or administrative practice after the date of this Base Prospectus.</p> <p>The secondary market</p> <p>Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments would generally have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severe adverse effect on the market value of Instruments.</p> <p>Exchange rate risks and exchange controls</p> <p>The Issuer will pay principal and interest on the Instruments in the Specified Currency (as defined in the Terms and Conditions). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Instruments, (ii) the Investor's Currency-equivalent value of the principal payable on the Instruments and (iii) the Investor's Currency-equivalent market value of the Instruments.</p> <p><i>Issue specific summary:</i></p> <p>Instruments subject to redemption for tax reasons</p> <p>The Issuer may, subject to certain conditions, redeem outstanding affected Instruments where the Issuer or, as the case may be, WNZL has or will become obliged (or would have become or would become so obliged if demand was made under the WNZL Deed of Guarantee) to pay additional amounts in respect of any withholding or deduction for tax.</p> |

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| | | <p>Instruments subject to optional redemption by the Issuer</p> <p>The Instruments may be redeemed at the Issuer's option in certain circumstances and accordingly the Issuer may choose to redeem the Instruments at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Instruments.</p> <p>An optional redemption feature of Instruments is likely to limit their market value. During any period when the Issuer may elect to redeem Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.</p> <p>Fixed/Floating Rate Instruments</p> <p>Fixed/Floating Rate Instruments may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market for, and the market value of, the Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than prevailing spreads on comparable floating rate instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on the Issuer's other Instruments. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on its other Instruments.</p> |
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| Section E – Offer: | | |
| E.2b | Reasons for the Offer and Use of Proceeds: | The net proceeds of the issue of the Instruments will be used by the Issuer to on-lend to WNZL which will use the proceeds for general funding purposes. |
| E.3 | A Description of the Terms and Conditions of the Offer: | Not Applicable. The Instruments will only be offered to any legal entity which is a qualified investor as defined in the Prospectus Directive, as implemented in that Relevant Member State, pursuant to an exemption from an obligation under the Prospectus Directive to publish a prospectus. |
| E.4 | A Description of any Interest that is Material to the Issue/Offer, including Conflicting Interests: | <p>[As at the date of this Base Prospectus, there are no existing or potential conflicts of interest between any duties owed to the Issuer by its Directors and the private interests or external duties of those Directors.]</p> <p>[Save for [●].]/[Not Applicable:] so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer, including conflicting interests.]</p> |
| E.7 | Expenses Charged to the investor by the Issuer: | <p><i>Issue specific summary:</i></p> <p>[No expenses will be charged by the Issuer to investors in the Instruments]</p> <p>[The Issuer [is expected to/will] charge the investor in the Instruments the following expenses: [●]]</p> <p>[Commissions: [●]]</p> <p>[Management expenses: [●]]</p> |

RISK FACTORS

The Issuer and WNZL believe that the following material factors may affect the Issuer's or WNZL's abilities to fulfil their obligations under Instruments issued under the Programme or the WNZL Deed of Guarantee, respectively. These factors are contingencies that may or may not occur and neither the Issuer nor WNZL is in a position to express a view on the likelihood of any such contingency occurring. In addition the inability of the Issuer or WNZL to pay interest, principal or other amounts on or in connection with any Instruments or the WNZL Deed of Guarantee may occur for other reasons.

Factors which could be material for the purpose of assessing the market risks associated with Instruments issued under the Programme are described below.

Prospective investors should note that the risks relating to the Issuer or WNZL, its industry and the Instruments summarised in the section of this document headed "Summary" are the risks that the Issuer and WNZL believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Instruments. However, as the risks which the Issuer and WNZL face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

Words and expressions defined in the "Terms and Conditions of the Instruments" below or elsewhere in this Base Prospectus have the same meanings in this section, unless otherwise stated.

Factors that may affect the Issuer's or WNZL's ability to fulfil their obligations under Instruments issued under the Programme or the WNZL Deed of Guarantee.

Factors affecting WNZL

WNZL's businesses are highly regulated and WNZL could be adversely affected by changes in laws, regulations or regulatory policy

As a financial institution, WNZL is subject to detailed laws and regulations in each of the jurisdictions in which it or the Issuer operates or obtains funding including New Zealand, the United Kingdom, the United States, Switzerland and various jurisdictions in Asia. WNZL is also supervised by a number of different regulatory and supervisory authorities which have broad administrative powers over its businesses. The Reserve Bank of New Zealand ("**RBNZ**") and the Financial Markets Authority have supervisory oversight of WNZL's operations. As a subsidiary of WBC, WNZL is also subject to certain regulations imported by the Australian Prudential Regulation Authority ("**APRA**").

WNZL's business, reputation, prospects, financial performance and financial condition could all be affected by changes to law and regulation, changes to policies and changes in the supervisory activities of its regulators.

As with other financial services providers, WNZL faces increasing supervision and regulation in most of the jurisdictions in which it operates or obtains funding particularly in the areas of funding, liquidity, capital adequacy, tax, anti-money laundering and counter-terrorism financing, conduct,

competition and consumer protection (including in the design and distribution of financial products), remuneration, privacy, data access, prudential regulation, anti-bribery and corruption, and economic and trade sanctions.

Regulatory changes could impact WNZL in a number of ways. For example, new regulation could require WNZL to have increased levels of liquidity and higher levels of, and better quality, capital and funding. Regulatory change could also result in restrictions on how WNZL operates its business by imposing restrictions on the types of businesses WNZL can conduct, require WNZL or its competitors to change their business models or require WNZL to amend its corporate structure.

If regulatory change has any such effect, it could adversely affect one or more of WNZL's businesses, restrict its flexibility, require it to incur substantial costs and could impact the profitability of one or more of its business lines. Any such costs or restrictions could adversely affect WNZL's business, prospects, financial performance or financial condition.

Regulation may also affect how WNZL provides products and services to its customers. New laws and regulations could restrict WNZL's ability to provide products and services to certain customers (including by imposing regulatory limits on certain types of lending and on lending to certain customer segments), require WNZL to alter its product and service offerings and restrict WNZL's ability to set prices for certain products and services. These types of changes could affect WNZL's profitability by adversely affecting its ability to maintain or increase margins and fees. This could occur because a regulation seeks to place a cap on the price of a product or service WNZL provides, or because, in response to new regulation, WNZL increases the price it charges for a product or service. This price increase could lead to customers seeking out alternative products or services with a competitor.

There are numerous sources of regulatory change that could affect WNZL's business. In some cases, changes to regulation are driven by international bodies. For example, in December 2010, the Basel Committee on Banking Supervision ("**BCBS**") announced a revised global regulatory framework known as Basel III. Basel III, among other things, increased the required quality and quantity of capital held by banks and introduced new standards for the management of liquidity risk. The BCBS continues to refine this framework.

It is also possible that governments or regulators in jurisdictions in which WNZL operates or obtains funding might revise their application of existing regulatory policies that apply to, or impact, WNZL's business (including by instituting macro-prudential limits on lending). Regulators or governments may take this action for a variety of reasons, including for reasons relating to national interest and/or systemic stability.

Regulatory changes and the timing of their introduction continue to evolve and WNZL manages its businesses in the context of regulatory uncertainty and complexity. The nature and impact of future changes are not predictable and are beyond WNZL's control. Regulatory compliance and the management of regulatory change are an important part of WNZL's planning processes. WNZL expects that it will be required to continue to invest significantly in compliance and the management and implementation of regulatory change and, at the same time, significant management attention and resources will be required to update existing, or implement new, processes to comply with new regulations. Furthermore, the challenge in managing regulatory change may be heightened by multiple jurisdictions seeking to adopt a coordinated approach to the introduction of new regulations. Where these jurisdictions elect not to adopt regulation in a

uniform manner across each jurisdiction, this may result in conflicts between the specific requirements of the different jurisdictions in which WNZL operates.

WNZL's businesses are highly regulated and could be adversely affected by failing to comply with laws, regulations or regulatory policy

WNZL is responsible for ensuring that it complies with all applicable legal and regulatory requirements (including accounting standards) and industry codes of practice in the jurisdictions in which it operates or obtains funding, as well as meeting its ethical standards.

WNZL is subject to compliance risk, which is the risk of legal or regulatory sanction or financial or reputational loss, arising from WNZL's failure to abide by the compliance obligations required of it. This risk is exacerbated by the increasing complexity and volume of global regulation. Compliance risk can also arise where WNZL interprets its regulatory obligations, compliance requirements and rights (including tax incentives) differently to its regulators or a court.

WNZL's failure, or suspected failure, to comply with a compliance obligation could lead to a regulator commencing an investigation or taking other administrative or enforcement action against it. In addition, the failure or alleged failure of its competitors to comply with their compliance obligations could lead to increased regulatory scrutiny across the financial services sector.

In many cases, WNZL's regulators have broad administrative and enforcement powers. An example of the broad administrative power available to regulatory authorities is the power available to the RBNZ in certain circumstances to investigate WNZL's affairs and/or issue a direction to WNZL (such as a direction to comply with a prudential requirement, to conduct an audit, to remove a Director, executive officer or employee or not to undertake transactions). Other regulators also have the power to investigate, including looking into past conduct.

The powers exercisable by WNZL's regulators may also be expanded in the future.

Changes may also occur in the oversight approach of regulators which could result in a regulator exercising its enforcement powers rather than adopting a more consultative approach.

In recent years, there have been significant increases in the nature and scale of regulatory investigations, enforcement actions and the quantum of fines issued by global regulators. The nature of regulatory activity can be wide ranging and may result in litigation fines, penalties, reputational damage, revocation, suspension or variation of conditions of relevant regulatory licences (including potentially requiring WNZL to change or adjust its business model) or other enforcement or administrative action or agreements (such as enforceable undertakings).

Furthermore, regulatory activity may result in WNZL being exposed to the risk of litigation brought by third parties (including through class action proceedings). The outcome of such litigation (including class action proceedings) may be payment of compensation to third parties and/or further remediation activities. In addition, action taken in one jurisdiction may prompt similar action to be taken in another jurisdiction.

On 30 March 2017, the Taxation (Annual Rates for 2016-17, Closely Held Companies, and Remedial Matters) Act 2017 was enacted. As a result, securities issued by WSNZL after 29 March

2017 are subject to the new non-resident withholding tax rules, which will increase the cost of wholesale funding for WSNZL.

The New Zealand Government announced plans for changes to the Financial Advisers Act regime in July 2016 and an exposure draft of this legislation was released for consultation in February 2017.

In August 2017, the Financial Services Legislation Amendment Bill (which substantially reforms the Financial Advisers Act 2008) was introduced into Parliament. Under the proposed new regime, financial advice will be provided by licensed firms who will employ financial advisers and financial advice representatives. A Code of Conduct will apply to all advice and advisers and representatives will be subject to the same duties and ethical standards. Firms will be responsible for ensuring their advisers and representatives comply with these duties. The reforms will also remove legislative barriers to the provision of robo-advice. A two stage transition is proposed with all industry participants being required to be operating under a full licence by May 2021.

With effect from 1 November 2015 for new lending, the RBNZ has established a new asset class in the Capital Adequacy Frameworks for bank loans to residential property investors. On 29 November 2017, the RBNZ announced that it would be making further changes to the LVR restrictions by easing the LVR restrictions. From 1 January 2018, (i) the limit of 5 per cent on new lending carried out in the relevant measurement period for residential property investment will apply where the LVR is greater than 65 per cent (currently, the required LVR is 60 per cent), and (ii) there will be a limit of 15 per cent (currently, the required limit is 10 per cent) on new non-residential property investment lending carried out in the measurement period where the LVR is greater than 80 per cent. In addition to restrictions on high loan-to-value-ratio lending which the RBNZ has employed as part of its macro-prudential policy framework since 2013, the RBNZ is investigating the case for introducing restrictions on the total debt-to-income (“DTI”) ratios of borrowers. On 8 June 2017, the RBNZ published a consultation paper seeking submissions on serviceability restrictions such as DTI ratio limits being added to its macro-prudential toolkit. On 23 November 2017, the RBNZ published its response to feedback on submissions made in relation to that consultation paper, reaffirming its earlier position that the RBNZ would not utilise a DTI policy in current market conditions, but considers DTI limits a useful option in the future.

On 19 September 2017, the RBNZ released the final version of its revised outsourcing policy (and updated conditions of registration). These took effect on 1 October 2017. The key requirements of the revised outsourcing policy, which applies to certain large locally incorporated registered banks (including WNZL), are:

- any outsourcing arrangements relating to key services and operations have to meet certain outcomes;
- if a bank outsources to an overseas parent or related party, the bank must have a robust back up capability or other alternative arrangements in place;
- a non-objection confirmation needs to be obtained from the RBNZ if the outsourcing arrangements are not with independent third parties;
- banks are required to keep a compendium of information on their outsourcing arrangements, including specific information about the outsourcing arrangements;
- the outsourcing arrangements must contain certain prescribed contractual terms; and
- offshore owned banks need to have a separation plan which describes the processes the bank would undertake to operate services in-house in the event of its or its parent’s failure.

The revised outsourcing policy came into effect on 1 October 2017, with banks having a two year transition period before they must fully comply with the requirement to maintain a compendium of outsourcing arrangements and five years to fully comply with other aspects of it.

In March 2017, the RBNZ outlined its plans for its review of bank capital requirements. The RBNZ's aim is to agree a capital regime that ensures a very high level of confidence in the solvency of the banking system while avoiding economic inefficiency. The review will look at the three key components of the regulatory capital regime:

- the definition of eligible capital instruments;
- the measurement of risk, in particular the risk weights attached to credit exposures; and
- the minimum capital ratio and buffers.

The RBNZ has said that the outcomes of the review will be heavily influenced by the international regulatory context, the risk characteristics of the New Zealand system and the RBNZ's regulatory capital approach. The RBNZ expects to conclude its review by the first quarter of 2018.

The RBNZ is also undertaking a stocktake of the regulatory framework applying to banks with the aim of improving the efficiency, clarity and consistency of regulatory requirements. One of the key issues considered was the RBNZ's off-quarter disclosure requirements. In September 2016, the RBNZ released a consultation paper that proposed an option which would involve the RBNZ publishing a quarterly electronic "dashboard" of key financial information submitted by locally incorporated banks. In September 2017, the RBNZ published its final policy on the dashboard approach to quarterly disclosures (the "**Dashboard**"). The Dashboard is intended to provide investors, depositors and other interested parties with an electronic form of reporting that provides a timely side-by-side comparison of banks, based on key metrics. This reporting will be done on a quarterly basis and hosted on the RBNZ's website. The Dashboard disclosures will replace the need for locally incorporated banks to prepare disclosure statements relating to the first and third quarters of the financial year. WNZL's implementation of the Dashboard has commenced, with the intention of publishing WNZL's first Dashboard in late May 2018 with data from the first quarter of 2018.

Regulatory investigations, litigation, fines, penalties, revocation, suspension or variation of conditions of relevant regulatory licences or other enforcement or administrative action or agreements (such as enforceable undertakings) could, either individually or in aggregate with other regulatory action, adversely affect WNZL's business, reputation, prospects, financial performance or financial condition.

The failure to comply with financial crime obligations could have an adverse effect on WNZL's business and reputation

WNZL is subject to anti-money laundering and counter-terrorism financing laws, anti-bribery and corruption laws and economic and trade sanctions laws in the jurisdictions in which it operates. These laws can be complex, and are undergoing change in a number of jurisdictions. Furthermore, in recent years there has been increasing focus on compliance with these obligations, with regulators around the globe commencing large-scale investigations and taking enforcement action where they have identified non-compliance (often seeking significant monetary penalties).

While WNZL has systems, policies, processes and controls in place that are designed to manage its financial crime obligations, these may not always be effective. If WNZL fails to comply with these obligations, it could face regulatory action such as litigation, fines, penalties and the revocation, suspension or variation of licence conditions. Non-compliance could also lead to litigation commenced by third parties (including class action proceedings) and cause reputational damage. These actions could, either individually or in aggregate, adversely affect WNZL's business, reputation, prospects, financial performance or financial condition.

Reputational damage could harm WNZL's business and prospects

WNZL's ability to attract and retain customers and its prospects could be adversely affected if its reputation is damaged.

Reputation risk is the risk of loss of reputation, stakeholder confidence or public trust and standing. It arises where there are differences between stakeholders' current and emerging perceptions, beliefs and expectations and WNZL's current and planned activities, processes, performance and behaviours.

There are various potential sources of reputational damage including failure to effectively manage risks in accordance with WNZL's risk management frameworks, potential conflicts of interest, failure to comply with legal and regulatory requirements, failure to meet WNZL's market disclosure obligations, regulatory investigations into past conduct, adverse findings from regulatory reviews (including WNZL specific and industry wide reviews), making inaccurate public statements, environmental, social and ethical issues, engagement and conduct of external suppliers, failure to comply with anti-money laundering and counter-terrorism financing laws, anti-bribery and corruption laws, economic and trade sanctions legislation or privacy laws, litigation, failure of information security systems, improper sales and trading practices, failure to comply with personnel and supplier policies, improper conduct of companies in which WNZL holds strategic investments, technology failures and security breaches and inadequate record keeping which may prevent WNZL from demonstrating that a past decision was appropriate at the time it was made.

WNZL may incur reputational damage where one of its practices fails to meet evolving community expectations. As these expectations may exceed the standard required in order to comply with the law, WNZL may incur reputational damage even where it has met its legal obligations. A divergence between community expectations and WNZL's practices could arise in a number of ways, including in relation to its product and services disclosure practices, the features and benefits available under its products, pricing policies and use of data.

WNZL's reputation could also be adversely affected by the actions of the financial services industry in general or from the actions of its related companies (including WBC), competitors, customers, suppliers and other counterparties. Furthermore, the risk of reputational damage may be heightened by the increasing use of social media.

Failure, or perceived failure, to appropriately address issues that could or do give rise to reputational risk could also impact the regulatory change agenda, give rise to additional legal risk, subject WNZL to regulatory investigations, regulatory enforcement actions, fines and penalties or litigation brought by third parties (including class actions), require it to remediate and compensate customers and incur remediation costs or harm its reputation among customers, investors and

the marketplace. This could lead to loss of business which could adversely affect WNZL's business, prospects, financial performance or financial condition.

WNZL could suffer information security risks, including cyberattacks

The proliferation of new technologies, the increasing use of the internet and telecommunications to conduct financial transactions and the growing sophistication and activities of attackers (including organised crime and state-sponsored actors) have resulted in increased information security risks for major financial institutions such as WNZL and its external service providers.

While WNZL has systems in place to detect and respond to cyberattacks, these systems may not always be effective and there can be no assurance that WNZL will not suffer losses from cyberattacks or other information security breaches in the future.

WNZL's operations rely on the secure processing, storage and transmission of information on its computer systems and networks, and the systems and networks of external suppliers. Although WNZL implements measures to protect the security, integrity and confidentiality of its information, there is a risk that the computer systems, software and networks on which WNZL relies may be subject to security breaches, unauthorised access, malicious software, external attacks or internal breaches that could have an adverse impact on WNZL's confidential information or that of its customers and counterparties.

Major banks in other jurisdictions have recently suffered security breaches from sophisticated cyberattacks. WNZL's external service providers or other parties that facilitate its business activities (such as vendors, exchanges, clearing houses, central depositories and financial intermediaries) are also subject to the risk of cyberattacks. Any such security breach could result in the loss of customers and business opportunities, significant disruption to WNZL's operations, misappropriation of WNZL's confidential information and/or that of its customers and damage to WNZL's computers or systems and/or those of its customers. Such a security breach could also result in reputational damage, claims for compensation and regulatory investigations and penalties, which could adversely affect WNZL's business, prospects, financial performance, or financial condition.

WNZL's risk and exposure to such threats remains heightened because of the evolving nature of technology, WNZL's prominence within the financial services industry, the prominence of its customers (including government) and its plans to continue to improve and expand its internet and mobile banking infrastructure.

WNZL could suffer losses due to technology failures

The reliability, integrity and security of WNZL's information and technology is crucial in supporting its customers' banking requirements and meeting its compliance obligations and regulators' expectations.

While WNZL has a number of processes in place to provide for and monitor the availability and recovery of its systems, there is a risk that its information and technology systems might fail to operate properly or become disabled as a result of events that are wholly or partially beyond its control. If WNZL incurs a technology failure it may fail to meet a compliance obligation, which could result in a regulator commencing an investigation and/or taking administrative or enforcement action against WNZL.

Further, in order to continue to deliver new products and services to customers and comply with WNZL's regulatory obligations, WNZL needs to regularly renew and enhance its technology. WNZL is constantly managing technology projects including projects to consolidate technology platforms, simplify and enhance its technology and operations environment, improve productivity and provide for a better customer experience. Failure to implement these projects or manage associated change effectively could result in cost overruns, unrealised productivity, operational instability or reputational damage. In turn, this could place WNZL at a competitive disadvantage and adversely affect its financial performance.

Adverse credit and capital market conditions or depositor preferences may significantly affect WNZL's ability to meet funding and liquidity needs and may increase its cost of funding

WNZL relies on deposits and credit and capital markets to fund its business and as a source of liquidity. WNZL's liquidity and costs of obtaining funding are related to credit and capital market conditions.

Global credit and capital markets can experience periods of extreme volatility, disruption and decreased liquidity as was demonstrated during the Global Financial Crisis. While there have now been extended periods of stability in these markets, the environment remains unpredictable. The main risks WNZL faces are damage to market confidence, changes to the access and cost of funding and a slowing in global activity or through other impacts on entities with which WNZL does business.

As of 30 September 2017, approximately 21 per cent. of WNZL's total funding originated from domestic and international wholesale markets (30 September 2016: 21 per cent.). Of this, around 78 per cent. was sourced outside New Zealand (30 September 2016: 72 per cent.). As of 30 September 2017, WNZL's deposits provided around 72 per cent. of total funding (30 September 2016: 74 per cent.). Customer deposits held by WNZL are comprised of both term deposits which can be withdrawn after a certain period of time and at call deposits which can be withdrawn at any time.

A shift in investment preferences could result in deposit withdrawals by customers which could increase WNZL's need for funding from other, potentially less stable or more expensive, forms of funding.

If market conditions deteriorate due to economic, financial, political or other reasons, there may also be a loss of confidence in bank deposits and WNZL could experience unexpected deposit withdrawals. In this situation WNZL's funding costs may be adversely affected and its liquidity, funding and lending activities may be constrained.

If WNZL's current sources of funding prove to be insufficient, WNZL may be forced to seek alternative financing. The availability of such alternative financing, and the terms on which it may be available, will depend on a variety of factors, including prevailing market conditions, the availability of credit, WNZL's credit ratings and credit market capacity. Even if available, these alternatives may be more expensive or on unfavourable terms, which could adversely affect WNZL's financial performance, liquidity, capital resources or financial condition. There is no assurance that WNZL will be able to obtain adequate funding and do so at acceptable prices, nor that it will be able to recover any additional costs.

If WNZL is unable to source appropriate funding, it may also be forced to reduce its lending or begin selling liquid securities. Such actions may adversely impact WNZL's business, prospects, liquidity, capital resources, financial performance or financial condition.

WNZL enters into collateralised derivative obligations, which may require it to post additional collateral based on movements in market rates, which have the potential to adversely affect WNZL's liquidity or ability to use derivative obligations to hedge its interest rate, currency and other financial instrument risks.

Sovereign risk may destabilise financial markets adversely

Sovereign risk is the risk that foreign governments will default on their debt obligations, will be unable to refinance their debts as they fall due, or will nationalise parts of their economy, including assets of financial institutions such as WNZL.

Sovereign defaults could negatively impact the value of WNZL's holdings of investment grade liquid assets. There may also be a cascading effect to other markets and countries, the consequences of which, while difficult to predict, may be similar to or worse than those experienced during the Global Financial Crisis. Such an event could destabilise global financial markets adversely affecting WNZL's liquidity, financial performance or financial condition.

Failure to maintain credit ratings could adversely affect WNZL's cost of funds, liquidity, competitive position and access to capital markets

Credit ratings are independent opinions on WNZL's creditworthiness. WNZL's credit ratings can affect the cost and availability of its funding from capital markets and other funding sources and they may be important to customers or counterparties when evaluating WNZL's products and services. Therefore, maintaining high credit ratings is important.

The credit ratings assigned to WNZL by rating agencies are based on an evaluation of a number of factors, including WNZL's financial strength, WNZL's position as part of the WBC Group, the quality of WNZL's governance, structural considerations regarding the New Zealand financial system and the credit rating of the New Zealand Government. A credit rating downgrade could be driven by a downgrade of the New Zealand Government, the occurrence of one or more of the other risks identified in this section or by other events including changes to the methodologies used by the rating agencies to determine ratings.

The credit ratings of a subsidiary are generally linked to the credit ratings of its parent entity. Consequently, should the long-term issuer credit rating of WBC be downgraded, it is likely that WNZL's long-term issuer credit rating would also be downgraded.

A downgrade or series of downgrades to WNZL's credit ratings could have an adverse effect on its cost of funds and related margins, collateral requirements, liquidity, competitive position and its access to capital markets. The extent and nature of these impacts would depend on various factors, including the extent of any ratings change, whether WNZL's ratings differ among agencies (split ratings) and whether any ratings changes also impact WNZL's competitors or the sector.

A systemic shock in relation to the New Zealand, Australian or other financial systems could have adverse consequences for WNZL or its customers or counterparties that would be difficult to predict and respond to

There is a risk that a major systemic shock could occur that causes an adverse impact on the New Zealand, Australian or other financial systems.

As outlined above, during the past decade the financial services industry and capital markets have been, and may continue to be, adversely affected by market volatility, global economic conditions, geopolitical instability (such as threats of or actual conflict occurring around the world) and political developments (such as Brexit). A shock to one of the major global economies could again result in currency and interest rate fluctuations and operational disruptions that negatively impact WNZL.

Any such market and economic disruptions could adversely affect financial institutions such as WNZL because consumer and business spending may decrease, unemployment may rise and demand for the products and services WNZL provides may decline, thereby reducing its earnings. These conditions may also affect the ability of WNZL's borrowers to repay their loans or WNZL's counterparties to meet their obligations, causing WNZL to incur higher credit losses and affect investors' willingness to invest in WNZL. These events could also result in the undermining of confidence in the financial system, reducing liquidity, impairing WNZL's access to funding and impairing WNZL's customers and counterparties and their businesses. If this were to occur, WNZL's business, prospects, financial performance or financial condition could be adversely affected.

The nature and consequences of any such event are difficult to predict and there can be no certainty that WNZL could respond effectively to any such event.

Declines in asset markets could adversely affect WNZL's operations or profitability

Declines in New Zealand, Australian or other asset markets, including equity, residential and commercial property and other asset markets, could adversely affect WNZL's operations and profitability.

Declining asset prices also impact WNZL's wealth management business. Earnings in WNZL's wealth management business are, in part, dependent on asset values because it typically receives fees based on the value of securities and/or assets held or managed. A decline in asset prices could negatively impact the earnings of this business.

Declining asset prices could also impact customers and counterparties and the value of security (including residential and commercial property) WNZL holds against loans and derivatives. This may impact its ability to recover amounts owing to it if customers or counterparties were to default. It may also affect WNZL's level of provisioning which in turn impacts its profitability and financial condition.

A weakening of the real estate market in New Zealand could adversely affect WNZL

Loans secured by residential mortgages are important to WNZL's business. As at 30 September 2017, housing loans represented approximately 60 per cent. of WNZL's gross loans and advances (30 September 2016: 60 per cent.).

A sustained decrease in property valuations in New Zealand could increase the losses WNZL may experience from its existing housing loans and decrease the amount of new housing loans

WNZL is able to originate, which could materially and adversely affect WNZL's financial condition, financial performance and future performance.

WNZL's business is substantially dependent on the New Zealand and Australian economies

WNZL's revenues and earnings are dependent on economic activity and the level of financial services its customers require. In particular, lending is dependent on various factors including economic growth, business investment, business and consumer sentiment, levels of employment, interest rates, asset prices and trade flows in the countries in which WNZL operates.

WNZL conducts the majority of its business in New Zealand and, consequently, its performance is influenced by the level and cyclical nature of lending in New Zealand. These factors are in turn impacted by both domestic and international economic conditions, natural disasters and political events. A significant decrease in New Zealand housing valuations could adversely impact WNZL's home lending activities because borrowers with loans in excess of their property value show a higher propensity to default and in the event of defaults WNZL's security would be eroded, causing it to incur higher credit losses. The demand for WNZL's home lending products may also decline due to adverse changes in tax legislation (such as changes to tax rates, concessions or deductions), regulatory requirements or other buyer concerns about decreases in values.

Adverse changes to economic and business conditions in New Zealand and other countries such as Australia, China, India and Japan, could also adversely affect the New Zealand economy and WNZL's customers. In particular, due to the current economic relationship between New Zealand, Australia and China, a slowdown in the economic growth of China or Australia could negatively impact the New Zealand economy. Changes in commodity prices, Chinese government policies and broader economic conditions could in turn result in reduced demand for WNZL's products and services and affect the ability of its borrowers to repay their loans. If this were to occur, it could negatively impact WNZL's business, prospects, financial performance or financial condition.

An increase in defaults in credit exposures could adversely affect WNZL's liquidity, capital resources, financial performance or financial condition

Credit risk is the risk of financial loss where a customer or counterparty fails to meet their financial obligations to WNZL. It is a significant risk and arises primarily from WNZL's lending activities.

WNZL establishes provisions for credit impairment based on current information. If economic conditions deteriorate, some customers and/or counterparties could experience higher levels of financial stress and WNZL may experience a significant increase in defaults and write-offs, and be required to increase its provisioning. Such events would diminish available capital and could adversely affect WNZL's liquidity, capital resources, financial performance or financial condition.

Credit risk also arises from certain derivative, clearing and settlement contracts WNZL enters into and from its dealings with, and holdings of, debt securities issued by other banks, financial institutions, companies, clearing houses, governments and government bodies the financial conditions of which may be affected to varying degrees by economic conditions in global financial markets.

WNZL faces intense competition in all aspects of its business

The financial services industry is highly competitive. WNZL competes, both domestically and internationally, with retail and commercial banks, asset managers, investment banking firms, brokerage firms, other financial service firms and businesses in other industries with emerging financial services aspirations. This includes specialist competitors that may not be subject to the same capital and regulatory requirements and therefore may be able to operate more efficiently. Digital technologies are changing consumer behaviour and the competitive environment. The use of digital channels by customers to conduct their banking continues to rise and emerging competitors are increasingly utilising new technologies and seeking to disrupt existing business models, including in relation to digital payment services. WNZL faces competition from established providers of financial services as well as from banking businesses developed by non-financial services companies.

If WNZL is unable to compete effectively in its various businesses and markets, its market share may decline. Increased competition may also adversely affect WNZL by diverting business to its competitors or creating pressure to lower margins and fees.

Increased competition for deposits could also increase WNZL's cost of funding and lead it to access other types of funding or reduce lending. WNZL relies on bank deposits to fund a significant portion of its balance sheet and deposits have been a relatively stable source of funding. WNZL competes with banks and other financial services firms for such deposits. To the extent that WNZL is not able to successfully compete for deposits, it would be forced to rely more heavily on other, potentially less stable or more expensive forms of funding, or reduce lending.

WNZL is also dependent on its ability to offer products and services that match evolving customer preferences. If WNZL is not successful in developing or introducing new products and services or responding or adapting to changes in customer preferences and habits, it may lose customers to its competitors. This could adversely affect its business, prospects, financial performance or financial condition.

WNZL could suffer losses due to market volatility

WNZL is exposed to market risk as a consequence of its trading activities in financial markets, its defined benefit plan and through the asset and liability management of its financial position. This is the risk of an adverse impact on earnings resulting from changes in market factors such as foreign exchange rates, commodity prices, equity prices and interest rates including the potential for negative interest rates. This includes interest rate risk in the banking book, such as the risk to interest income from a mismatch between the duration of assets and liabilities that arises in the normal course of business activities. If WNZL were to suffer substantial losses due to any market volatility it may adversely affect its business, prospects, liquidity, capital resources, financial performance or financial condition.

WNZL could suffer losses due to operational risks

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It also includes, among other things, technology risk, model risk and outsourcing risk, as well as the risk of business disruption due to external events such as natural disasters, environmental hazard, damage to critical utilities, and targeted activism and protest activity. While WNZL has policies, processes and controls in place to manage these risks,

these may not always be effective.

If a process or control is ineffective, it could result in an adverse outcome for WNZL's customers. For example, a process breakdown could result in a customer not receiving a product on the terms and conditions, or at the pricing, they agreed to. In addition, inadequate record keeping may prevent WNZL from demonstrating that a past decision was appropriate at the time it was made. If this was to occur, WNZL may incur significant costs in paying refunds and compensation to customers, as well as remediating any underlying process breakdown. These types of failure may also result in increased regulatory scrutiny, with a regulator potentially commencing an investigation and/or taking other enforcement, administrative or supervisory action.

WNZL could incur losses from fraudulent applications for loans or from incorrect or fraudulent payments and settlements, particularly real-time payments. Fraudulent conduct can also emerge from external parties seeking to access WNZL's systems and customers' accounts. If systems, procedures and protocols for managing fraud fail, or are ineffective, they could lead to losses which could adversely affect WNZL's business, prospects, reputation, financial performance or financial condition.

As a financial services organisation, WNZL is heavily reliant on the use of data and models in the conduct of its business (including in the calculation of risk-weighted assets). It is therefore exposed to model risk, being the risk of loss arising because of errors or inadequacies in data or a model, or in the control and use of the model.

WNZL relies on a number of suppliers, both in New Zealand and overseas, to provide services to it and its customers. Failure by these suppliers to deliver services as required could disrupt services and adversely impact WNZL's operations, profitability or reputation.

Operational risks can directly impact WNZL's reputation and result in financial losses (including through decreased demand for its products and services) which would adversely affect its financial performance or financial condition.

WNZL may from time to time, be involved in legal proceedings (including class action proceedings), regulatory actions or arbitration arising from the conduct of its business. These may, either individually or in aggregate, adversely affect WNZL's business, operations, prospects or financial condition. Such matters are subject to many uncertainties (for example, the outcome may not be able to be predicted accurately) and WNZL may be required to pay money such as damages, fines, penalties or legal costs. There is a risk that these contingent liabilities may be larger than anticipated or that additional litigation or other contingent liabilities may arise.

WNZL could suffer losses due to conduct risk

Conduct risk is the risk that WNZL's provision of services and products results in unsuitable or unfair outcomes for its stakeholders or undermines market integrity.

This risk can manifest itself through the poor conduct of WNZL's employees, contractors and external service providers. In addition, conduct risk could occur through the provision of products and services to WNZL's customers that do not meet their needs or do not support market integrity. This could occur through a failure to meet professional obligations to specific clients (including fiduciary and suitability requirements), poor product design and implementation, selling products and services outside of customer target markets or a failure to adequately provide the products

or services WNZL had agreed to provide a customer. While WNZL has policies and processes that are designed to manage poor conduct outcomes, these policies and processes may not always be effective. The failure of these policies and processes could result in financial losses and reputational damage and this could adversely affect WNZL's business, prospects, financial performance or financial condition.

WNZL could suffer losses due to failures in governance or risk management strategies

WNZL has implemented risk management strategies, frameworks and internal controls involving processes and procedures intended to identify, monitor and manage risks including liquidity risk, credit risk, equity risk, market risk, (such as interest rate and foreign exchange risk), compliance risk, conduct risk, sustainability risk, related entity (contagion) risk and operational risk; all of which may impact WNZL's reputation.

However, there are inherent limitations with any risk management framework as there may exist, or emerge in the future, risks that WNZL has not anticipated or identified. The effectiveness of risk management frameworks is also connected to the establishment and maintenance of a sound risk management culture.

If any of WNZL's governance or risk management processes and procedures prove ineffective or inadequate or are otherwise not appropriately implemented, WNZL could suffer unexpected losses and reputational damage which could adversely affect its business, prospects, financial performance or financial condition.

Climate change may have adverse effects on WNZL's business

WNZL and its customers may be adversely affected by the physical risks of climate change, including increases in temperatures, sea levels, and the frequency and severity of adverse climatic events including fires, storms, floods, and droughts. These changes may directly impact WNZL and its customers through reputational damage, environmental factors, insurance risk, and an increase in defaults in credit exposures.

Initiatives to mitigate or respond to adverse impacts of climate change may in turn impact market and asset prices, economic activity, and customer behaviour, particularly in geographic locations and industry sectors adversely affected by these changes. Failure to effectively manage these transition risks could adversely affect WNZL's reputation, business, prospects, financial performance or financial condition.

WNZL could suffer losses due to environmental factors

WNZL and its customers operate businesses and hold assets in a diverse range of geographic locations. Any significant environmental change or external event (including fire, storm, flood, earthquake, pandemic, civil unrest or terrorism events) in any of these locations has the potential to disrupt business activities, impact on WNZL's operations, damage property and otherwise affect the value of assets held in the affected locations and WNZL's ability to recover amounts owing to it. In addition, such an event could have an adverse impact on economic activity, consumer and investor confidence, or the levels of volatility in financial markets, all of which could adversely affect WNZL's business, prospects, financial performance or financial condition.

WNZL could suffer losses due to impairment of capitalised software, goodwill and other intangible assets that may adversely affect its business, operations and financial condition

In certain circumstances WNZL may be exposed to a reduction in the value of intangible assets. As at 30 September 2017, WNZL carried goodwill principally related to its investments in New Zealand, as well as intangible capitalised software balances.

WNZL is required to assess the recoverability of the goodwill and other intangible asset balances on at least an annual basis or wherever an indicator of impairment exists. For this purpose WNZL uses a discounted cash flow calculation. Changes in the methodology or assumptions upon which the calculation is based, together with expected changes in future cash flows, could materially impact this assessment, resulting in the potential write-off of part or all of the intangible assets.

Capitalised software and other intangible assets are assessed for indicators of impairment at least annually or on indication of impairment. In the event that an asset is no longer in use or its value has been reduced or that its estimated useful life has declined, an impairment will be recorded, adversely impacting WNZL's financial condition. The estimates and assumptions used in assessing the useful life of an asset can be affected by a range of factors including changes in strategy and the rate of external changes in technology and regulatory requirements.

WNZL could suffer losses if it fails to syndicate or sell down underwritten securities

As a financial intermediary WNZL underwrites listed and unlisted debt securities. Underwriting activities include the development of solutions for corporate and institutional customers who need capital and investor customers who have an appetite for certain investment products. WNZL may guarantee the pricing and placement of these facilities. WNZL could suffer losses if it fails to syndicate or sell down its risk to other market participants. This risk is more pronounced in times of heightened market volatility.

Certain strategic decisions may have adverse effects on WNZL's business

WNZL, at times, evaluates and may implement strategic decisions and objectives including diversification, innovation, divestment or business expansion initiatives, including acquisitions of businesses. The expansion, or integration of a new business, or entry into a new business, can be complex and costly and may require WNZL to comply with additional local or foreign regulatory requirements which may carry additional risks. In addition, WNZL may be unable to successfully divest businesses or assets. These activities may, for a variety of reasons, not deliver the anticipated positive business results and could have a negative impact on WNZL's business, prospects, engagement with regulators, financial performance or financial condition.

Factors affecting WSNZL

WSNZL is a wholly-owned indirect subsidiary of WNZL and, as such, is affected by the same risk factors which affect WNZL. There are no additional risk factors solely affecting WSNZL.

Risks related to the market generally

The secondary market generally

Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments

that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments would generally have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severe adverse effect on the market value of Instruments.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Instruments in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Instruments, (ii) the Investor's Currency-equivalent value of the principal payable on the Instruments and (iii) the Investor's Currency-equivalent market value of the Instruments.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

LIBOR-linked instruments

In a speech on 27 July 2017, Andrew Bailey, the Chief Executive of the FCA, announced the FCA's intention to cease sustaining the London Interbank Offered Rate ("**LIBOR**") from the end of 2021. The FCA has statutory powers to compel panel banks to contribute to LIBOR where necessary. However, the FCA has decided not to ask, or to require, that panel banks continue to submit contributions to LIBOR beyond the end of 2021. The FCA has indicated that the current panel banks will voluntarily sustain LIBOR until the end of 2021. The FCA's intention is that after 2021, it will no longer be necessary for the FCA to persuade, or to compel, banks to submit to LIBOR. The FCA does not intend to sustain LIBOR through using its influence or legal powers beyond that date. It is possible that the LIBOR administrator, ICE Benchmark Administration, and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so. However, the survival of LIBOR in its current form, or at all, is not guaranteed after 2021. The potential elimination of LIBOR or changes to the manner in which LIBOR is administered could lead to unanticipated consequences in respect of any Floating Rate Instruments that are linked to LIBOR. Any such events could adversely affect the value of or return on such Floating Rate Instruments. In particular, investors should be aware that if LIBOR is discontinued, the calculation agent will determine interest on affected Floating Rate Instruments in accordance with the fall-back provisions under Condition 5 (*Interest*) of the Terms and Conditions of the Instruments. The operation of such provisions, being dependent in part upon the provision by the Reference Banks of offered quotations, is subject to market circumstances and the availability of rates information at the relevant time. In certain circumstances, the operation of the fall-back provisions may result in the application of a fixed rate based on the rate applied to the previous period during which LIBOR was available.

Credit or corporate ratings may not reflect all risks

One or more independent rating agencies may assign ratings to the Instruments and/or the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Instruments or the standing of the Issuer. A credit rating and/or a corporate rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Risks related to Instruments generally

Instruments subject to redemption for tax reasons

The Issuer may, subject to certain conditions and in accordance with the Terms and Conditions of the Instruments, redeem all outstanding affected Instruments if the Issuer or, as the case may be, WNZL has or will become obliged (or would have become or would become so obliged if demand was made under the WNZL Deed of Guarantee) to pay:

- (a) additional amounts under the Instruments in respect of any withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of New Zealand and/or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, as a result of any change in, or amendment to, the laws or regulations or rulings (or any change in the application or official interpretation thereof) of New Zealand or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Instruments or any other date specified in the Final Terms and such obligation cannot be avoided by the Issuer or, as the case may be, WNZL taking reasonable measures available to it; or
- (b) additional amounts in respect of New Zealand non-resident withholding tax which may be, or which may become, applicable to the Instruments and either:
 - (i) such obligation cannot be avoided by the Issuer or, as the case may be, WNZL paying New Zealand approved issuer levy at a rate not exceeding the rate applying on the date that the first Tranche of the relevant Series of the Instruments was issued or taking any other reasonable measures available to it (but not including the payment of additional approved issuer levy); or
 - (ii) in order to avoid any New Zealand non-resident withholding tax, the Issuer or, as the case may be, WNZL becomes obliged, as a result of any change in, or amendment to, the laws, regulations or rulings of New Zealand or any political subdivision thereof or any authority or agency therein or thereof having the power to tax or any change in the application or in the interpretation or administration of any such laws, regulations or rulings, to pay the approved issuer levy at a rate exceeding the rate applying on the date that the first Tranche of the relevant Series of the Instruments was issued or incurs any other cost in excess of that applicable under New Zealand law on the date that the first Tranche of the relevant Series of the Instruments was issued.

U.S. Foreign Account Tax Compliance Act ("FATCA")

Legislation incorporating provisions referred to as FATCA was passed in the United States on 18 March 2010. This description is based on guidance issued to date by the U.S. Department of Treasury, including final regulations. Future guidance may affect the application of FATCA to the Instruments.

It is possible that, in order to comply with FATCA, the Issuer (or, if the Instruments are held through another financial institution, such other financial institution) may be required (pursuant to an agreement entered into with the United States or under applicable law (including pursuant to the terms of any applicable intergovernmental agreement entered into between the United States and any other jurisdiction)) (i) to request certain information from the Holders or beneficial owners of the Instruments, which information may be provided to the U.S. Internal Revenue Service (“IRS”), and (ii) to withhold U.S. tax on some portion of payments made after 31 December 2018 with respect to the Instruments if such information is not provided or if payments are made to certain foreign financial institutions that have not entered into a similar agreement with the United States or have not otherwise complied with the FATCA regime under applicable law (including pursuant to the terms of any applicable intergovernmental agreement entered into between the United States and any other jurisdiction).

If the Issuer or any other person is required to withhold or deduct amounts arising under or in connection with FATCA from any payments made with respect to the Instruments, the Holders and the beneficial owners of the Instruments will not be entitled to receive any gross up or other additional amounts under Condition 8 (*Taxation*) of the Instruments, or otherwise, on account of any such withholding or deduction. FATCA is complex and its application to the Instruments remains uncertain. Prospective investors are advised to consult their own tax advisors as to the application of FATCA to the Instruments.

Modification and waiver

The Terms and Conditions of the Instruments contain provisions for convening meetings of Holders of Instruments to consider any matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

Change of law

The Terms and Conditions of the Instruments are governed by the laws of England which shall be in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or administrative practice after the date of this Base Prospectus.

Risks related to the structure of a particular issue of Instruments

A wide range of Instruments may be issued under the Programme. A number of these Instruments may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features:

Instruments subject to optional redemption by the Issuer

Where the relevant Final Terms specify Redemption at the option of the Issuer (Call) as being applicable, the Instruments may be redeemed at the Issuer’s option in certain circumstances and

accordingly the Issuer may choose to redeem the Instruments at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Instruments.

An optional redemption feature of Instruments is likely to limit their market value. During any period when the Issuer may elect to redeem Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

Dual Currency Instruments

The Issuer may issue Instruments with interest determined by reference to movements in currency exchange rates (the “**Relevant Factor**”). In addition, the Issuer may issue Instruments with interest payable in one or more currencies which may be different from the currency in which the Instruments are denominated.

Investors should be aware that:

- (a) the market price of such Instruments may be very volatile;
- (b) they may receive no interest;
- (c) payment of interest may occur at a different time or in a different currency from what was expected;
- (d) the Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices;
- (e) if the Relevant Factor is applied to Instruments in conjunction with a multiplier greater than one or that contains some other leverage factor, the effect of changes in the Relevant Factor on interest payable is likely to be magnified; and
- (f) the timing of changes in the Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Instruments

The Issuer may issue Instruments where the subscription money is payable in more than one instalment. Failure to pay any subsequent instalment will entitle the Issuer to forfeit the Instruments with effect from the date previously notified to the investor by the Issuer and could result in an investor losing all of its investment.

Fixed/Floating Rate Instruments

Fixed/Floating Rate Instruments may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer’s ability to convert the interest rate will affect the secondary market and the market value of the Instruments since the Issuer may be expected to convert the rate when it is likely to produce a lower overall

cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Instruments may be less favourable than the prevailing spreads on comparable Floating Rate Instruments tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Instruments. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on its other Instruments.

Denominations

In relation to any issue of Instruments which have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Instruments may be traded in amounts in excess of the minimum denomination that are not integral multiples of the minimum denomination. In such a case a Holder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Instrument in respect of such holding (should Definitive Instruments be printed) and would need to purchase an additional principal amount of Instruments such that its holding amounts to the minimum denomination.

If Definitive Instruments are issued, Holders should be aware that Definitive Instruments which have a denomination that is not an integral multiple of the minimum denomination might be illiquid and difficult to trade.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Base Prospectus and which have been approved by the FCA or filed with it:

1. the non-consolidated audited annual financial statements (including the auditors' report thereon and notes thereto) in respect of the years ended 30 September 2016 and 30 September 2017 of WSNZL;
2. the consolidated audited annual financial statements (including the auditors' report thereon and notes thereto) in respect of the years ended 30 September 2016 and 30 September 2017 of WNZL, which appear on pages 13 to 81 (inclusive) of WNZL's Disclosure Statement for the year ended 30 September 2016 and pages 13 to 77 (inclusive) of WNZL's Disclosure Statement for the year ended 30 September 2017 respectively;
3. the "Terms and Conditions of the Instruments" section on pages 15 to 40 (inclusive) of the base prospectus dated 24 October 2006 with Westpac Securities NZ Limited as issuer and Westpac New Zealand Limited as guarantor;
4. the "Terms and Conditions of the Instruments" section on pages 16 to 42 (inclusive) of the base prospectus dated 4 December 2007 with Westpac Securities NZ Limited as issuer and Westpac New Zealand Limited as guarantor, the "Terms and Conditions of the Instruments" section on pages 17 to 43 (inclusive) of the base prospectus dated 19 December 2008 with Westpac Securities NZ Limited as issuer and Westpac New Zealand Limited as guarantor;
5. the "Terms and Conditions of the Instruments" section on pages 21 to 47 (inclusive) of the base prospectus dated 22 December 2009 with Westpac Securities NZ Limited as issuer and Westpac New Zealand Limited as guarantor;
6. the "Terms and Conditions of the Instruments" section on pages 19 to 45 (inclusive) of the base prospectus dated 7 December 2010 with Westpac Securities NZ Limited as issuer and Westpac New Zealand Limited as guarantor;
7. the "Terms and Conditions of the Instruments" section on pages 22 to 49 (inclusive) of the base prospectus dated 14 December 2011 with Westpac Securities NZ Limited as issuer and Westpac New Zealand Limited as guarantor;
8. the "Terms and Conditions of the Instruments" section on pages 34 to 63 (inclusive) of the base prospectus dated 19 December 2012 with Westpac Securities NZ Limited as Issuer and Westpac New Zealand Limited as guarantor;
9. the "Terms and Conditions of the Instruments" section on pages 42 to 77 (inclusive) of the base prospectus dated 11 December 2013 with Westpac Securities NZ Limited as issuer and Westpac New Zealand Limited as guarantor;

10. the “Terms and Conditions of the Instruments” section on pages 41 to 87 (inclusive) of the base prospectus dated 16 December 2014 with Westpac Securities NZ Limited as issuer and Westpac New Zealand Limited as guarantor;
11. the “Terms and Conditions of the Instruments” section on pages 42 to 89 (inclusive) of the base prospectus dated 11 December 2015 with Westpac Securities NZ Limited as issuer and Westpac New Zealand Limited as guarantor; and
12. the “Terms and Conditions of the Instruments” section on pages 42 to 87 (inclusive) of the base prospectus dated 13 December 2016 with Westpac Securities NZ Limited as issuer and Westpac New Zealand Limited as guarantor.

Such documents shall be deemed to be incorporated in, and form part of, this Base Prospectus.

Any information contained in a document incorporated by reference herein which is not incorporated in, and does not form part of, this Base Prospectus is either not relevant for investors or is contained elsewhere in this Base Prospectus. For the purposes of the Prospectus Directive as implemented in the United Kingdom any information contained in documents incorporated by reference by documents which are themselves incorporated by reference in this Base Prospectus, shall not form part of this Base Prospectus.

For as long as the Programme remains in effect or any Instruments are outstanding, copies of the above documents incorporated by reference herein may be inspected during normal business hours at the office of the Fiscal Agent and Principal Registrar (or the other office(s) of the Paying Agent(s) in the United Kingdom) specified on page 175 of this Base Prospectus, at the registered head office of WNZL and at WSNZL’s office at Camomile Court, 23 Camomile Street, London EC3A 7LL, United Kingdom. In addition, the above documents incorporated by reference herein may be viewed electronically at <http://www.westpac.com.au/about/westpac/investor-centre/fixed-income-investors/debt-programs/>.

The Issuer has undertaken, in connection with the listing of the Instruments (other than the PD Exempt Instruments) on the London Stock Exchange’s Regulated Market or on any other listing authority or stock exchange in a Member State, that upon becoming aware that there has been a significant change affecting any matter contained in this Base Prospectus or a significant new factor or matter has arisen, the inclusion of information in respect of which would have been required to be in this Base Prospectus if it had arisen before this Base Prospectus was issued, or if a material mistake or inaccuracy relating to the information in this Base Prospectus capable of affecting the assessment of the Instruments (other than the PD Exempt Instruments) has arisen between the Programme Date and the time when trading of any Tranche of Instruments (other than the PD Exempt Instruments) begins on a regulated market, the Issuer will publish a supplementary prospectus.

Any statement contained herein or in a document and/or information which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any such subsequent document and/or information which is incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise), provided that such modifying or superseding statement is made by way of supplement to this Base Prospectus pursuant to Article 16 of the Prospectus Directive.

TERMS AND CONDITIONS OF THE INSTRUMENTS

The following are the Terms and Conditions of the Instruments which, as supplemented in relation to any Instruments by the relevant Final Terms, will be applicable to each Series of Instruments:

The debt instruments (the “**Instruments**”) are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement (as amended, supplemented or replaced, the “**Issue and Paying Agency Agreement**”) dated 11 December 2013, as supplemented by way of a supplemental issue and paying agency agreement on 11 December 2015, and made between Westpac Securities NZ Limited acting through its London branch (the “**Issuer**”), Westpac New Zealand Limited (“**WNZL**”), The Bank of New York Mellon, London Branch in its capacities as fiscal agent (the “**Fiscal Agent**”, which expression shall include any successor to The Bank of New York Mellon, London Branch in its capacity as such) and as principal registrar (the “**Principal Registrar**”, which expression shall include any successor to The Bank of New York Mellon, London Branch in its capacity as such), The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacities as first alternative registrar and Luxembourg paying agent (the “**First Alternative Registrar**” and “**Luxembourg Paying Agent**”, which expression shall include any successors to The Bank of New York Mellon SA/NV, Luxembourg Branch in its capacities as such), The Bank of New York Mellon, New York in its capacity as second alternative registrar (the “**Second Alternative Registrar**”, which expression shall include any successor to The Bank of New York Mellon, New York in its capacity as such), The Bank of New York Mellon, Hong Kong Branch in its capacities as CMU paying agent and as CMU lodging agent, as CMU registrar and CMU transfer agent (the “**CMU Paying Agent**” and the “**CMU Lodging Agent**”, the “**CMU Registrar**” and the “**CMU Transfer Agent**” which expressions shall include any successors to The Bank of New York Mellon, Hong Kong Branch in its capacities as such) and the other paying agents named therein (together with the CMU Paying Agent, the “**Paying Agents**”, which expression shall include the Fiscal Agent and any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement).

The Instruments have the benefit of an amended and restated deed of covenant (as amended, supplemented or replaced, the “**Deed of Covenant**”) dated 11 December 2015 executed by the Issuer in relation to the Instruments. WNZL has, for the benefit of the Holders from time to time of the Instruments, executed and delivered an amended and restated deed of guarantee dated 11 December 2015 (the “**WNZL Deed of Guarantee**”) under which it has guaranteed the due and punctual payment of all amounts due under the Instruments and the Deed of Covenant as and when the same become due and payable. Copies of the Issue and Paying Agency Agreement, the WNZL Deed of Guarantee and the Deed of Covenant are available for inspection during normal business hours at the Specified Office of each of the Paying Agents, the Principal Registrar, the First Alternative Registrar and the Second Alternative Registrar. All Persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement, the WNZL Deed of Guarantee and the Deed of Covenant insofar as they relate to the relevant Instruments.

The Instruments are issued in series (each, a “**Series**”), and each Series may comprise one or more tranches (“**Tranches**” and each, a “**Tranche**”) of Instruments. Each Tranche will be the subject of the final terms (each, the “**Final Terms**”), a copy of which will be available for inspection during normal business hours at the Specified Office of the Fiscal Agent and/or, as the case may be, the Registrar (as defined in Condition 3.2). In the case of a Tranche of Instruments in relation to which application has not been made for listing and/or trading on or by any competent listing

authority, and/or stock exchange, copies of the Final Terms will be available for inspection only by a Holder (as defined in Condition 3.1 and Condition 3.2, as applicable) of or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant) in respect of, such Instruments.

References in these Terms and Conditions to Instruments are to Instruments of the relevant Series only and any references to Coupons (as defined in Condition 2.6) and Receipts (as defined in Condition 2.7) are to Coupons and Receipts relating to Instruments of the relevant Series.

References in these Terms and Conditions to the Final Terms are to the Final Terms prepared in relation to the Instruments of the relevant Tranche or Series and enforced on or attached to such Instruments.

In respect of any Instruments, references herein to these Terms and Conditions are to these terms and conditions as supplemented by the Final Terms.

1. Interpretation

1.1 *Definitions:* In these Conditions the following expressions have the following meanings:

“**Accrual Feature**” means the result of the fraction of which the numerator is the number of days in the relevant Interest Accrual Period on which interest will be deemed to have accrued by reference to the following formula:

“N” divided by “D” where:

“N” is the number of calendar days in the relevant Observation Period where the Applicable Swap Rate is within the thresholds specified in the Final Terms;

“D” is the total number of calendar days in the relevant Observation Period;

“**Applicable Swap Rate**” means the USD-ISDA-Swap Rate or such other rate set out in the ISDA Definitions and specified in the relevant Final Terms;

“**USD-ISDA-Swap Rate**” is the rate determined in accordance with the ISDA Definitions, with the following modifications:

- (i) the Designated Maturity (as defined in the ISDA Definitions) is, in respect of each Interest Accrual Period, a period specified for such Interest Accrual Period in the relevant Final Terms; and
- (ii) the words “Reset Date” shall be replaced with the words “Calculation Date”, the words “on the day that is two U.S. Government Securities Business Days preceding that Reset Date” shall be replaced with “on that Calculation Date”, and the words “as the applicable Floating Rate Option” shall be replaced with “as defined in the ISDA Definitions”;

“**Calculation Date**” means for each calendar day in the relevant Observation Period, that calendar day, provided that, if that calendar day is not a New York and London Banking Day (as defined below), the relevant Calculation Date will be the immediately preceding New York and London Banking Day (as defined below);

“Observation Period” means the period specified as such in the relevant Final Terms;

“New York and London Banking Day” means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York and London;

In the event that no quotations are available pursuant to USD-ISDA-Swap Rate with the relevant Designated Maturity, including the fall back option of “USD-CMS-Reference Banks” (as defined in the ISDA Definitions), or the Calculation Agent determines that no suitable Reference Bank (as defined in the ISDA Definitions) which is prepared to quote is available, then the Calculation Agent shall reasonably determine the applicable rate (or method for determining such rate) in its sole and absolute discretion, taking into consideration all available information that it in good faith deems appropriate;

“Accrual Yield” has the meaning given in the Final Terms;

“Additional Business Centre(s)” means the city or cities specified as such in the relevant Final Terms;

“Broken Amount” has the meaning given in the Final Terms;

“Business Day” means:

- (i) for the purposes of Condition 7A.6 (*Payments on business days*) only, a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; or
- (ii) in relation to any sum payable, either:
 - (a) where such sum is payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Principal Financial Centre and any Additional Business Centre(s) specified in the relevant Final Terms; or
 - (b) where such sum is payable in euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Principal Financial Centre, each (if any) Additional Business Centre(s) specified in the relevant Final Terms and a TARGET Settlement Day;
- (iii) for all other purposes, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Principal Financial Centre and any Additional Business Centre(s) specified in the relevant Final Terms;

“Business Day Convention”, in relation to any particular date, has the meaning given in the Final Terms and, in this context, the following expressions shall have the following meanings:

- (i) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **“Modified Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **“FRN Convention”, “Floating Rate Convention” or “Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (a) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (b) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“Calculation Agent” means the Fiscal Agent or such other Person specified in the Final Terms as the party responsible for calculating the Interest Rate(s) and Interest Amount(s) and/or such other amount(s) as may be specified in the Final Terms;

“Calculation Amount” has the meaning given in the relevant Final Terms or, where no such amount is specified, means (i) if there is only one Denomination, the Denomination of the relevant Instruments, and (ii) if there are several Denominations, the highest common factor of these Denominations. Note there must be a common factor in the case of two or more Denominations;

“Coupon Sheet” means, in respect of an Instrument, a coupon sheet relating to the Instrument;

“Coupon Switch Option” has the meaning given in the Final Terms;

“**Coupon Switch Option Date**” has the meaning given in the Final Terms;

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the Final Terms and:

- (i) if “Actual/Actual (ICMA)” is so specified, means:
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (ii) if “Actual/365” or “Actual/Actual (ISDA)” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if “Actual/365 (Fixed)” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if “Actual/360” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if “30/360” is so specified, means the number of days in such Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y^2 - Y^1) + [30x(M^2 - M^1)]] + (D^2 - D^1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D2 is greater than 29, in which case D2 will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is so specified, the number of days in such Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y^2 - Y^1)] + [30x(M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if “30E/360 (ISDA)” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y^2 - Y^1)] + [30x(M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30

“**Denomination**” has the meaning given in the relevant Final Terms;

“**Early Redemption Amount (Tax)**” means, in respect of any Instrument, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**Extraordinary Resolution**” has the meaning given in the Issue and Paying Agency Agreement;

“**FATCA**” means sections 1471 to 1474 of the *United States Internal Revenue Code of 1986*, as amended, including any regulations or official interpretations issued, agreements (including, without limitation, intergovernmental agreements) entered into or non-U.S. laws enacted with respect thereto;

“**Final Redemption Amount**” means, in respect of any Instrument, its principal amount or such other amount as may be specified in the Final Terms;

“**Fixed Coupon Amount**” has the meaning given in the Final Terms;

“**Interest Accrual Period**” means, in respect of an Interest Period, each successive period beginning on and including an Interest Period End Date and ending on but excluding the next succeeding Interest Period End Date during that Interest Period provided always that the first Interest Accrual Period shall commence on and include the Interest Commencement Date and the final Interest Accrual Period shall end on but exclude the date of redemption of the Instruments;

“Interest Amount” means, in relation to an Instrument and an Interest Period, the amount of interest payable per Calculation Amount in respect of that Instrument for that Interest Period;

“Interest Commencement Date” means the Issue Date of the Instruments or such other date as may be specified as the Interest Commencement Date in the Final Terms;

“Interest Determination Date” has the meaning given in the Final Terms;

“Interest Payment Date” means the date or dates specified as such in the Final Terms and, if a Business Day Convention is specified in the Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“Interest Period” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“Interest Period End Date” means the date or dates specified as such in the Final Terms and, if a Business Day Convention is specified in the Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention or, if the Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Final Terms as the Interest Accrual Period, such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the Final Terms, the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Instruments;

“Interest Rate” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Instruments specified in the Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the Final Terms;

“ISDA Definitions” means the 2006 ISDA Definitions as amended and updated as at the date of issue of the first Tranche of the Instruments of the relevant Series (as specified in the Final Terms) and as published by the International Swaps and Derivatives Association, Inc.;

“Issue Date” has the meaning given in the Final Terms;

“local banking day” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Instrument or, as the case may be, Coupon;

“Margin” has the meaning given in the Final Terms;

“Maturity Date” means the date specified as such in the provisions of the Final Terms and, if a Business Day Convention is specified in the Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention;

“Maximum Interest Rate” has the meaning given in the Final Terms; **“Maximum Redemption Amount”** has the meaning given in the Final Terms; **“Minimum Interest Rate”** has the meaning given in the Final Terms; **“Minimum Redemption Amount”** has the meaning given in the Final Terms;

“NCDSURVEY10AM” means the reference rate produced by the Australian Financial Markets Association which may be used for ISDA purposes as may be specified in the relevant Final Terms;

“Optional Redemption Amount (Call)” means, in respect of any Instrument, its principal amount or such other amount as may be specified in the Final Terms;

“Optional Redemption Amount (Put)” means, in respect of any Instrument, its principal amount or such other amount as may be specified in the Final Terms;

“Optional Redemption Date (Call)” has the meaning given in the Final Terms; **“Optional Redemption Date (Put)”** has the meaning given in the Final Terms;

“Ordinary Resolution” has the meaning given in the Issue and Paying Agency Agreement;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency provided, however, that in relation to euro, it means the principal financial centre of such member state of the Eurozone as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“Put Option Notice” means a notice which must be delivered to a Paying Agent by any Holder wanting to exercise a right to redeem an Instrument at the option of the Holder;

“Put Option Receipt” means a receipt issued by a Paying Agent to a depositing Holder upon deposit of an Instrument with such Paying Agent by any Holder wanting to exercise a right to redeem an Instrument at the option of the Holder;

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or the final Instalment Amount;

“Reference Banks” has the meaning given in the Final Terms or, if none is specified, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

“Reference Price” has the meaning given in the Final Terms;

“Reference Rate” means either “USD LIBOR”, “GBP LIBOR”, “CAD LIBOR”, “EURIBOR”, “CHF LIBOR”, “JPY LIBOR”, “SIBOR”, “HIBOR”, “NZD LIBOR” or “CNH HIBOR”, in each case for the relevant Period, as may be specified in the relevant Final Terms;

“Regular Period” means:

- (i) in the case of Instruments where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Instruments where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Instruments where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

“Relevant Date” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders;

“Relevant Financial Centre” has the meaning given in the Final Terms;

“Relevant Screen Page” means the page, section or other part of a particular information service (including, without limitation, the Reuters Monitor Money Rates Service) specified as the Relevant Screen Page in the Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Relevant Time**” has the meaning given in the Final Terms;

“**Solvent Reconstruction**” has the meaning given in Condition 9.1(iv);

“**Specified Currency**” has the meaning given in the Final Terms;

“**Specified Office**” has the meaning given in the Issue and Paying Agency Agreement;

“**Specified Period**” has the meaning given in the Final Terms;

“**Subsidiary**” means, in relation to any Person (the “first Person”) at any particular time, any other Person (the “second Person”):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“**Talon**” means a talon for further Coupons;

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

“**TARGET Settlement Day**” means any day on which TARGET2 is operating credit or transfer instructions in respect of euro;

“**Winding-Up**” means any procedure whereby the Issuer or WNZL may be wound up, dissolved, liquidated, sequestered or cease to exist as a body corporate whether brought or instigated by a Holder or any other person, other than under or in connection with a Solvent Reconstruction (as defined in Condition 9.1(iv));

“**WNZL Guarantee of the Instruments**” means the guarantee of the Instruments given by WNZL in the WNZL Deed of Guarantee; and

“**Zero Coupon Instrument**” means an Instrument specified as such in the Final Terms.

1.2 *Interpretation:* In these Conditions:

- (i) if the Instruments are Zero Coupon Instruments, references to Coupons are not applicable;
- (ii) if Talons are specified in the Final Terms as being attached to the Instruments at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the Final Terms as being attached to the Instruments at the time of issue, references to Talons are not applicable;

- (iv) any reference to principal shall be deemed to include the Redemption Amount, any Instalment Amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*), any premium payable in respect of an Instrument and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Instruments being “outstanding” shall be construed in accordance with the Issue and Paying Agency Agreement;
- (vii) if an expression is stated in Condition 1.1 (*Definitions*) to have the meaning given in the Final Terms, but the Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Instruments.

2. Form and Denomination

- 2.1 Instruments are issued in bearer form (“**Bearer Instruments**”) or in registered form (“**Registered Instruments**”), as specified in the Final Terms and are serially numbered. Registered Instruments will not be exchangeable for Bearer Instruments.

Bearer Instruments

- 2.2 Subject to the final sentence of this paragraph, the Final Terms shall specify whether U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) or U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) shall apply. Each Tranche of Bearer Instruments is represented upon issue by a temporary global Instrument (a “**Temporary Global Instrument**”), unless the Final Terms specify otherwise and the TEFRA C Rules apply.

Where the Final Terms applicable to a Tranche of Bearer Instruments specifies that the TEFRA C Rules apply, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a Permanent Global Instrument.

Interests in the Temporary Global Instrument may be exchanged for:

- (i) interests in a permanent global Instrument (a “**Permanent Global Instrument**”);
or
- (ii) if so specified in the Final Terms, definitive instruments in bearer form (“**Definitive Instruments**”) and/or (in the case of a Series comprising both Bearer Instruments and Registered Instruments and if so specified in the Final Terms) Registered Instruments.

Exchanges of interests in a Temporary Global Instrument for Definitive Instruments or, as the case may be, a Permanent Global Instrument will be made only on or after the Exchange Date (as specified in the Final Terms) and (unless the Final Terms specify that

the TEFRA C Rules are applicable to the Instruments) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received. An exchange for Registered Instruments will be made at any time or from such date as may be specified in the Final Terms, in each case, without any requirement for certification.

- 2.3 The bearer of any Temporary Global Instrument shall not (unless, upon due presentation of such Temporary Global Instrument for exchange (in whole but not in part only) for a Permanent Global Instrument or for delivery of Definitive Instruments and/or Registered Instruments, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Instruments represented by such Temporary Global Instrument which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.
- 2.4 Unless the Final Terms specify that the TEFRA C Rules are applicable to the Instruments and subject to Condition 2.3 above, if any date on which a payment of interest is due on the Instruments of a Tranche occurs while any of the Instruments of that Tranche are represented by a Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by the CMU Paying Agent (in the case of a Temporary Global Instrument lodged with a sub-custodian for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “**CMU Service**”)) or (in any other case) by Euroclear Bank SA/NV (“**Euroclear**”) or Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) or any other relevant clearing system. Payments of interest due in respect of a Permanent Global Instrument will be made through Euroclear or Clearstream, Luxembourg or the CMU Service or any other relevant clearing system without any requirement for certification.
- 2.5 Interests in a Permanent Global Instrument will be exchanged by the Issuer in whole but not in part only at the option of the Holder of such Permanent Global Instrument, for Definitive Instruments and/or (in the case of a Series comprising both Bearer Instruments and Registered Instruments and if so specified in the Final Terms) Registered Instruments, (a) if an Event of Default (as defined below) occurs in respect of any Instrument of the relevant Series; or (b) if Euroclear or Clearstream, Luxembourg or the CMU Service or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so in both cases at the cost and expense of the Issuer. If the Issuer does not make the required delivery of Definitive Instruments and/or Registered Instruments by 6.00 p.m. (London time) on the thirtieth day after the day on which such Permanent Global Instrument becomes due to be exchanged and, in the case of (a) above, such Instrument is not duly redeemed (or the funds required for such redemption are not available to the Fiscal Agent for the purposes of effecting such redemption and remain available for such purpose) by 6.00 p.m. (London time) on the thirtieth day after the day at which such Instrument became immediately redeemable such Permanent Global Instrument will become void in accordance with its terms but without prejudice to the rights conferred by the Deed of Covenant.

- 2.6 Interest-bearing Definitive Instruments have attached thereto at the time of their initial delivery coupons (“**Coupons**”), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. Interest-bearing Definitive Instruments, if so specified in the Final Terms have attached thereto at the time of their initial delivery, a talon (“**Talon**”) for further coupons and the expression “Coupons” shall, where the context so requires, include Talons.
- 2.7 Instruments, the principal amount of which is repayable by instalments (“**Instalment Instruments**”) and which are Definitive Instruments, have endorsed thereon a grid for recording the repayment of principal or, if so specified in the Final Terms, have attached thereto at the time of their initial delivery, payment receipts (“**Receipts**”) in respect of the instalments of principal.

Denomination

Denomination of Bearer Instruments

- 2.8 Bearer Instruments are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. Bearer Instruments of one denomination may not be exchanged for Bearer Instruments of any other denomination.
- 2.8A Where a Temporary Global Instrument, issued in bearer form, is to be cleared through Euroclear or Clearstream, Luxembourg or any other relevant clearing system and is to be exchangeable for Definitive Instruments upon the Holder’s request, the Instruments may only be issued in such denominations as Euroclear or Clearstream, Luxembourg or such other relevant clearing system will permit at that time.
- 2.8B If the Temporary Global Instrument, issued in bearer form, is exchangeable for a Definitive Instrument at the option of the Holders thereof, the Instruments shall be tradeable only in principal amounts of at least the Denomination (or if more than one Denomination, the lowest Denomination).

Denomination of Registered Instruments

- 2.9 Registered Instruments are in the minimum denomination specified in the Final Terms or integral multiples thereof.
- 2.9A Where a Temporary Global Instrument, issued in registered form, is to be cleared through Euroclear or Clearstream, Luxembourg or any other relevant clearing system and is to be exchangeable for Definitive Instruments upon the Holder’s request, the Instruments may only be issued in such denominations as Euroclear or Clearstream, Luxembourg or such other relevant clearing system will permit at that time.
- 2.9B If the Temporary Global Instrument, issued in registered form, is exchangeable for a Definitive Instrument at the option of the Holders thereof, the Instruments shall be tradeable only in principal amounts of at least the Denomination (or if more than one Denomination, the lowest Denomination).

Currency of Instruments

- 2.10 The Instruments are denominated in such currency as may be specified in the Final Terms (the “**Specified Currency**”). Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Partly Paid Instruments

- 2.11 Instruments may be issued on a partly paid basis (“**Partly Paid Instruments**”) if so specified in the Final Terms. The subscription moneys therefor shall be paid in such number of instalments (“**Partly Paid Instalments**”), in such amounts, on such dates and in such manner as may be specified in the Final Terms. The first such instalment shall be due and payable on the date of issue of the Instruments. For the purposes of these Terms and Conditions, in respect of any Partly Paid Instrument, Paid Up Amount means the aggregate amount of all Partly Paid Instalments in respect thereof as shall have fallen due and been paid up in full in accordance with these Terms and Conditions.

Not less than 14 days nor more than 30 days prior to the due date for payment of any Partly Paid Instalment (other than the first such instalment) the Issuer shall publish a notice in accordance with Condition 14 (*Notices*) stating the due date for payment thereof and stating that failure to pay any such Partly Paid Instalment on or prior to such date will entitle the Issuer to forfeit the Instruments with effect from such date (“**Forfeiture Date**”) as may be specified in such notice (not being less than 14 days after the due date for payment of such Partly Paid Instalment), unless the relevant Partly Paid Instalment together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any Partly Paid Instalments paid in respect of any Instruments subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the Persons entitled thereto. The Issuer shall not be liable for any interest on any Partly Paid Instalment so returned.

Interest shall accrue on any Partly Paid Instalment which is not paid on or prior to the due date for payment thereof at the Interest Rate (or, in the case of Zero Coupon Instruments, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Instruments for the period from and including the due date for payment of the relevant Partly Paid Instalment up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any Partly Paid Instalment made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day).

Unless an Event of Default shall have occurred and be continuing, on the Forfeiture Date, the Issuer shall forfeit all of the Instruments in respect of which any Partly Paid Instalment shall not have been duly paid, whereupon the Issuer shall be entitled to retain all Partly Paid Instalments previously paid in respect of such Instruments and shall be discharged from any obligation to repay such amount or to pay interest thereon, or (where such instruments are represented by a Temporary Global Instrument or a Permanent Global Instrument) to exchange any Interests in such Instrument for interests in a Permanent Global Instrument or to deliver Definitive Instruments or Registered Instruments in respect thereof, but shall have no other rights against any Person entitled to the Instruments which have been so forfeited.

Without prejudice to the right of the Issuer to forfeit any Instruments, for so long as any Partly Paid Instalment remains due but unpaid, and except in the case where an Event of Default shall have occurred and be continuing, (a) no interests in a Temporary Global Instrument may be exchanged for interests in a Permanent Global Instrument and (b) no transfers of Registered Instruments or exchanges of Bearer Instruments for Registered Instruments may be requested or effected.

Until such time as all the subscription moneys in respect of Partly Paid Instruments shall have been paid in full and except in the case where an Event of Default shall have occurred and be continuing or if any of Euroclear or Clearstream, Luxembourg or the CMU Service or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so, no interests in a Temporary Global Instrument or a Permanent Global Instrument may be exchanged for Definitive Instruments or Registered Instruments.

3. Title and Transfer

- 3.1 Title to Bearer Instruments, Receipts and Coupons passes by delivery. References herein to the “**Holder**s” of Bearer Instruments or of Receipts or Coupons are to the bearers of such Bearer Instruments or such Receipts or Coupons, as the case may be.
- 3.2 Title to Registered Instruments passes by transfer and registration in the register which the Issuer shall procure to be kept by the Registrar. For the purposes of these Terms and Conditions, “**Registrar**” means, in relation to any Series comprising Registered Instruments, the Principal Registrar, the First Alternative Registrar or, as the case may be, the Second Alternative Registrar, as specified in the Final Terms. References herein to the “**Holder**s” of Registered Instruments are to the Persons in whose names such Registered Instruments are so registered in the relevant register.
- 3.3 The Holder of any Bearer Instrument, Coupon or Registered Instrument will (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no Person shall be liable for so treating such Holder.

Transfer of Registered Instruments and exchange of Bearer Instruments for Registered Instruments

- 3.4 A Registered Instrument may, upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the Final Terms) upon the surrender of the Registered Instrument to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the Registrar. A new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.
- 3.5 If so specified in the Final Terms, the Holder of Bearer Instruments may exchange the same for the same aggregate principal amount of Registered Instruments upon the terms

and subject to the conditions set forth in the Issue and Paying Agency Agreement. In order to exchange a Bearer Instrument for a Registered Instrument, the Holder thereof shall surrender such Bearer Instrument at the Specified Office outside the United States (as defined in Condition 7A.4) of the Paying Agent or of the Registrar together with a written request for the exchange. Each Bearer Instrument so surrendered must be accompanied by all unmatured Receipts and Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined in Condition where the exchange date would, but for the provisions of Condition 3.6, occur between the Record Date (as defined in Condition 7B.3) for such payment of interest and the date on which such payment of interest falls due.

- 3.6 Each new Registered Instrument to be issued upon the transfer of a Registered Instrument or the exchange of a Bearer Instrument for a Registered Instrument will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date, be available for collection by each relevant Holder at the Specified Office of the Registrar or, at the option of the Holder requesting such exchange or transfer be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer or request for exchange received by the Registrar or the Fiscal Agent after the Record Date in respect of any payment due in respect of Registered Instruments shall be deemed not to be effectively received by the Registrar or the Fiscal Agent until the day following the due date for such payment.

For the purposes of these Terms and Conditions:

- (i) **“Relevant Banking Day”** means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the Specified Office of the Registrar is located and, in the case only of an exchange of a Bearer Instrument for a Registered Instrument where such request for exchange is made to the Fiscal Agent, in the place where the Specified Office of the Fiscal Agent is located;
 - (ii) the **“exchange date”** shall be the Relevant Banking Day following the day on which the relevant Bearer Instrument shall have been surrendered for exchange in accordance with Condition 3.5; and
 - (iii) the **“transfer date”** shall be the Relevant Banking Day following the day on which the relevant Registered Instrument shall have been surrendered for transfer in accordance with Condition 3.4.
- 3.7 The issue of new Registered Instruments on transfer or on the exchange of Bearer Instruments for Registered Instruments will be effected without charge by or on behalf of the Issuer, the Fiscal Agent or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Fiscal Agent or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.
- 3.8 Upon the transfer, exchange or replacement of Registered Instruments bearing the restrictive legend (the **“Restrictive Legend”**) set forth in the form of Registered Instrument scheduled to the Issue and Paying Agency Agreement, the Registrar shall

deliver only Registered Instruments that also bear such legend unless either (i) the transferor is not and has not been an affiliate of the Issuer or WNZL during the preceding three months and such transfer, exchange or replacement occurs one year or more after the later of (1) the original issue date of such Instruments or (2) the last date on which the Issuer or any affiliates (as defined below) of the Issuer as notified to the Registrar by the Issuer as provided in the following sentence, was the beneficial owner of such Instrument (or any predecessor of such Instrument) or (ii) there is delivered to the Registrar an opinion reasonably satisfactory to the Issuer of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws. The Issuer covenants and agrees that it will not acquire any beneficial interest, and will cause its “affiliates” (as defined in paragraph (a)(1) of Rule 144 under the *Securities Act of 1933*, as amended (the “**Securities Act**”)) not to acquire any beneficial interest, in any Registered Instrument bearing the Restrictive Legend unless it notifies the Registrar of such acquisition. The Registrar and all Holders shall be entitled to rely without further investigation on any such notification (or lack thereof).

- 3.9 For so long as any of the Registered Instruments bearing the Restrictive Legend remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, WNZL covenants and agrees that it shall, during any period in which it is not subject to Section 13 or Section 15(d) under the *United States Securities Exchange Act of 1934* nor exempt from reporting pursuant to Rule 12g3-2(b) under such Act, make available to any Relevant Account Holder (as defined in the Deed of Covenant) in connection with any sale thereof and any prospective purchaser of such Instruments from such Relevant Account Holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

4. Status of the Instruments and the WNZL Guarantee

- 4.1 The Instruments constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (save for certain mandatory exceptions provided by law).
- 4.2 The obligations of WNZL under the WNZL Deed of Guarantee constitute its direct, unconditional, unsubordinated and unsecured obligations and rank at least *pari passu* with all other unsubordinated and unsecured obligations of WNZL, present and future (save for certain mandatory exceptions provided by law).

5. Interest

5.1 *Interest*

Instruments may be interest-bearing or non interest-bearing, as specified in the Final Terms. Words and expressions appearing in this Condition 5 and not otherwise defined herein or in the Final Terms shall have the meanings given to them in Condition 1.1 (*Definitions*).

5.2 Fixed Rate Instrument Provisions

This Condition 5.2 applies to Fixed Rate Instruments only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5.2 for full information on the manner in which interest is calculated on Fixed Rate Instruments. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Interest Rate, the Interest Payment Date(s), the Interest Period End Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Business Day Convention and the Day Count Fraction.

- (i) *Application:* This Condition 5.2 is applicable to the Instruments only if the Fixed Rate Instrument Provisions are specified in the relevant Final Terms as being applicable.
- (ii) *Accrual of interest:* The Instruments bear interest from the Interest Commencement Date at the Interest Rate and such interest is payable in arrear on each Interest Payment Date, as provided in Condition 7 (*Payments*). Each Instrument will cease to bear interest from the due date for final redemption (or, in the case of an Instalment Instrument, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless, upon due presentation, payment in full of the Redemption Amount or the relevant Instalment Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (*Interest*) (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Instrument up to that day are received by or on behalf of the relevant Holder and (ii) the day which is seven days after the Fiscal Agent has notified the Holders that it has received all sums due in respect of the Instruments up to such seventh day (except to the extent that there is any subsequent default in payment).
- (iii) *Fixed Coupon Amount:* The amount of interest payable in respect of each Instrument for any Interest Period shall be the relevant Fixed Coupon Amount (or, in respect of the Interest Period beginning on the Interest Commencement Date or the Interest Period ending on the Maturity Date, the Broken Amount, if so specified in the Final Terms).
- (iv) *Calculation of Interest Amount:* The amount of interest payable in respect of each Instrument for any Interest Accrual Period for which a Fixed Coupon Amount is not specified shall be calculated (i) by applying the Interest Rate to the Calculation Amount of such Instrument and multiplying the product by the relevant Day Count Fraction or (ii) if so specified in the Final Terms, by applying the Interest Rate to the Calculation Amount of such Instruments, multiplying such product by the product of the Accrual Feature and the relevant Day Count Fraction and, in the case of (i) or (ii) above, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

5.3 Floating Rate Instrument Provisions

This Condition 5.3 applies to Floating Rate Instruments only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5.3 for full information on the manner in which interest is calculated on Floating Rate Instruments. In particular, the applicable Final Terms will identify Interest Payment Dates, and the Interest Period End Date(s), the Maturity Date, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centre(s), whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s) and Relevant Screen Page.

- (i) *Application:* This Condition 5.3 is applicable to the Instruments only if the Floating Rate Instrument Provisions are specified in the relevant Final Terms as being applicable.
- (ii) *Accrual of interest:* The Instruments bear interest from the Interest Commencement Date at the Interest Rate and such interest is payable in arrear on each Interest Payment Date, as provided in Condition 7 (*Payments*). Each Instrument will cease to bear interest from the due date for final redemption (or, in the case of an Instalment Instrument, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless, upon due presentation, payment in full of the Redemption Amount or the relevant Instalment Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Instrument up to that day are received by or on behalf of the relevant Holder and (ii) the day which is seven days after the Fiscal Agent has notified the Holders that it has received all sums due in respect of the Instruments up to such seventh day (except to the extent that there is any subsequent default in payment).
- (iii) *Screen Rate Determination:* If Screen Rate Determination is specified in the Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Instruments for each Interest Accrual Period will be the sum of the Margin and the rate determined by the Calculation Agent on the following basis:
 - (a) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (b) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (c) if, in the case of (a) above, such rate does not appear on that page or, in the case of (b) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
 - (d) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (rounded, if necessary, to the nearest one-hundred-thousandth of a percentage point, 0.000005 per cent. being rounded up to 0.00001 per cent.) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Accrual Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Accrual Period and in an amount that is representative for a single transaction in that market at that time, and the Interest Rate for such Interest Accrual Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Accrual Period, the Interest Rate applicable to the Instruments during such Interest Accrual Period will be the sum of the Margin and the rate (or as the case may be the arithmetic mean of the rates) last determined in relation to the Instruments in respect of the last preceding Interest Accrual Period.
- (iv) *ISDA Determination*: If ISDA Determination is specified in the Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Instruments for each Interest Accrual Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Accrual Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the Final Terms;
 - (b) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the Final Terms; and
 - (c) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Accrual Period or (B) in any other case, as specified in the Final Terms.
- (v) *Maximum or Minimum Interest Rate:* If any Maximum Interest Rate or Minimum Interest Rate is specified in the Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.
- (vi) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Interest Rate is to be determined in relation to each Interest Accrual Period, calculate the Interest Amount payable in respect of each Instrument for such Interest Accrual Period. The Interest Amount will be calculated (i) by applying the Interest Rate for such Interest Accrual Period to the Calculation Amount of such Instrument during such Interest Accrual Period and multiplying the product by the relevant Day Count Fraction or (ii) if so specified in the Final Terms, by applying the Interest Rate for such Interest Accrual Period to the Calculation Amount of such Instruments, and multiplying such product by the product of the Accrual Feature and the relevant Day Count Fraction, and, in the case of (i) or (ii) above, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.
- (vii) *Calculation of other amounts:* If the Final Terms specify that any other amount is to be calculated by the Calculation Agent (including, in respect of the Interest Period beginning on the Interest Commencement Date or the Interest Period ending on the Maturity Date, the Broken Amount, if so specified in the Final Terms), the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the Final Terms.
- (viii) *Publication:* The Calculation Agent will cause each Interest Rate and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority and/or stock exchange (if any) by which the Instruments are then listed and/or traded as soon as practicable after such determination but (in the case of each Interest Rate, Interest Amount and Interest Payment Date) in any event not later

than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Holders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

- (ix) *Notifications etc.:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, WNZL, the Paying Agents, the Holders (subject as aforesaid) and no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

5.4 *Zero Coupon Instrument Provisions*

- (i) *Application:* This Condition 5.4 is applicable to the Instruments only if the Zero Coupon Instrument Provisions are specified in the relevant Final Terms as being applicable.
- (ii) *Late payment on Zero Coupon Instruments:* If the Redemption Amount payable in respect of any Zero Coupon Instrument is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (a) the Reference Price; and
 - (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Instrument up to that day are received by or on behalf of the relevant Holder and (ii) the day which is seven days after the Fiscal Agent has notified the Holders that it has received all sums due in respect of the Instruments up to such seventh day (except to the extent that there is any subsequent default in payment).

5.5 *Dual Currency Instrument Provisions*

- (i) *Application:* This Condition 5.5 is applicable to the Instruments only if the Dual Currency Instrument Provisions are specified in the relevant Final Terms as being applicable.
- (ii) If the relevant Final Terms specify that Condition 5.5(ii) is applicable, the Issuer may issue Instruments with interest payable in a different currency (the “**Second Currency**”) from the Specified Currency in which the Instruments are denominated. Such Second Currency will be specified in the relevant Final Terms. The Interest Rate in respect of such Instruments may be calculated in accordance with the Fixed Rate Instrument Provisions or the Floating Rate Instrument Provisions as specified in the relevant Final Terms. The rate of exchange between the Specified Currency in which the Instruments are denominated and the Second Currency in which the Interest Amount is payable

in respect of such Instruments (as applicable) shall be as set out in the Final Terms.

- (iii) If the relevant Final Terms specify that Condition 5.5(iii) is applicable, the Issuer may issue Instruments with interest determined by reference to an exchange rate and each Instrument will bear interest from and including the Interest Commencement Date determined in accordance with the provisions set out below.

The Interest Amount per Calculation Amount (“IA”) for each Interest Accrual Period, payable on each Interest Payment Date (as specified in the relevant Final Terms) shall be calculated by the Calculation Agent in accordance with the following formula, provided that (1) the resultant figure of the formula shall be rounded to the nearest whole JPY, with half a JPY being rounded upwards, (2) the resultant figure of the square bracket shall be rounded to the nearest six decimal places of one per cent., and (3) the resultant figure of the square bracket shall never be more or less than the relevant values set out in the applicable Final Terms:

$$IA = \text{Calculation Amount} \times \text{Dual Currency Rate} \times [FX1/FX0] \times \text{Day Count Fraction}$$

Where:

“Dual Currency Rate” shall have the meaning specified in the applicable Final Terms;

“FX1” means the arithmetic mean of the bid and offered rate for AUD/JPY exchange rates, expressed as a number of JPY per AUD 1.00 as of 3.00 p.m. Tokyo time on the Reference Date which appears under the “AUD” column on Reuters Screen Page “JPNU”;

“FX0” shall have the meaning specified in the applicable Final Terms;

“Reuters Screen Page “JPNU”” means the display page “JPNU” designated on the Reuters Monitor Money Rates Service or such other services or service as may be nominated as the information vendor for the purpose of displaying the specific page on that service or such other page as may replace that page on that service or such other service, in all cases for the purpose of displaying the AUD/JPY exchange rates in succession thereto;

“AUD” shall mean Australian Dollars;

“Day Count Fraction” is 30/360;

“Interest Period End Date” shall have the meaning specified in the applicable Final Terms;

“Reference Date” shall be the tenth (10th) Tokyo, London, New York and Sydney Business Day prior to each Interest Period End Date; and

“Tokyo, London, New York and Sydney Business Day” shall mean a day on which commercial banks and foreign exchange market participants settle payments and are open for general business (including dealing in foreign exchange and foreign deposits) in Tokyo, London, New York and Sydney.

The Calculation Agent will cause the Interest Amount to be notified to the Fiscal Agent.

- (iv) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:

In the event that Reuters Screen Page “JPNU” (or such successor page) should not be available, or the bid and offered rate for AUD/JPY exchange rates should not appear on Reuters Screen Page “JPNU” (or any successor page), in each case on the relevant Reference Date at or around 3.00 p.m. Tokyo time, then the Calculation Agent shall determine FX1 by requesting each of the five leading banks in the relevant currency and foreign exchange markets (the “**Reference Banks**”), as selected by the Calculation Agent, to provide a quotation for FX1.

If five or four such quotations are provided as requested, after disregarding the highest of such quotations and the lowest of such quotations (provided that, if two or more such quotations are the highest such quotations, then only one of such quotations shall be disregarded, and if two or more such quotations are the lowest quotations then only one of such lowest quotations shall be disregarded), the applicable rate shall be determined by the Calculation Agent as the arithmetic mean (rounded to the nearest five decimal places, 0.000005 being rounded upwards) of the remaining such quotations for such rate.

If only three or fewer such quotations are provided as requested, the applicable rate shall be the arithmetic mean of such quotations as determined by the Calculation Agent as described above.

If no such quotations are provided as requested, and the Calculation Agent determines in its sole discretion that no suitable replacement Reference Banks who are prepared to quote are available, the Calculation Agent shall be entitled to calculate the applicable rate in good faith and a commercially reasonable manner.

5.6 *Coupon Switch Option Provisions*

- (i) *Application:* This Condition 5.6 is applicable to the Instruments only if the Coupon Switch Option is specified in the Final Terms as being applicable and each Instrument shall bear interest on the following basis (unless otherwise specified in the Final Terms).
- (ii) The Final Terms shall specify whether the Fixed Rate Instrument Provisions or, as the case may be, the Floating Rate Instrument Provisions are applicable to the Instruments from and including the Issue Date to but excluding the Coupon Switch Option Date. Upon the Issuer giving the requisite notice (which, for the purposes of this Condition 5.6 only, shall be five Business Days prior to the

Coupon Switch Option Date or such other notice period as may be specified in the Final Terms) to exercise its Coupon Switch Option, from and including the Coupon Switch Option Date, interest shall accrue on a different basis from the basis which was applicable prior to such Coupon Switch Option Date. The Final Terms shall specify whether the Fixed Rate Instrument Provisions or, as the case may be, the Floating Rate Instrument Provisions are applicable, upon the exercise by the Issuer of the Coupon Switch Option, from and including such Coupon Switch Option Date to but excluding the Maturity Date.

6. Redemption and Purchase

Scheduled redemption

- 6.1 Unless previously redeemed, purchased and cancelled, or unless such Instrument is stated in the Final Terms as having no fixed maturity date, the Instruments will be redeemed at their Final Redemption Amount, together with interest accrued (if any) (or, in the case of Instalment Instruments, in such number of instalments and in such amounts (“**Instalment Amounts**”) as may be specified in the provisions of the Final Terms), on the Maturity Date, as provided in Condition 7 (*Payments*).

Redemption for tax reasons

- 6.2 The Instruments may be redeemed at the option of the Issuer in whole, but not in part:
- (i) at any time (if the Floating Rate Instrument Provisions are specified in the Final Terms as not being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Instrument Provisions are specified in the Final Terms as being applicable),

on giving not less than 30 or more than 60 days’ notice to the Holders in accordance with Condition 14 (*Notices*), which notice shall be irrevocable, or as otherwise specified in the Final Terms, at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (i) (a) the Issuer or, as the case may be, WNZL has or will become obliged (or would have become or would become so obliged if demand was made under the WNZL Deed of Guarantee) to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations or rulings of New Zealand or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Instruments or any other date specified in the Final Terms; and
- (b) such obligation cannot be avoided by the Issuer or, as the case may be, WNZL taking reasonable measures available to it; or

(ii) the Issuer or, as the case may be, WNZL has or will become obliged (or would have become or would become so obliged if demand was made under the WNZL Deed of Guarantee) to pay additional amounts in respect of New Zealand non-resident withholding tax which may be, or which may become, applicable to the Instruments; and either:

- (a) such obligation cannot be avoided by the Issuer or, as the case may be, WNZL paying (if it is not already doing so) New Zealand approved issuer levy at a rate not exceeding the rate of the levy charged at the date of issue of the first Tranche of the Instruments under Section 86J of the *Stamp and Cheque Duties Act 1971* of New Zealand (the “**Approved Issuer Levy Rate**”) on the payments of principal or interest or taking any other reasonable measures available to it (but not including the payment of any additional approved issuer levy); or
- (b) in order to avoid any New Zealand non-resident withholding tax (under current law or any change of law) the Issuer or, as the case may be, WNZL becomes obliged, as a result of any change in, or amendment to, the laws, regulations or rulings of New Zealand or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any change in the application or in the interpretation or administration of any such laws, regulations or rulings, to pay an approved issuer levy at a rate exceeding the Approved Issuer Levy Rate or incurs any other cost in excess of that applicable under New Zealand law at the date of issue of the first Tranche of the Instruments,

provided, however, that no such notice of redemption shall be given earlier than:

- (A) where the Instruments may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or, as the case may be, WNZL would be obliged to pay such additional amounts if a payment in respect of the Instruments were then due; or
- (B) where the Instruments may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or, as the case may be, WNZL would be obliged to pay such additional amounts if a payment in respect of the Instruments were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer or, as the case may be, WNZL shall deliver to the Fiscal Agent:

- (A) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, WNZL has or will become obliged (or would have become or would become so obliged if demand

was made under the WNZL Deed of Guarantee) to pay such additional amounts and that:

- (i) (in the case of paragraph (i) above) the relevant obligation arises as a result of any such change or amendment as is specified in sub-paragraph (i)(a) above and cannot be avoided by the Issuer or, as the case may be, WNZL taking reasonable measures available to it;
- (ii) (in the case of sub-paragraph (ii)(a) above) the relevant obligation cannot be avoided by the Issuer or, as the case may be, WNZL paying New Zealand approved issuer levy at a rate not exceeding the Approved Issuer Levy Rate or taking any other reasonable measures available to it (not including the payment of any additional approved issuer levy); or
- (iii) (in the case of sub-paragraph (ii)(b) above) in order to avoid the relevant obligation, the Issuer or, as the case may be, WNZL would be obliged, as a result of any such change or amendment as is specified in that sub-paragraph, to pay approved issuer levy at a rate exceeding the Approved Issuer Levy Rate or to incur any other cost in excess of that applicable under New Zealand law at the date of issue of the first Tranche of the Instruments.

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 6.5 (*Redemption at the option of Holders*).

Redemption at the option of the Issuer

This Condition 6.3 applies to Instruments which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an "Issuer Call". The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Instruments which can be redeemed and the applicable notice periods.

- 6.3 If Redemption at the option of the Issuer (Call) is specified in the Final Terms as being applicable, the Instruments may be redeemed at the option of the Issuer in whole or, if so specified in the Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer giving not less than five or more than 60 days' notice to the Holders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall oblige the Issuer to redeem all of the Instruments of the relevant Series or, as the case may be, the Instruments specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

The Issuer may not exercise such option in respect of any Instrument which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Instrument under Condition 6.5 (*Redemption at the option of Holders*).

Partial redemption

6.4 If the Instruments are to be redeemed in part only on any date in accordance with Condition 6.3 (*Redemption at the option of the Issuer*):

- (i) in the case of Bearer Instruments (other than a Temporary Global Instrument or a Permanent Global Instrument) the Instruments to be redeemed shall be selected by the drawing of lots in such European city as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate;
- (ii) in the case of a Temporary Global Instrument or a Permanent Global Instrument, the Instruments to be redeemed shall be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service and/or any other relevant clearing system; and
- (iii) in the case of Registered Instruments, the Instruments shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, provided always that the amount redeemed in respect of each Instrument shall be equal to the minimum denomination thereof or an integral multiple thereof,

subject always to compliance with applicable law and the rules of each listing authority and/or stock exchange on or by which the Instruments are then listed and/or traded and the notice to Holders referred to in Condition 6.3 (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Instruments so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 3.4 to 3.9 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

Redemption at the option of Holders

This Condition 6.5 applies to Instruments which are subject to redemption prior to the Maturity Date at the option of the Holders, such option being referred to as an “Investor Put”. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6.5 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

6.5 If Redemption at the option of the Holders (Put) is specified in the Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Instrument, redeem such Instrument on the Optional Redemption Date (Put) specified in the relevant Put Option

Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 6.5, the Holder of an Instrument must, not less than 45 days before the relevant Optional Redemption Date (Put), deposit with, any Paying Agent in the case of a Bearer Instrument, or the Registrar in the case of a Registered Instrument, such Instrument together with all unmatured Coupons relating thereto (other than any Coupon maturing on or before the Optional Redemption Date (Put) (failing which the provisions of Condition 7A.6 apply)) and a duly completed Put Option Notice in the form obtainable from, any Paying Agent or, as the case may be, the Registrar, specifying in the case of a Temporary Global Instrument or Permanent Global Instrument or Registered Instrument, the aggregate principal amount in respect of which such option is exercised (which must be the minimum denomination specified in the Final Terms or an integral multiple thereof). The Paying Agent with which an Instrument is so deposited shall deliver a duly completed Put Option Receipt to the depositing Holder. No Instrument, once deposited with a duly completed Put Option Notice in accordance with this Condition 6.5, may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put) any such Instrument becomes immediately due and payable, the relevant Holder at its option may elect by notice to the Paying Agent or, as the case may be, the Registrar to withdraw the Put Option Notice given pursuant to this Condition 6.5 and instead declare such Instrument to be forthwith due and payable pursuant to Condition 9 (*Events of Default*). For so long as any outstanding Instrument is held by a Paying Agent in accordance with this Condition 6.5, the depositor of such Instrument and not such Paying Agent shall be deemed to be the Holder of such Instrument for all purposes.

In the case of the redemption of part only of a Registered Instrument, a new Registered Instrument in respect of the unredeemed balance shall be issued in accordance with Conditions 3.4 to 3.9 which shall apply as in the case of a transfer of Registered Instruments as if such new Registered Instrument were in respect of the untransferred balance.

The Holder of an Instrument may not exercise such option in respect of any Instrument which is the subject of an exercise by the Issuer of its option to redeem such Instrument under either Condition 6.2 (*Redemption for tax reasons*) or Condition 6.3 (*Redemption at the option of the Issuer*).

No other redemption

- 6.6 The Issuer shall not be entitled to redeem the Instruments otherwise than as provided in Conditions 6.1 to 6.5 above.

Early redemption of Zero Coupon Instruments

- 6.7 Unless otherwise specified in the Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Instrument at any time before the Maturity Date shall be an amount equal to the sum of:
- (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date

fixed for redemption or (as the case may be) the date upon which the Instrument becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 6.7 or, if none is so specified, a Day Count Fraction of 30/360.

The figure resulting from such calculation shall be rounded to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

Purchase

6.8 The Issuer or any of its Subsidiaries may at any time purchase Instruments in the open market or otherwise and at any price, provided that all unmatured Receipts and Coupons are purchased therewith.

Cancellation

6.9 All Instruments so redeemed, and all unmatured Coupons attached to or surrendered with them, shall be cancelled and may not be reissued or resold and all Instruments so purchased by the Issuer or any of its Subsidiaries and all unmatured Coupons attached to or surrendered with them may, at the option of the Issuer, be cancelled, held, reissued or resold.

7. Payments

7A.3 Payments — Bearer Instruments

7A.1 This Condition 7A is applicable in relation to Bearer Instruments.

Principal

7A.2 Payments of principal due in respect of Bearer Instruments shall be made only against presentation and (provided that payment is made in full, or it is the payment of the final Instalment Amount) surrender of the relevant Bearer Instruments at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account outside the United States denominated in that currency or to which such currency may be transferred and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Instrument which is a Definitive Instrument with Receipts will be made against presentation of the Instrument together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title, and if separated from the Instrument to which they relate, will not represent any obligation of the Issuer. Accordingly, the presentation of an Instrument without the relative Receipt or the presentation of a Receipt without the Instrument to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

Interest

7A.3 Payment of amounts in respect of interest on Bearer Instruments will be made:

- (i) in the case of a Temporary Global Instrument or Permanent Global Instrument, against presentation of the relevant Temporary Global Instrument or Permanent Global Instrument at the Specified Office of any of the Paying Agents outside New Zealand and (unless Condition 7A.4 (*Payments in New York City*) applies) the United States and, in the case of a Temporary Global Instrument, upon due certification as required therein by cheque drawn in the currency in which the payment is due on, or by transfer to an account outside the United States denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency;
- (ii) in the case of Definitive Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Instruments at the Specified Office of any of the Paying Agents outside New Zealand and (unless Condition 7A.4 (*Payments in New York City*) applies) the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account outside the United States denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency; and
- (iii) in the case of Definitive Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Definitive Instruments, in either case at the Specified Office of any of the Paying Agents outside New Zealand and (unless Condition 7A.4 (*Payments in New York City*) applies) the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account outside the United States denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

Payments in New York City

7A.4 Payments of principal and interest on the Bearer Instruments and exchanges of Talons for Coupon Sheets in accordance with Condition 7A.7 (*Exchange of Talons*) may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the

Instruments in United States dollars, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of interest in United States dollars and (iii) payment is permitted by applicable United States law.

Payments on business days

7A.5 If the due date for payment of any amount in respect of any Instrument, Receipt or Coupon is not a Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

7A.6 Each Definitive Instrument initially delivered with Coupons, Talons or Receipts attached thereto shall be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:

- (i) if the Final Terms specifies that this paragraph (i) of Condition 7A.6 is applicable (and, in the absence of specification this paragraph (i) shall apply to Definitive Instruments which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the Specified Office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;
- (ii) if the Final Terms specifies that this paragraph (ii) of Condition 7A.6 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Instruments which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Definitive Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
- (iii) in the case of Definitive Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (iv) in the case of Definitive Instruments initially delivered with Receipts attached thereto, all Receipts relating to such Instruments in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 7A.6 notwithstanding, if any Definitive Instruments are issued with a Maturity Date and an Interest Rate or Interest Rates such that, on the presentation for payment of any such Definitive Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment). Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

Exchange of Talons

7A.7 In relation to Definitive Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon Sheet matures, the Talon comprised in the Coupon Sheet may be surrendered at the Specified Office of any Paying Agent outside (unless Condition 7A.4 (*Payments in New York City*) applies) the United States in exchange for a further Coupon Sheet (including any appropriate further Talon), subject to the provisions of Condition 10 (*Prescription*) below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relevant Coupon Sheet matures.

Payments other than in respect of matured Coupons

7A.8 Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Instruments at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 7A.4 (*Payments in New York City*)).

Partial payments

7A.9 If a Paying Agent makes a partial payment in respect of any Instrument, Receipt or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

7B. Payments - Registered Instruments

7B.1 This Condition 7B is applicable in relation to Registered Instruments.

7B.2 Payment of the Redemption Amount due in respect of Registered Instruments (together with accrued interest thereon (if any)) will be made against presentation and, save in the case of partial payment of the Redemption Amount, surrender of the relevant Registered Instruments at the Specified Office of the Registrar. If the due date for payment of the Redemption Amount of any Registered Instrument is not a Business Day then the Holder

thereof will not be entitled to payment thereof until the next Business Day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Business Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5 (*Interest*) as appropriate.

7B.3 Payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at the close of business (local time in the place of Euroclear or Clearstream, Luxembourg or the CMU Service or any other relevant clearing system) on the clearing system business day immediately prior to the date for payment, where for the purposes of this Condition 7B.3 “clearing system business day” means Monday to Friday inclusive except 25 December and 1 January before the due date for such payment (the “**Record Date**”).

7B.4 Payment of amounts (whether principal, interest or otherwise) due (other than the Redemption Amount) in respect of Registered Instruments will be made in the currency in which such amount is due by cheque to the Holder thereof (or, in the case of joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 3.6) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Business Day, then the Holder thereof will not be entitled to payment thereof until the first day thereafter which is a Business Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5 (*Interest*), as appropriate.

7C. *Payments - General Provisions*

7C.1 Save as otherwise specified in these Terms and Conditions, this Condition 7C is applicable in relation to both Bearer Instruments and Registered Instruments.

7C.2 Payments will, without prejudice to the provisions of Condition 8 (*Taxation*), be subject in all cases to any applicable fiscal or other laws and any other directives, agreements and administrative practices and procedures of fiscal and other authorities in relation to tax, anti-money laundering and other requirements which may apply to the payment of amounts due (whether in respect of principal, Redemption Amount, Instalment Amount, Interest Amount or otherwise) in respect of the Instruments (including, without limitation, any withholding or deduction arising under or in connection with FATCA). No commissions

or expense shall be charged to the Holders of the Instruments, the Receipts or the Coupons in respect of such payments.

If any withholding or deduction arises under or in connection with FATCA, neither the Issuer nor WNZL will be required to pay any additional amount under Condition 8 (*Taxation*) on account of such withholding or deduction and, accordingly, the Issuer or WNZL, as the case may be, shall be acquitted and discharged of so much money as is represented by any such withholding or deduction as if such sum had been actually paid to the Holder(s) of the Instruments, the Receipts or the Coupons.

Except to the extent that the Issuer or WNZL is required to pay any additional amount under Condition 8 (*Taxation*) on account of a withholding or deduction, neither the Issuer nor WNZL will be required to pay any additional amount on account of a withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature required by law. If any such withholding or deduction is required, then the Issuer or WNZL, as the case may be, shall pay the amounts payable net of, and after deducting the applicable amount of, such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted and, accordingly, the Issuer or WNZL, as the case may be, shall be acquitted and discharged of so much money as is represented by any such withholding or deduction as if such sum had been actually paid to the Holder(s) of the Instruments, the Receipts or the Coupons.

7C.3 For purposes of Section 7A, the “United States”, when being used as a location, shall include the United States and its possessions.

8. Taxation

Gross up

8.1 All payments of principal and interest in respect of the Instruments, the Receipts and the Coupons by or on behalf of the Issuer or WNZL shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of New Zealand and/or the United Kingdom or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In that event, the Issuer or (as the case may be) WNZL shall pay such additional amounts as will result in the receipt by the Holders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Instrument, Receipt or Coupon:

- (i) presented for payment or held by, or by a third party on behalf of, a Holder, or any beneficial owner of any interest in, or rights in respect of, such Instrument, Receipt or Coupon held by a Holder, who is liable to such taxes, duties, assessments or governmental charges in respect of such Instrument, Receipt or Coupon by reason of the Holder or beneficial owner having some connection (whether past or present) with New Zealand and/or the United Kingdom other than (a) the mere holding of such Instrument, Receipt or Coupon or (b) the receipt of principal, interest or any other amount in respect of such Instrument, Receipt or Coupon; or

- (ii) presented for payment or held by, or by a third party on behalf of, a Holder, or any beneficial owner of any interest in, or rights in respect of, such Instrument, Receipt or Coupon held by a Holder, who could lawfully avoid (but has not so avoided) such deduction or withholding by complying with any statutory requirements in force at the present time or in the future or by making a declaration of non-residence or other claim or filing for exemption; or
- (iii) presented for payment more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts if it had presented such Instrument, Receipt or Coupon on the last day of such period of 30 days; or
- (iv) on account of: (i) New Zealand resident withholding tax (under the Income Tax Act 2007 of New Zealand); and/or (ii) New Zealand non-resident withholding tax (under the Income Tax Act 2007 of New Zealand) imposed at a resident withholding tax rate as a consequence of a Holder or beneficial owner deriving interest under an Instrument jointly with one or more other persons at least one of which is a resident of New Zealand for income tax purposes; or
- (v) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Instrument, Receipt or Coupon to another Paying Agent; or
- (vi) for or on account of any withholding or deduction arising under or in connection with FATCA.

New Zealand resident withholding tax

8.2 The Issuer may be required by New Zealand law to deduct New Zealand resident withholding tax from the payment of interest or other amounts to the Holder on any Interest Payment Date or, if applicable, the Maturity Date (as specified in the applicable Final Terms), if:

- (i) the Holder is a resident of New Zealand for income tax purposes or otherwise is a person, the payment of interest (as defined for New Zealand tax purposes) to whom will be subject to New Zealand resident withholding tax (a “**New Zealand Holder**”); and
- (ii) at the time of such payment the New Zealand Holder does not hold a valid RWT exemption certificate (as defined in the *Income Tax Act 2007 of New Zealand*) issued to it for New Zealand resident withholding tax purposes.

Prior to any Interest Payment Date or, if applicable, the Maturity Date (as specified in the applicable Final Terms), any New Zealand Holder:

- (i) must notify the Issuer, the Registrar or any Paying Agent (a) that the New Zealand Holder is the Holder of an Instrument and (b) if it derives interest under an Instrument jointly with any other Person, that it does so; and

- (ii) must notify the Issuer, the Registrar or any Paying Agent of any circumstances, and provide the Issuer, the Registrar or that Paying Agent with its New Zealand tax file number and any information (including a copy of a valid RWT exemption certificate), that may enable the Issuer to make the payment of interest to the New Zealand Holder without deduction on account of New Zealand resident withholding tax.

A New Zealand Holder must notify the Issuer, prior to any Interest Payment Date or the Maturity Date (as specified in the applicable Final Terms) of any change in the New Zealand Holder's circumstances from those previously notified that could affect the Issuer's payment obligations in respect of any Instrument. By accepting payment of the full face amount of any Instrument or any interest thereon or other amounts in respect thereof on any Interest Payment Date or the Maturity Date, a New Zealand Holder agrees to indemnify the Issuer for all purposes in respect of any liability that the Issuer may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

Only a New Zealand Holder will be obliged to make the notifications referred to above and no other Holder will be required to do so.

Whilst the Instruments are held in Euroclear, Clearstream, Luxembourg, the CMU Service or any other clearing system, Euroclear, Clearstream, Luxembourg, the CMU Service and any such other clearing system shall not be responsible to the Issuer, the Registrar, any Paying Agent, its account holders credited with such Instruments or any other Person with regard to the collection or preparation of certificates, or otherwise in connection with this Condition 8.2.

- 8.3 Any reference in these Terms and Conditions to "principal" and/or "interest" in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 8. Unless the context otherwise requires, any reference in these Terms and Conditions to "principal" shall include any premium payable in respect of an Instrument, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions and "interest" shall include all amounts payable pursuant to Condition 5 (Interest) and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.
- 8.4 If the Issuer is, or becomes, subject at any time to any taxing jurisdiction(s) other than or in addition to New Zealand or the United Kingdom, references in Condition 6.2 (*Redemption for tax reasons*) and this Condition 8 shall be substituted by references to or (as the case may be) shall be construed as including references to such other taxing jurisdiction(s).

9. Events of Default

- 9.1 The following events or circumstances (each an "**Event of Default**") shall be acceleration events in relation to the Instruments of any Series, namely:
 - (i) the Issuer or WNZL fails to pay any amount of principal in respect of the Instruments of the relevant Series or any of them within seven days of the due date for payment thereof or fails to pay any amount of interest in respect of the

Instruments of the relevant Series or any of them within 14 days of the due date for payment thereof; or

- (ii) the Issuer or WNZL defaults in the performance or observance of any of its or their other obligations under or in respect of any of the Instruments of the relevant Series, the Issue and Paying Agency Agreement or, in the case of WNZL, the WNZL Deed of Guarantee and (except in any case where such default is incapable of remedy when no such continuation or notice, as is hereinafter mentioned, will be required) such default remains unremedied for 30 days after written notice requiring such default to be remedied has been delivered to the Issuer or WNZL at the Specified Office of the Fiscal Agent by the Holder of any such Instrument; or
- (iii) an order is made or an effective resolution is passed for the Winding-Up of the Issuer or WNZL; or
- (iv) either the Issuer or WNZL ceases to carry on all or substantially all of its business other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency where the obligations of the Issuer or WNZL in relation to the outstanding Instruments are assumed (in the case of the Issuer) or unconditionally and irrevocably guaranteed (in the case of WNZL) by the successor entity to which all, or substantially all of the property, assets and undertaking of the Issuer or WNZL are transferred or where an arrangement with similar effect not involving a bankruptcy or insolvency is implemented (a "**Solvent Reconstruction**"); or
- (v) an encumbrancer takes possession or a receiver is appointed of the whole or any substantial part of the assets or undertaking of, or an official manager is appointed to, the Issuer or WNZL or a distress or execution is levied or enforced upon or sued out against any substantial part of the assets or undertaking of the Issuer or WNZL and is not removed, paid out or otherwise discharged within 30 days unless the same is being contested in good faith; or
- (vi) either the Issuer or WNZL shall be unable to pay its debts as they fall due; or
- (vii) the WNZL Deed of Guarantee ceases to be, or is claimed by WNZL not to be, in full force and effect other than under or in connection with a Solvent Reconstruction.

9.2 If any Event of Default shall occur in relation to any Series of Instruments, any Holder of an Instrument of the relevant Series may, by written notice to the Issuer and WNZL, at the specified office of the Fiscal Agent, declare that such Instrument and (if the Instrument is interest-bearing) all interest then accrued on such Instrument shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the "**Early Termination Amount**") (which shall be its outstanding principal amount or, if such Instrument is a Zero Coupon Instrument, such amount as provided in Condition 6.7 (*Early redemption of Zero Coupon Instruments*)) or such other Early Termination Amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will

expressly waive, anything contained in such Instruments to the contrary notwithstanding, unless, prior to receipt of such notice by the Fiscal Agent, all Events of Default in respect of the Instruments of the relevant Series shall have been remedied.

10. Prescription

- 10.1 Claims against the Issuer for payment of principal and interest in respect of Instruments will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the Relevant Date for payment thereof.
- 10.2 In relation to Definitive Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon Sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 7A.7 or the due date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 10 or any Talon the Maturity Date of which would fall after the due date for redemption of the relevant Instrument.

11. The Paying Agents, the Registrars and the Calculation Agent

- 11.1 The initial Paying Agents and Registrars and their respective initial Specified Offices are specified below. The Calculation Agent in respect of any Instruments shall be specified in the Final Terms. The Issuer and WNZL reserve the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or any Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent provided that they will at all times maintain (i) a Fiscal Agent, (ii) in the case of Registered Instruments, a Registrar, (iii) a Paying Agent (which may be the Fiscal Agent) with a Specified Office in a continental European city, (iv) so long as the Instruments are listed on the Official List of the UK Listing Authority and/or admitted to listing and/or trading on or by any other competent listing authority and/or stock exchange, a Paying Agent (which may be the Fiscal Agent) and a Registrar each with a Specified Office in London and/or in such other place as may be required by such competent listing authority and/or stock exchange, (v) in the circumstances described in Condition 7A.4, a Paying Agent with a Specified Office in New York City, (vi) a Calculation Agent where required by these Terms and Conditions applicable to any Instruments (in the case of (i), (ii), (iii) and (vi) with a Specified Office located in such place (if any) as may be required by these Terms and Conditions) and (vii) so long as any Instruments are represented by a Temporary Global Instrument or a Permanent Global Instrument which is held in the CMU Service, a Paying Agent with a Specified Office in Hong Kong. The Paying Agents, the Registrars and the Calculation Agent reserve the right at any time to change their respective Specified Offices to some other Specified Office in the same city. Notice of all changes in the identities or Specified Offices of any Paying Agent, the Registrars or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 14 (*Notices*).
- 11.2 The Paying Agents, the Registrars and the Calculation Agent act solely as agents of the Issuer and WNZL and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency

Agreement or other agreement entered into with respect to its appointment or incidental thereto.

12. Replacement of Instruments

If any Instrument, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the Final Terms (in the case of Bearer Instruments and Coupons) or of the Registrar (in the case of Registered Instruments) ("**Replacement Agent**") subject to all applicable laws and the requirements of any stock exchange and/or competent listing authority on or by which the Instruments are listed and/or traded upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require.

Mutilated or defaced Instruments, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

13. Meetings of Holders and Modification

The Issue and Paying Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution of these Terms and Conditions, the WNZL Deed of Guarantee and the Deed of Covenant insofar as the same may apply to such Instruments. Such a meeting may be convened by the Issuer and shall be convened upon a request in writing by Holders of Instruments holding not less than one-tenth of the outstanding principal amount of the Instruments for the time being outstanding of any Series. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Instruments of such Series.

Alternatively, Holders or any particular Series of Instruments may duly pass in writing either an Ordinary Resolution or an Extraordinary Resolution provided that such written resolution is signed by or on behalf of such Holders holding, in the case of an Ordinary Resolution, not less than a simple majority or, in the case of an Extraordinary Resolution, not less than three-fourths of the aggregate outstanding principal amount of the relevant Instruments.

The Issuer and, in the case of the WNZL Deed of Guarantee, WNZL may, with the consent of the Fiscal Agent, but without the consent of the Holders of the Instruments of any Series or Coupons, amend these Terms and Conditions, the Final Terms, the WNZL Deed of Guarantee and the Deed of Covenant insofar as they may apply to such Instruments to correct a manifest or a proven error. Subject as aforesaid, no other modification may be made to these Terms and Conditions, the WNZL Deed of Guarantee or the Deed of Covenant except with the sanction of an Extraordinary Resolution.

14. Notices

To Holders of Bearer Instruments

- 14.1 Notices to Holders of Bearer Instruments will, save where another means of effective communication has been specified herein or in the Final Terms, be deemed to be validly given if:
- (i) published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*); or
 - (ii) if such publication is not practicable, published in a leading English language daily newspaper having general circulation in Europe; or
 - (iii) if permitted by the rules of the relevant competent listing authority and/or stock exchange, in the case of Instruments represented by a Temporary Global Instrument or Permanent Global Instrument, delivered to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the Persons shown in their respective records as having interests therein; or
 - (iv) in the case of Instruments represented by a Temporary Global Instrument or a Permanent Global Instrument which is held in the CMU Service, given to the Persons shown, in a “CMU Instrument Position Report” issued by the CMU Service on the Business Day immediately before the preceding Interest Payment Date, or, (in the case of notices given pursuant to Condition 6.3 (*Redemption at the option of the Issuer*)) on the Business Day immediately before the date on which such notices are given, or any other date as agreed between the CMU Paying Agent or CMU Lodging Agent and the CMU Service holding interests in the relevant Temporary Global Instrument or Permanent Global Instrument, as the case may be.

The Issuer shall also ensure that notices are duly published in compliance with the requirements of each competent listing authority and/or stock exchange on or by which the Instruments are listed and/or traded. Any notice so given will be deemed to have been validly given: (a) on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or (b) unless it has been specified otherwise in the Final Terms on the date of such delivery to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system or the Persons shown in the “CMU Instrument Position Report”. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Instruments in accordance with this Condition 14.1. A copy of each notice given pursuant to this Condition will in any event be delivered to Euroclear, Clearstream, Luxembourg, the CMU Service and/or any other relevant clearing system.

To Holders of Registered Instruments

- 14.2 Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them

(or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day.

15. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Instruments, Receipts or Coupons, create and issue further instruments, bonds or debentures having the same terms and conditions as such Instruments in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination or the Issue Price thereof) so as to be consolidated to form a single series with the Instruments of any particular Series.

16. Substitution of the Issuer

16.1 The Issuer may, with respect to any Series of Instruments issued by it (the “**Relevant Instruments**”) without the consent of any Holder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the Instruments and the Issue and Paying Agency Agreement (the “**Substituted Debtor**”) upon notice by the Issuer and the Substituted Debtor to be given by publication in accordance with Condition 14 (*Notices*), provided that:

- (i) the Issuer is not in default in respect of any amount payable under any of the Relevant Instruments;
- (ii) the Issuer and the Substituted Debtor have entered into such documents (the “**Documents**”) as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Holder of the Relevant Instruments to be bound by these Terms and Conditions, the provisions of the Issue and Paying Agency Agreement and the Deed of Covenant as the debtor in respect of such Instruments in place of the Issuer (or of any previous substitute under this Condition 16);
- (iii) if the Substituted Debtor is resident for tax purposes in a territory (the “**New Residence**”) other than that in which the Issuer prior to such substitution was resident for tax purposes (the “**Former Residence**”), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Holder of the Relevant Instruments has the benefit of an undertaking in terms corresponding to the provisions of Condition 8 (*Taxation*) and the Substituted Debtor has the benefit of rights in terms corresponding to Condition 6.2 (*Redemption for tax reasons*) with, where applicable, the substitution of references to the Former Residence with references to the New Residence;
- (iv) WNZL guarantees the obligations of the Substituted Debtor in relation to outstanding Relevant Instruments on terms in all material respects similar to the WNZL Deed of Guarantee;
- (v) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the

Substituted Debtor of its obligations under the Documents and for the performance by the Issuer of its obligations under the guarantee referred to above as they relate to the obligations of the Substituted Debtor under the Documents;

- (vi) each competent listing authority and/or stock exchange, on or by which the Relevant Instruments are admitted to listing and/or trading shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Relevant Instruments will continue to be admitted to listing and/or trading by the relevant competent listing authority and/or stock exchange; and
- (vii) if applicable, the Substituted Debtor has appointed a process agent as its agent in England and Wales to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Relevant Instruments and any Coupons.

16.2 Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Relevant Instruments and the Issue and Paying Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer therein, and the Issuer shall be released from its obligations under the Relevant Instruments and under the Issue and Paying Agency Agreement.

16.3 After a substitution pursuant to Condition 16.1, the Substituted Debtor may, without the consent of any Holder, effect a further substitution. All the provisions specified in Conditions 16.1 and 16.2 shall apply *mutatis mutandis*, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.

16.4 After a substitution pursuant to Condition 16.1 or 16.3 any Substituted Debtor may, without the consent of any Holder, reverse the substitution, *mutatis mutandis*.

16.5 The Documents shall be delivered to, and kept by, the Fiscal Agent. Copies of the Documents will be available free of charge at the Specified Office of each of the Paying Agents.

17. **Currency Indemnity**

The currency or currencies in which the Instruments are payable from time to time, as specified in these Terms and Conditions or the Final Terms (each a “**Contractual Currency**” and together the “**Contractual Currencies**”), is the only currency or are the only currencies of account and payment for applicable sums payable by the Issuer or WNZL in respect of the Instruments, including damages. Any amount received or recovered in a currency other than the Contractual Currency applicable to the payment to which such amount is referable (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of an Instrument, Receipt or Coupon in respect of any sum expressed to be due to it from the Issuer or WNZL in such Contractual Currency shall only constitute a discharge to the Issuer or WNZL to the extent of the amount in such Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency

on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the applicable Contractual Currency expressed to be due to any Holder of an Instrument or Coupon in respect of such Instrument, Receipt or Coupon, the Issuer or WNZL shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer or WNZL shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute separate and independent obligations from the Issuer's or WNZL's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of an Instrument, Receipt or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Instruments, Receipts or Coupons or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of an Instrument or Coupon and no proof or evidence of any actual loss will be required by the Issuer or WNZL.

18. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

19. Law and Jurisdiction

- 19.1 The Instruments, the WNZL Deed of Guarantee, the Issue and Paying Agency Agreement and the Deed of Covenant are governed by, and shall be construed in accordance with, English law. Any matter, claim or dispute arising out of or in connection with the Instruments, the WNZL Deed of Guarantee, the Issue and Paying Agency Agreement and the Deed of Covenant, whether contractual or non-contractual, is governed by, and shall be determined in accordance with, English law.
- 19.2 Subject as provided in Condition 19.4, the courts of England and Wales have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with the Instruments.
- 19.3 Each of the Issuer and WNZL agrees that the courts of England and Wales are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- 19.4 Condition 19.2 is for the benefit of the Holders of the Instruments only. As a result, nothing in this Condition 19 shall prevent any Holder of the Instruments from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Holders of the Instruments may take concurrent Proceedings in any number of jurisdictions.
- 19.5 The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by

being delivered to it at Camomile Court, 23 Camomile Street, London EC3A 7LL, United Kingdom or at any address of the Issuer in Great Britain at which service of process may be served on it in accordance with Parts 34 and 37 of the Companies Act 2006. Nothing in this Condition shall affect the right of any Holder of Instruments to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and Wales and to Proceedings elsewhere.

- 19.6 WNZL agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to the Issuer at Camomile Court, 23 Camomile Street, London EC3A 7LL, United Kingdom or, if different, its registered office for the time being or at any address of WNZL in Great Britain at which process may be served on it in accordance with Parts 34 and 37 of the *Companies Act 2006*. If the Issuer is not or ceases to be effectively appointed to accept service of process on behalf of WNZL, WNZL shall appoint a further Person in England and Wales to accept service of process on its behalf. Nothing in this Condition shall affect the right of any Holder of Instruments to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and Wales and to Proceedings elsewhere.

20. Third Parties

No Person shall have any right to enforce any term or condition of any Instrument under the *Contracts (Rights of Third Parties) Act 1999* but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

PRO FORMA FINAL TERMS
(less than €100,000)

Set out below is the form of Final Terms which will be completed for each Tranche of Instruments under the Programme with a denomination of less than €100,000 (or its equivalent in another currency), amended (if necessary) and completed to reflect the particular terms of the relevant Instruments and their issue.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Instruments are not intended [, from 1 January 2018,]¹ to be offered, sold or otherwise made available to and[, with effect from such date,]² should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (where “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the EEA). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.]

FINAL TERMS

Series No.: [●]

Tranche No.: [●]

WESTPAC SECURITIES NZ LIMITED

Programme for the Issuance of Debt Instruments

Issue of

[Aggregate Principal Amount of Tranche] [Title of Instruments]

by Westpac Securities NZ Limited

Guaranteed by Westpac New Zealand Limited (“WNZL”)

¹ This date reference should not be included in Final Terms for offers concluded on or after 1 January 2018.

² To be deleted in Final Terms for offers concluded on or after 1 January 2018.

[The Base Prospectus dated 11 December 2017 referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Instruments in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC, as amended, including by Directive 2010/73/EU) (each a “**Relevant Member State**”) will only be made to any legal entity which is a qualified investor as defined in the Prospectus Directive, as implemented in that Relevant Member State, pursuant to an exemption from the requirement to publish a prospectus for offers of the Instruments. Accordingly, any person making or intending to make an offer of those Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do any of them authorise, the making of any offer of Instruments in any other circumstances.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 11 December 2017 [and the supplement to the Base Prospectus dated [], which [together] constitute[s]] a base prospectus for the purposes of *Directive 2003/71/EC*, as amended, including by Directive 2010/73/EU (the “**Prospectus Directive**”). This document constitutes the Final Terms for the purposes of Article 5.4 of the Prospectus Directive relating to the issue of Instruments described herein and must be read in conjunction with such Base Prospectus dated 11 December 2017 [as so supplemented].

[and]

Full information on the Issuer, WNZL and the Instruments described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus dated 11 December 2017 [as so supplemented]. However, a summary of the issue of the Instruments (which comprises the summary in the Base Prospectus dated 11 December 2017 as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus dated 11 December 2017 is available for viewing at WSNZL’s office at Camomile Court, 23 Camomile Street, London EC3A 7LL, United Kingdom, and at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from the Specified Offices of the Paying Agents.]

PART A – Contractual Terms

- | | | |
|-----|---|--|
| 1. | Issuer: | Westpac Securities NZ Limited |
| 2. | Guaranteed by Westpac New Zealand Limited: | Yes |
| 3. | Syndicated: | [Applicable/Not Applicable] |
| | (i) If syndicated, names and addresses of Dealers [and underwriting commitments]; | [Not Applicable/[•]] |
| | (ii) Date of Subscription Agreement | [•] |
| 4. | If not syndicated, Relevant Dealer/Lead Manager: | [(Name (and address))]/[Not Applicable] |
| 5. | Date of Board Approval of: | |
| | (i) Issuer: | [•]/[Not applicable, save as discussed in paragraph 2 of the section entitled “General Information” in the Base Prospectus] |
| | (ii) WNZL: | [•] |
| 6. | Specified Currency: | |
| | (i) of denomination: | [•] |
| | (ii) of payment | [•]/[•] for the payment of any Interest Amount, and [•] for the payment of any other amount in respect of the Instruments, including the Redemption Amount |
| 7. | Aggregate Principal Amount of Tranche: | [•] |
| 8. | If interchangeable with existing Series, Series No: | [•] |
| 9. | (i) Issue Date: | [•] |
| | (ii) Interest Commencement Date: | [•] |
| 10. | Issue Price: | [•] |
| 11. | Maturity Date: | [•], subject to adjustment in accordance with the Business Day Convention specified in paragraph [21(iv), 22(iv), 24(vii)] |

12. Expenses: [●]
13. (i) Form of Instruments: [Bearer/Registered]
- (ii) Bearer Instruments exchangeable for Registered Instruments: [Yes/No]
14. If issued in Bearer form: [Temporary Global Instrument]/[Permanent Global Instrument]
- (i) Initially represented by a Temporary Global Instrument or Permanent Global Instrument:
- (ii) Temporary Global Instrument exchangeable for a Permanent Global Instrument or for Definitive Instruments and/or [(if the relevant Series comprises both Bearer Instruments and Registered Instruments)] Registered Instruments: [Yes/No]
[The Exchange Date shall be [●]]
- (iii) Specify date (if any) from which exchanges for Registered Instruments will be made: [●]/[Exchanges may be made at any time.]
- (iv) Permanent Global Instrument exchangeable at the option of the bearer for Definitive Instruments and/or (if the relevant Series comprises both Bearer Instruments and Registered Instruments) Registered Instruments: [No. Permanent Global Instruments are only exchangeable for Definitive Instruments in the limited circumstances set out in Condition 2.5(a) and (b).]
- (v) Talons for future Coupons to be attached to Definitive Instruments: [Yes/No.] [As the Instruments have more than 27 Coupons, Talons will be attached]
- (vi) Receipts to be attached to Instalment Instruments which are Definitive Instruments: [Yes/No] [The following Receipts will be attached to the Instruments [●]]
15. If issued in Registered form: [Regulation S Global Note (US\$/€[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority]]

- [Rule 144A Global Note (US\$[●] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority]]
16. Denomination(s): [[●] and integral multiples of [●] in excess thereof up to and including [●]. No Definitive Instruments will be issued with a denomination above [●]]
17. Calculation Amount: [●]
18. Partly Paid Instruments: [Yes/No]
- (i) Number of instalments: [●]
- (ii) Amount of each instalment: [●]
- (iii) Date(s) of payment: [●]
- (iv) Method of payment: [●]
- (v) First Forfeiture Date: [●]
19. If issued in Registered Form: [●]
- Registrar:
20. Interest: [[●] per cent. Fixed Rate]
- [●] month
- [[USD LIBOR/GBP LIBOR/CAD
LIBOR/EURIBOR/CHF LIBOR/JPY
LIBOR/NZD LIBOR/CNH
HIBOR/HIBOR/SIBOR]
[+/- [●] per cent. Floating Rate]
- [Zero Coupon]
21. Fixed Rate Instrument Provisions: [Applicable/Not Applicable/Applicable for the period from and including [●] to but excluding [●]]
- (i) Interest Rate[(s)]: [●] per cent. per annum [payable [annually/semi- annually/quarterly/monthly] in arrear]

- (ii) Interest Payment Date(s): [●] in each year [subject to adjustment in accordance with the Business Day Convention specified in paragraph 21(iv)/[No Adjustment]
- (iii) Interest Period End Date(s): [●]/Interest Payment Dates
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No Adjustment]
- [- for Interest Payment Dates: [●]]
- [- for Interest Period End Dates: [●]]
- [- for Maturity Date: [●]]
- [- any other date: [●]]
- (v) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (vi) Day Count Fraction: ["Actual/Actual (ICMA)"/"Actual/365"/"Actual/Actual (ISDA)"/"Actual/365 (Fixed)"/"Actual/360"/"30/360"/"30E/360"/"Eurobond Basis"/ "30E/360 (ISDA)"]
- (vii) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (viii) Accrual Feature: [Not Applicable]/[Applicable]
- Applicable Swap Rate: [USD-ISDA-Swap Rate/[●] (as defined in the ISDA Definitions)]
- Applicable Rate thresholds: Greater than or equal to [●] per cent. and less than or equal to [●] per cent.
- Observation Period: [The period which starts [●] New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ends [●] New York and London Banking Days prior to the end of such Interest Accrual Period]/[Interest Accrual Period]
- Designated Maturity: [●]
- (ix) Additional Business Centre(s): [Not Applicable]/[●]

22. Floating Rate Instrument Provisions: [Applicable/Not Applicable/Applicable for the period from and including [●] to but excluding [●]]
- (i) Specified Period(s): [●]
- (ii) Interest Payment Dates: [●], subject to adjustment in accordance with the Business Day Convention specified in paragraph [22(iv)]
- (iii) Interest Period End Dates or (if the applicable Business Day Convention below is the FRN Convention) Interest Accrual Period: [●]/Interest Payment Dates
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No Adjustment]
- [- for Interest Payment Dates: [●]]
- [- for Interest Period End Dates: [●]]
- [- for Maturity Date: [●]]
- [- any other date: [●]]
- (v) Additional Business Centre(s): [Not Applicable]/[●]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the Calculation Agent): [[●] shall be the Calculation Agent]
- (viii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: month [●] [except for the Interest Period ending on [●] in which the Interest Rate will be determined using a linear interpolation between [●] month [●] and [●] month [●]]
- Relevant Screen Page: [●]

| | |
|--|--|
| – Interest Determination Date(s): | [●] |
| – Relevant Time: | [●] |
| – Relevant Financial Centre: | [●] |
| (ix) ISDA Determination: | [Applicable/Not Applicable] |
| – Floating Rate Option: | [●] |
| – Designated Maturity: | [●] [except for the Interest Period ending on [●] in which the Interest Rate will be determined using a linear interpolation between [●] month [●] and [●] month [●]] |
| – Reset Date: | [●] |
| (x) Margin(s): | [+/-][●] per cent. per annum |
| (xi) Minimum Interest Rate: | [●] per cent. per annum |
| (xii) Maximum Interest Rate: | [●] per cent. per annum |
| (xiii) Day Count Fraction: | ["Actual/Actual (ICMA)"/"Actual/365"/"Actual/Actual (ISDA)"/"Actual/365 (Fixed)"/"Actual/360"/"30/360"/"30E/360"/"Eurobond Basis"/"30E/360 (ISDA)"] |
| (xiv) Accrual Feature: | [Not Applicable]/[Applicable] |
| – Applicable Swap Rate: | [USD-ISDA-Swap Rate/[●]] |
| – Applicable Swap Rate thresholds: | Greater than or equal to [●] per cent. and less than or equal to [●] per cent. |
| – Observation Period: | [the period which starts [●] New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ends [●] New York and London Banking Days prior to the end of such Interest Accrual Period]/[Interest Accrual Period] |
| – Designated Maturity: | [●] |
| (xv) Broken Amounts: | [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●] |
| 23. Zero Coupon Instrument Provisions: | [Applicable/Not Applicable] |

| | | |
|-------|--|--|
| (i) | Accrual Yield: | [●] per cent. per annum |
| (ii) | Reference Price: | [●] |
| (iii) | Day Count Fraction: | ["Actual/Actual ICMA"/"Actual/365"/"Actual/Actual(ISDA)"/"Actual/365(Fixed)"/"Actual/360"/"30/360"/"30E/360"/ "Eurobond Basis"/ "30E/360 (ISDA)"] |
| (iv) | Additional Business Centre(s) | [Not Applicable]/[●] |
| 24. | Dual Currency Instrument Provisions: | [Not Applicable/[Condition 5.5(ii)/Condition 5.5(iii) and (iv) is/are] Applicable] |
| (i) | Rate of Exchange: | [For the purposes of calculating the Interest Amount the Rate of Exchange is [●] per Calculation Amount]/[Not Applicable] |
| (ii) | Interest Payment Dates: | [●] subject to adjustment in accordance with the Business Day Convention specified in paragraph 24(vii) |
| (iii) | Calculation Agent, if any, responsible for calculating the principal and/or interest due: | [●] |
| (iv) | Interest Period End Dates or (if the applicable Business Day Convention below is the FRN Convention) Interest Accrual Period | [●] |
| (v) | Dual Currency Rate: | [●] |
| (vi) | FX0: | [●] |
| (vii) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No Adjustment] |
| | – for Interest Payment Dates: | [●] |
| | – for Interest Period End Dates: | [●] |
| | – for Maturity Date: | [●] |
| | – any other date: | [●] |

| | |
|---|---|
| (viii) Additional Business Centre(s): | [Not Applicable]/[●] |
| 25. Default Interest Rate: | [Interest Rate]/[●] |
| 26. Dates for payment of Instalment Amounts (Instalment Instruments): | [●] |
| 27. Final Redemption Amount of each Instrument: | As determined in accordance with Condition [●] / [●] per Calculation Amount |
| 28. Instalment Amounts: | [●] |
| 29. Early Redemption for Tax Reasons: | [Applicable/Not Applicable] |
| (i) Early Redemption Amount of each Instrument (Tax): | [●] per Calculation Amount |
| (ii) Date after which changes in law, etc. entitle Issuer to redeem: | [●]/[Issue Date] |
| 30. Coupon Switch Option: | [Applicable/Not Applicable] |
| 31. Coupon Switch Option Date: | [●] |
| 32. Redemption at the option of the Issuer (Call): | [Applicable/Not Applicable] |
| (i) Optional Redemption Date (Call): | [●] |
| (ii) Series redeemable in part: | [Yes/No] |
| (iii) Optional Redemption Amount (Call) of each Instrument: | [●] per Calculation Amount |
| (iv) Notice period: | [●] |
| 33. Partial redemption (Call): | [Applicable/Not Applicable] |
| (i) Minimum Redemption Amount: | [●] per Calculation Amount |
| (ii) Maximum Redemption Amount | [●] per Calculation Amount |
| (iii) Notice period: | [●] |
| 34. Redemption at the option of the Holders (Put): | [Applicable/Not Applicable] |
| (i) Optional Redemption Date(s): | [●] |

| | | |
|---------------------------------|--|---|
| (ii) | Optional Redemption Amount (Put) of each Instrument: | [●] per Calculation Amount |
| (iii) | Notice period: | [●] |
| 35. Events of Default: | | |
| | Early Termination Amount: | [●] |
| 36. Payments: | | |
| | Unmatured Coupons missing upon Early Redemption: | [Condition [7A.6(i)] applies]/[Condition [7A.6(ii)] applies] |
| 37. Replacement of Instruments: | | |
| | Calculation Agent: | [●]/[Not Applicable] |
| 38. Notices: | | |
| | Notices: | Condition 14 applies |
| 39. Selling Restrictions: | | |
| | United States of America: | [Regulation S Category 2 restrictions apply to the Instruments] |
| | | [[TEFRA C/TEFRA D] Rules apply to the Instruments]/[TEFRA Not Applicable] |
| | | Instruments [are/are not] Rule 144A eligible |
| | | [Exchange Date is [●]] |
| | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable] |
| | | <i>(If the offer of the Instruments is concluded prior to 1 January 2018, or on and after that date the Instruments clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the offer of the Instruments will be concluded on or after 1 January 2018 and the Instruments may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)</i> |

[THIRD PARTY INFORMATION]

[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by

[•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

WESTPAC SECURITIES NZ LIMITED

(as Issuer)

By: _____

Authorised officer:

Name:

Date:

By: _____

Authorised officer:

Name:

Date:

WESTPAC NEW ZEALAND LIMITED

(as WNZL)

By: _____

Authorised officer:

Name:

Date:

PART B – Other information

1. Listing

- (i) Listing: [Yes, to be admitted to the Official List of the UK Financial Conduct Authority]
- (ii) Admission to trading: [Application has been made for the Instruments to be admitted to trading on the London Stock Exchange’s regulated market with effect from [●]]

2. Ratings

Ratings of the Instruments: [S&P Global Ratings Australia Pty Limited: [●]] / [N/A]

[Moody’s Investors Service Pty Limited: [●]] / [N/A]

Neither S&P Global Ratings Australia Pty Limited nor Moody’s Investors Service Pty Limited is established in the European Union or has applied for registration under Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”). However, S&P Global Ratings Australia Pty Limited is endorsed by Standard & Poor’s Credit Market Services Europe Limited and Moody’s Investors Service Pty Limited is endorsed by Moody’s Investor Services Limited, each of which is established in the European Union and registered under the CRA Regulation.

3. Interests of natural and legal persons involved in the issue

[●]/[Save as discussed in “Subscription and Sale” of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.]

4. Reasons for the offer, estimated net proceeds and total expenses

- (i) Reasons for the offer and use of proceeds: [●]
- (ii) Estimated net proceeds: [●]
- (iii) Estimated total expenses: [●]

5. Yield

Indication of yield: [●]

6. Historical interest rates, FX and other rates

Details of historical [●]/[USD-ISDA Swap Rate]/[AUD/JPY exchange] rates can be obtained from [Reuters]/[●]

7. Description of the Underlying

[The USD-ISDA Swap Rate is [●]]

[The bid and offered rate for AUD/JPY is the spot price from time to time of the Australian Dollar as against the Japanese Yen.]/[●]

8. Operational information

ISIN: [●]

Common Code: [●]

Common Depository/CMU Lodging Agent: [●]

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority: [Not Applicable]/[●]

CMU Service Instrument Number: [Not Applicable]/[●]

Settlement Procedures: [●]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

ANNEX – FORM OF ISSUE SPECIFIC SUMMARY

[Issuer to annex form of issue specific summary to the Final Terms]

PRO FORMA FINAL TERMS
(at least €100,000)

Set out below is the form of Final Terms which will be completed for each Tranche of Instruments under the Programme with a denomination of at least €100,000 (or its equivalent in another currency), amended (if necessary) and completed to reflect the particular terms of the relevant Instruments and their issue.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Instruments are not intended [, from 1 January 2018,]¹ to be offered, sold or otherwise made available to and[, with effect from such date,]¹ should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (where “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the EEA). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRiIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRiIPs Regulation.]

FINAL TERMS

Series No.: [●]

Tranche No.: [●]

WESTPAC SECURITIES NZ LIMITED

Programme for the Issuance of Debt Instruments

Issue of

[Aggregate Principal Amount of Tranche]

[Title of Instruments]

by Westpac Securities NZ Limited

¹ This date reference should not be included in Final Terms for offers concluded on or after 1 January 2018.

¹ To be deleted in Final Terms for offers concluded on or after 1 January 2018.

Guaranteed by Westpac New Zealand Limited (“WNZL”)

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 11 December 2017 [and the supplement to the Base Prospectus dated []/and any other supplement to the Base Prospectus prepared by the Issuer from time to time], which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC, as amended, including by Directive 2010/73/EU (the “**Prospectus Directive**”). This document constitutes the Final Terms for the purposes of Article 5.4 of the Prospectus Directive relating to the issue of Instruments described herein and must be read in conjunction with such Base Prospectus dated 11 December 2017 [as so supplemented].

Full information on the Issuer, WNZL and the Instruments described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus dated 11 December 2017 [as so supplemented]. The Base Prospectus is available for viewing at WSNZL’s office at Camomile Court, 23 Camomile Street, London EC3A 7LL, United Kingdom, and at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from the Specified Offices of the Paying Agents.]

PART A – Contractual Terms

- | | | |
|-----|--|--|
| 1. | Issuer: | Westpac Securities NZ Limited |
| 2. | Guaranteed by Westpac New Zealand Limited: | Yes |
| 3. | Date of Board Approval: | |
| | (i) Issuer: | [•]/[Not applicable, save as discussed in paragraph 2 of the section entitled “General Information” in the Base Prospectus] |
| | (ii) WNZL: | [•] |
| 4. | Specified Currency: | [•] |
| | (i) of denomination: | [•] |
| | (ii) of payment: | [•]/[•] for the payment of any Interest Amount |
| 5. | Aggregate Principal Amount of Tranche: | [•] |
| 6. | If interchangeable with existing Series, Series No: | [•] |
| 7. | (i) Issue Date: | [•] |
| | (ii) Interest Commencement Date: | [•] |
| 8. | Issue Price: | [•] |
| 9. | Maturity Date: | [•], subject to adjustment in accordance with the Business Day Convention specified in paragraph [19(iv), 20(iv) or 22(vii)] |
| 10. | Expenses: | [•] |
| 11. | (i) Form of Instruments: | [Bearer/Registered] |
| | (ii) Bearer Instruments exchangeable for Registered Instruments: | [Yes/No] |
| 12. | If issued in Bearer form: | [•] |
| | (i) Initially represented by a Temporary Global Instrument or Permanent Global Instrument: | [Temporary Global Instrument]/[Permanent Global Instrument] |

- (ii) Temporary Global Instrument exchangeable for a Permanent Global Instrument or for Definitive Instruments and/or (if the relevant Series comprises both Bearer Instruments and Registered Instruments) Registered Instruments: [Yes/No]
[The Exchange Date shall be [●]]
- (iii) Specify date (if any) from which exchanges for Registered Instruments will be made: [●]/[Exchanges may be made at any time]
- (iv) Permanent Global Instrument exchangeable at the option of the bearer for Definitive Instruments and/or (if the relevant Series comprises both Bearer Instruments and Registered Instruments) Registered Instruments: [No. Permanent Global Instruments are only exchangeable for Definitive Instruments in the limited circumstances set out in Condition 2.5 (a) and (b).]
- (v) Talons for future Coupons to be attached to Definitive Instruments: [Yes/No] [As the Instruments have more than 27 Coupons, Talons will be attached]
- (vi) Receipts to be attached to Instalment Instruments which are Definitive Instruments: [Yes/No] [The following receipts will be attached to Instruments: [●]]
13. If issued in Registered form: [Regulation S Global Note (US\$/€[●] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority]]

[Rule 144A Global Note (US\$[●] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority]]
14. Denomination(s): [[●] and integral multiples of [●] in excess thereof up to and including [●]. No Definitive Instruments will be issued with a denomination above [●]]
15. Calculation Amount: [●]

16. Partly Paid Instruments: [Yes/No]
- (i) Number of instalments: [•]
- (ii) Amount of each instalment: [•]
- (iii) Date(s) of Payment: [•]
- (iv) Method of Payment: [•]
- (v) First Forfeiture Date: [•]
17. If issued in Registered Form:
- Registrar: [•]
18. Interest: [[•] per cent. Fixed Rate]
- [[•] month]
- [USD LIBOR/GBP LIBOR/CAD
LIBOR/EURIBOR/CHF LIBOR/JPY
LIBOR/NZD LIBOR/CNH HIBOR
/HIBOR/SIBOR]
- [[+/-] [•] per cent. Floating Rate]
- [Zero Coupon]
19. Fixed Rate Instrument Provisions: [Applicable/Not Applicable/Applicable for the period from and including [•] to but excluding [•]]
- (i) Interest Rate[(s)]: [•] per cent., per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [subject to adjustment in accordance with the Business Day Convention specified in paragraph 19(iv)/No Adjustment]
- (iii) Interest Period End Date(s): [•]/Interest Payment Dates
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day

| | Convention/FRN Convention/No Adjustment] | Convention/Eurodollar |
|--|---|-----------------------|
| [– for Interest Payment Dates: | [•] | |
| [– for Interest Period End Dates: | [•] | |
| [– for Maturity Date: | [•] | |
| [– any other date: | [•] | |
| (v) Fixed Coupon Amount[(s)]: | [•] per Calculation Amount | |
| (vi) Day Count Fraction: | ["Actual/Actual (ICMA)"/"Actual/365"/"Actual/Actual (ISDA)"/"Actual/365 (Fixed)"/"Actual/360"/"30/360"/"30E/360"/ "Eurobond Basis"/"30E/360 (ISDA)"] | |
| (vii) Broken Amount(s): | [•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•] | |
| (viii) Accrual Feature: | [Not Applicable]/[Applicable] | |
| - Applicable Swap Rate: | [USD-ISDA-Swap Rate/[•] (as defined in the ISDA Definitions)] | |
| - Applicable Swap Rate thresholds: | Greater than or equal to [•] per cent. and less than or equal to [•] per cent. | |
| - Observation Period: | [The period which starts [•] New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ends [•] New York and London Banking Days prior to the end of such Interest Accrual Period]/[Interest Accrual Period] | |
| - Designated Maturity: | [•] | |
| (ix) Additional Business Centre(s): | [Not Applicable/[•]] | |
| 20. Floating Rate Instrument Provisions: | [Applicable/Not Applicable/Applicable for the period from and including [•] to but excluding [•]] | |
| (i) Specified Period(s): | [•] | |

- (ii) Interest Payment Dates: [●], subject to adjustment in accordance with the Business Day Convention specified in paragraph 20(iv)
- (iii) Interest Period End Dates or (if the applicable Business Day Convention below is the FRN Convention) Interest Accrual Period: [●]/Interest Payment Dates
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No Adjustment]
- [for Interest Payment Dates: [●]]
- [for Interest Period End Dates: [●]]
- [for Maturity Date: [●]]
- [any other date: [●]]
- (v) Additional Business Centre(s): [Not Applicable/[●]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the Calculation Agent): [[●] shall be the Calculation Agent]
- (viii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [●] month [●] [except for the Interest Period ending on [●] in which the Interest Rate will be determined using a linear interpolation between [●] month [●] and [●] month [●]]
- Relevant Screen Page: [●]
- Interest Determination Date(s): [●]
- Relevant Time: [●]
- Relevant Financial Centre: [●]

| | | |
|--------|------------------------------------|--|
| (ix) | ISDA Determination: | [Applicable/Not Applicable] |
| | – Floating Rate Option: | [•] |
| | – Designated Maturity: | [•] [except for the Interest Period ending on [•] in which the Interest Rate will be determined using a linear interpolation between Designated Maturity of [•] month [•] and [•] month [•]] |
| | – Reset Date: | [•] |
| (x) | Margin(s): | [+/-][•] per cent. per annum |
| (xi) | Minimum Interest Rate: | [•] per cent. per annum |
| (xii) | Maximum Interest Rate: | [•] per cent. per annum |
| (xiii) | Day Count Fraction: | [“Actual/Actual ICMA”/”Actual/365”/”Actual/Actual (ISDA)”/”Actual/365 (Fixed)”/”Actual/360”/”30/360”/ “30E/360”/”Eurobond Basis”/ “30E/360 (ISDA)”] |
| (xiv) | Accrual Feature: | [Not Applicable/[Applicable]] |
| | – Applicable Swap Rate: | [USD-ISDA-Swap Rate/[•]] |
| | – Applicable Swap Rate thresholds: | Greater than or equal to [•] per cent. and less than or equal to [•] per cent. |
| | – Observation Period: | [the period which starts [•] New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ends [•] New York and London Banking Days prior to the end of such Interest Accrual Period]/[Interest Accrual Period] |
| | – Designated Maturity: | [•] |
| (xv) | Broken Amounts: | [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•] |
| 21. | Zero Coupon Instrument Provisions: | [Applicable/Not Applicable] |
| (i) | Accrual Yield: | [•] per cent. per annum |
| (ii) | Reference Price: | [•] |

| | | |
|--------|---|--|
| (iii) | Day Count Fraction: | ["Actual/Actual ICMA"/"Actual/365"/"Actual/Actual (ISDA)"/"Actual/365 (Fixed)"/"Actual/360"/"30/360"/"30E/360"/"Eurobond Basis"/ "30E/360 (ISDA)"] |
| (iv) | Additional Business Centre(s): | [Not Applicable/[•]] |
| 22. | Dual Currency Instrument Provisions: | [Not Applicable [Condition 5.5(ii)/Condition 5.5(iii) and (iv) is/are] Applicable] |
| (i) | Rate of Exchange: | [For the purposes of calculating the Interest Amount the Rate of Exchange is [•] per Calculation Amount]/[Not Applicable] |
| (ii) | Interest Payment Dates: | [•] subject to adjustment in accordance with the Business Day Convention specified in paragraph 22(vii) |
| (iii) | Calculation Agent, if any, responsible for [•] calculating the principal and/or interest due: | [•] |
| (iv) | Interest Period End Dates or (if the [•] applicable Business Day Convention below is the FRN Convention) Interest Accrual Period: | [•] |
| (v) | Dual Currency Rate: | [•] |
| (vi) | FX0: | [•] |
| (vii) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No Adjustment] |
| – | for Interest Payment Dates: | [•] |
| – | for Interest Period End Dates: | [•] |
| – | for Maturity Date: | [•] |
| – | any other date: | [•] |
| (viii) | Additional Business Centre(s): | [Not Applicable/[•]] |

| | | |
|-----|--|---|
| 23. | Default Interest Rate: | [●]/[Interest Rate] |
| 24. | Dates for payment of Instalment Amounts (Instalment Instruments): | [●] |
| 25. | Final Redemption Amount of each Instrument: | As determined in accordance with Condition [●] / [●] per Calculation Amount |
| 26. | Instalment Amounts: | [●] |
| 27. | Early Redemption for Tax Reasons: | [Applicable/Not Applicable] |
| | (i) Early Redemption Amount of each Instrument (Tax): | [●] per Calculation Amount |
| | (ii) Date after which changes in law, etc. entitle Issuer to redeem: | [[●]/Issue Date] |
| 28. | Coupon Switch Option: | [Applicable/Not Applicable] |
| 29. | Coupon Switch Option Date: | [●] |
| 30. | Redemption at the Option of the Issuer (Call): | [Applicable/Not Applicable] |
| | (i) Optional Redemption Date (Call): | [●] |
| | (ii) Series redeemable in part: | [Yes/No] |
| | (iii) Optional Redemption Amount (Call) of each Instrument: | [●] per Calculation Amount |
| | (iv) Notice period: | [●] |
| 31. | Partial redemption (Call): | [Applicable/Not Applicable] |
| | (i) Minimum Redemption Amount: | [●] per Calculation Amount |
| | (ii) Maximum Redemption Amount: | [●] per Calculation Amount |
| | (iii) Notice period: | [●] |
| 32. | Redemption at the option of the Holders (Put): | [Applicable/Not Applicable] |
| | (i) Optional Redemption Date(s): | [●] |
| | (ii) Optional Redemption Amount (Put) of each Instrument: | [●] per Calculation Amount |

| | |
|--|--|
| (iii) Notice period: | [•] |
| 33. Events of Default: | |
| Early Termination Amount: | [•] |
| 34. Payments: | |
| Unmatured Coupons missing upon Early Redemption: | [Condition [7A.6(i)] applies]/[Condition [7A.6(ii) applies] |
| 35. Replacement of Instruments: | [•] |
| 36. Calculation Agent: | [•]/[Not Applicable] |
| 37. Notices: | Condition 14 applies |
| 38. Selling Restrictions: | |
| United States of America: | [Regulation S Category 2 restrictions apply to the Instruments] [[TEFRA C/TEFRA D] Rules apply to the Instruments/[TEFRA Not Applicable]] Instruments [are/are not] Rule 144A eligible [Exchange Date is [•]] |
| Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable] <i>(If the offer of the Instruments is concluded prior to 1 January 2018, or on and after that date the Instruments clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the offer of the Instruments will be concluded on or after 1 January 2018 and the Instruments may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)</i> |

[THIRD PARTY INFORMATION

[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

WESTPAC SECURITIES NZ LIMITED

(as Issuer)

By: _____

Authorised officer:

Name:

Date:

By: _____

Authorised officer:

Name:

Date:

WESTPAC NEW ZEALAND LIMITED

(as WNZL)

By: _____

Authorised officer:

Name:

Date:

PART B – Other information

1. Listing

- (i) Listing: [Yes, to be admitted to the Official List of the UK Financial Conduct Authority]
- (ii) Admission to trading: [Application has been made for the Instruments to be admitted to trading on the London Stock Exchange’s regulated market with effect from [●]]

2. Ratings

Ratings of the Instruments: [S&P Global Ratings Australia Pty Limited: [●]] / [N/A]

[Moody’s Investors Service Pty Limited: [●]] / [N/A]

Neither S&P Global Ratings Australia Pty Limited nor Moody’s Investors Service Pty Limited is established in the European Union or has applied for registration under Regulation (EU) No. 1060/2009, as amended (the “**CRA Regulation**”). However, S&P Global Ratings Australia Pty Limited is endorsed by Standard & Poor’s Credit Market Services Europe Limited and Moody’s Investors Service Pty Limited is endorsed by Moody’s Investor Services Limited, each of which is established in the European Union and registered under the CRA Regulation.

3. Interests of natural and legal persons involved in the issue

[●]/[Save as discussed in “Subscription and Sale” of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.]

4. **Estimated total expenses:** [●]

5. Yield

Indication of yield: [●]

6. Operational information

ISIN: [●]

Common Code: [●]

Common Depository/CMU Lodging Agent: [●]

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority: [Not Applicable]/[●]

CMU Service Instrument Number: [Not Applicable]/[●]

Names and addresses of additional Paying Agent(s) (if any): [●]

7. Description of the Underlying
[The USD-ISDA Swap Rate is [●]]

[The bid and offered rate for AUD/JPY is the spot price from time to time of the Australian Dollar as against the Japanese Yen.]/[●]

PRO FORMA PRICING SUPPLEMENT FOR PD EXEMPT INSTRUMENTS

Set out below is the form of Pricing Supplement which will be completed for each Tranche of PD Exempt Instruments under the Programme (herein referred to as “Instruments”), amended (if necessary) and completed to reflect the particular terms of the relevant Instruments and their issue. References to Text in this section appearing in italics does not form part of the form of the Pricing Supplement but is included as directions for completing the Pricing Supplement.

THIS FORM OF PRICING SUPPLEMENT WILL BE ISSUED IN RESPECT OF INSTRUMENTS WHICH ARE NOT ADMITTED TO THE OFFICIAL LIST OF THE FINANCIAL CONDUCT AUTHORITY OR TO ANY OTHER EUROPEAN ECONOMIC AREA REGULATED MARKET OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE. THE FORM OF PRICING SUPPLEMENT HAS NOT BEEN REVIEWED OR APPROVED BY THE UK LISTING AUTHORITY AND DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Instruments are not intended[, from 1 January 2018,]¹ to be offered, sold or otherwise made available to, and[, with effect from such date,]² should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (where “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the EEA). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIps Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

PRICING SUPPLEMENT

Series No.: [●]

Tranche No.: [●]

WESTPAC SECURITIES NZ LIMITED

Programme for the Issuance of Debt Instruments

Issue of

¹ This date reference should not be included in Final Terms for offers concluded on or after 1 January 2018.

² To be deleted in Final Terms for offers concluded on or after 1 January 2018.

[Aggregate Principal Amount of Tranche] [Title of PD Exempt Instruments]

by Westpac Securities NZ Limited

Guaranteed by Westpac New Zealand Limited (“WNZL”)

No prospectus is required in accordance with Directive 2003/71/EC, as amended, including by Directive 2010/73/EU, for this issue of Instruments. The UK Listing Authority has neither approved or reviewed information contained in this Pricing Supplement.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 11 December 2017 [and the supplement to the Base Prospectus dated [], which [together] constitute[s]] a base prospectus. This document must be read in conjunction with such Base Prospectus dated 11 December 2017 [as so supplemented].

The Base Prospectus dated 11 December 2017 is available for viewing at WSNZL’s office at Camomile Court, 23 Camomile Street, London EC3A 7LL, United Kingdom, and at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from the Specified Offices of the Paying Agents.

PART A – Contractual Terms

- | | | |
|----|---|---|
| 1. | Issuer: | Westpac Securities NZ Limited |
| 2. | Guaranteed by WNZL: | Yes |
| 3. | Syndicated: | [Applicable/Not Applicable] |
| | (i) If syndicated, names and addresses of Dealers [and underwriting commitments]; | [Not Applicable/[•]] |
| | (ii) Date of Subscription Agreement | [•] |
| 4. | If not syndicated, Relevant Dealer/Lead Manager: | [(Name (and address))]/[Not Applicable] |
| 5. | Date of Board Approval of: | |
| | (i) Issuer: | [•]/[Not applicable, save as discussed in paragraph 2 of the section entitled “General Information” in the Base Prospectus] |
| | (ii) WNZL: | [•] |
| 6. | Specified Currency: | |
| | (i) of denomination: | [•] |

- (ii) of payment [●]/[●] for the payment of any Interest Amount, and [●] for the payment of any other amount in respect of the Instruments, including the Redemption Amount
7. Aggregate Principal Amount of Tranche: [●]
8. If interchangeable with existing Series, Series No: [●]
9. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [●]
10. Issue Price: [●]
11. Maturity Date: [●], subject to adjustment in accordance with the Business Day Convention specified in paragraph [21(iv), 22(iv), 24(vii)]
12. Expenses: [●]
13. (i) Form of Instruments: [Bearer/Registered]
- (ii) Bearer Instruments exchangeable for Registered Instruments: [Yes/No]
14. If issued in Bearer form: [Temporary Global Instrument]/[Permanent Global Instrument]
- (i) Initially represented by a Temporary Global Instrument or Permanent Global Instrument:
- (ii) Temporary Global Instrument exchangeable for a Permanent Global Instrument or for Definitive Instruments and/or [(if the relevant Series comprises both Bearer Instruments and Registered Instruments)] Registered Instruments: [Yes/No]
[The Exchange Date shall be [●]]
- (iii) Specify date (if any) from which exchanges for Registered Instruments will be made: [●]/[Exchanges may be made at any time.]
- (iv) Permanent Global Instrument exchangeable at the option of the bearer for Definitive Instruments and/or (if the relevant Series

- comprises both Bearer Instruments and Registered Instruments) Registered Instruments: limited circumstances set out in Condition 2.5(a) and (b).]
- (v) Talons for future Coupons to be attached to Definitive Instruments: [Yes/No.] [As the Instruments have more than 27 Coupons, Talons will be attached]]
- (vi) Receipts to be attached to Instalment Instruments which are Definitive Instruments: [Yes/No] [The following Receipts will be attached to the Instruments [●]]
15. If issued in Registered form: [Regulation S Global Note (US\$/€[●] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority]]
- [Rule 144A Global Note (US\$[●] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg/the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority]]
16. Denomination(s): [[●] and integral multiples of [●] in excess thereof up to and including [●]. No Definitive Instruments will be issued with a denomination above [●]]
17. Calculation Amount: [●]
18. Partly Paid Instruments: [Yes/No]
- (i) Number of instalments: [●]
- (ii) Amount of each instalment: [●]
- (iii) Date(s) of payment: [●]
- (iv) Method of payment: [●]
- (v) First Forfeiture Date: [●]
19. If issued in Registered Form: [●]

Registrar:

20. Interest: [[●] per cent. Fixed Rate]
- [●] month
- [[USD LIBOR/GBP LIBOR/CAD
LIBOR/EURIBOR/CHF LIBOR/JPY
LIBOR/NZD LIBOR/CNH
HIBOR/HIBOR/SIBOR]
[+/- [●] per cent. Floating Rate]
- [Zero Coupon]
21. Fixed Rate Instrument Provisions: [Applicable/Not Applicable/Applicable for the period from and including [●] to but excluding [●]]
- (i) Interest Rate[(s)]: [●] per cent. per annum [payable [annually/semi- annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [subject to adjustment in accordance with the Business Day Convention specified in paragraph 21(iv)/[No Adjustment]
- (iii) Interest Period End Date(s): [●]/Interest Payment Dates
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No Adjustment]
- [- for Interest Payment Dates: [●]]
- [- for Interest Period End Dates: [●]]
- [- for Maturity Date: [●]]
- [- any other date: [●]]
- (v) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (vi) Day Count Fraction: ["Actual/Actual (ICMA)"/"Actual/365"/"Actual/Actual (ISDA)"/"Actual/365 (Fixed)"/"Actual/360"/"30/360"/"30E/360"/"Eurobond Basis"/ "30E/360 (ISDA)"]

| | | |
|--------|---|--|
| (vii) | Broken Amount(s): | [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●] |
| (viii) | Accrual Feature: | [Not Applicable]/[Applicable] |
| | – Applicable Swap Rate: | [USD-ISDA-Swap Rate/[●] (as defined in the ISDA Definitions)] |
| | – Applicable Rate thresholds: | Greater than or equal to [●] per cent. and less than or equal to [●] per cent. |
| | – Observation Period: | [The period which starts [●] New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ends [●] New York and London Banking Days prior to the end of such Interest Accrual Period]/[Interest Accrual Period] |
| | – Designated Maturity: | [●] |
| (ix) | Additional Business Centre(s): | [Not Applicable]/[●] |
| 22. | Floating Rate Instrument Provisions: | [Applicable/Not Applicable/Applicable for the period from and including [●] to but excluding [●]] |
| (i) | Specified Period(s): | [●] |
| (ii) | Interest Payment Dates: | [●], subject to adjustment in accordance with the Business Day Convention specified in paragraph [22(iv)] |
| (iii) | Interest Period End Dates or (if the applicable Business Day Convention below is the FRN Convention) Interest Accrual Period: | [●]/Interest Payment Dates |
| (iv) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No Adjustment] |
| | [– for Interest Payment Dates: | [●]] |
| | [– for Interest Period End Dates: | [●]] |
| | [– for Maturity Date: | [●]] |

| | |
|---|---|
| [- any other date: | [●] |
| (v) Additional Business Centre(s): | [Not Applicable]/[●] |
| (vi) Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination/ISDA Determination] |
| (vii) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the Calculation Agent): | [[●] shall be the Calculation Agent] |
| (viii) Screen Rate Determination: | [Applicable/Not Applicable] |
| - Reference Rate: | month [●] [except for the Interest Period ending on [●] in which the Interest Rate will be determined using a linear interpolation between [●] month [●] and [●] month [●]] |
| - Relevant Screen Page: | [●] |
| - Interest Determination Date(s): | [●] |
| - Relevant Time: | [●] |
| - Relevant Financial Centre: | [●] |
| (ix) ISDA Determination: | [Applicable/Not Applicable] |
| - Floating Rate Option: | [●] |
| - Designated Maturity: | [●] [except for the Interest Period ending on [●] in which the Interest Rate will be determined using a linear interpolation between [●] month [●] and [●] month [●]] |
| - Reset Date: | [●] |
| (x) Margin(s): | [+/-][●] per cent. per annum |
| (xi) Minimum Interest Rate: | [●] per cent. per annum |
| (xii) Maximum Interest Rate: | [●] per cent. per annum |
| (xiii) Day Count Fraction: | ["Actual/Actual (ICMA)"/"Actual/365"/"Actual/Actual (ISDA)"/"Actual/365 (Fixed)"/"Actual/360"/"30/360"/"30E/360"/"Eurobond Basis"/"30E/360 (ISDA)"] |

| | |
|---|--|
| (xiv) Accrual Feature: | [Not Applicable]/[Applicable] |
| – Applicable Swap Rate: | [USD-ISDA-Swap Rate/[●]] |
| – Applicable Swap Rate thresholds: | Greater than or equal to [●] per cent. and less than or equal to [●] per cent. |
| – Observation Period: | [the period which starts [●] New York and London Banking Days prior to the beginning of the relevant Interest Accrual Period and ends [●] New York and London Banking Days prior to the end of such Interest Accrual Period]/[Interest Accrual Period] |
| – Designated Maturity: | [●] |
| (xv) Broken Amounts: | [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●] |
| 23. Zero Coupon Instrument Provisions: | [Applicable/Not Applicable] |
| (i) Accrual Yield: | [●] per cent. per annum |
| (ii) Reference Price: | [●] |
| (iii) Day Count Fraction: | [“Actual/Actual ICMA)”/”Actual/365”/”Actual/Actual(ISDA)”/”Actual/365(Fixed)”/”Actual/360”/”30/ 360”/”30E/360”/ “Eurobond Basis”/ “30E/360 (ISDA)”] |
| (iv) Additional Business Centre(s) | [Not Applicable]/[●] |
| 24. Dual Currency Instrument Provisions: | [Not Applicable/[Condition 5.5(ii)/Condition 5.5(iii) and (iv) is/are] Applicable] |
| (i) Rate of Exchange: | [For the purposes of calculating the Interest Amount the Rate of Exchange is [●] per Calculation Amount]/[Not Applicable] |
| (ii) Interest Payment Dates: | [●] subject to adjustment in accordance with the Business Day Convention specified in paragraph 24(vii) |
| (iii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: | [●] |
| (iv) Interest Period End Dates or (if the applicable Business Day Convention below is the FRN | [●] |

| | | |
|--------|---|--|
| | Convention) Interest Accrual Period | |
| (v) | Dual Currency Rate: | [●] |
| (vi) | FX0: | [●] |
| (vii) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No Adjustment] |
| | – for Interest Payment Dates: | [●] |
| | – for Interest Period End Dates: | [●] |
| | – for Maturity Date: | [●] |
| | – any other date: | [●] |
| (viii) | Additional Business Centre(s): | [Not Applicable]/[●] |
| 25. | Default Interest Rate: | [Interest Rate]/[●] |
| 26. | Dates for payment of Instalment Amounts (Instalment Instruments): | [●] |
| 27. | Final Redemption Amount of each Instrument: | As determined in accordance with Condition [●] / [●] per Calculation Amount |
| 28. | Instalment Amounts: | [●] |
| 29. | Early Redemption for Tax Reasons: | [Applicable/Not Applicable] |
| (i) | Early Redemption Amount of each Instrument (Tax): | [●] per Calculation Amount |
| (ii) | Date after which changes in law, etc. entitle Issuer to redeem: | [●]/[Issue Date] |
| 30. | Coupon Switch Option: | [Applicable/Not Applicable] |
| 31. | Coupon Switch Option Date: | [●] |
| 32. | Redemption at the option of the Issuer (Call): | [Applicable/Not Applicable] |
| (i) | Optional Redemption Date (Call): | [●] |

| | | |
|-------|---|---|
| (ii) | Series redeemable in part: | [Yes/No] |
| (iii) | Optional Redemption Amount (Call) of each Instrument: | [●] per Calculation Amount |
| (iv) | Notice period: | [●] |
| 33. | Partial redemption (Call): | [Applicable/Not Applicable] |
| (i) | Minimum Redemption Amount: | [●] per Calculation Amount |
| (ii) | Maximum Redemption Amount | [●] per Calculation Amount |
| (iii) | Notice period: | [●] |
| 34. | Redemption at the option of the Holders (Put): | [Applicable/Not Applicable] |
| (i) | Optional Redemption Date(s): | [●] |
| (ii) | Optional Redemption Amount (Put) of each Instrument: | [●] per Calculation Amount |
| (iii) | Notice period: | [●] |
| 35. | Events of Default: | |
| | Early Termination Amount: | [●] |
| 36. | Payments: | |
| | Unmatured Coupons missing upon Early Redemption: | [Condition [7A.6(i)] applies]/[Condition [7A.6(ii)] applies] |
| 37. | Replacement of Instruments: | [●] |
| 38. | Calculation Agent: | [●]/[Not Applicable] |
| 39. | Notices: | Condition 14 applies |
| 40. | Selling Restrictions: | |
| | United States of America: | [Regulation S Category 2 restrictions apply to the Instruments] |
| | | [[TEFRA C/TEFRA D] Rules apply to the Instruments]/[TEFRA Not Applicable] |
| | | Instruments [are/are not] Rule 144A eligible |

[Exchange Date is [●]]

Prohibition of Sales to EEA Retail
Investors:

[Applicable/Not Applicable]

(If the offer of the Instruments is concluded prior to 1 January 2018, or on and after that date the Instruments clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the offer of the Instruments will be concluded on or after 1 January 2018 and the Instruments may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)

41. [Additional Conditions:]

[Specify any additional conditions]

[THIRD PARTY INFORMATION]

[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

WESTPAC SECURITIES NZ LIMITED

(as Issuer)

By: _____

By: _____

Authorised officer:

Authorised officer:

Name:

Name:

Date:

Date:

WESTPAC NEW ZEALAND LIMITED

(as WNZL)

By: _____

Authorised officer:

Name:

Date:

PART B – Other information

1. Listing

- (i) Listing: [[●]/None]
- (ii) Admission to trading: [Application has been made for the Instruments to be admitted to trading on [●] with effect from [●]]
- [Not applicable]

2. Ratings

Ratings of the Instruments: [S&P Global Ratings Australia Pty Limited: [●]] / [N/A]

[Moody's Investors Service Pty Limited: [●]] / [N/A]

Neither S&P Global Ratings Australia Pty Limited nor Moody's Investors Service Pty Limited is established in the European Union or has applied for registration under Regulation (EU) No. 1060/2009, as amended (the "CRA Regulation"). However, S&P Global Ratings Australia Pty Limited is endorsed by Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Service Pty Limited is endorsed by Moody's Investor Services Limited, each of which is established in the European Union and registered under the CRA Regulation.

3. Interests of natural and legal persons involved in the issue

[●]/[Save as discussed in "Subscription and Sale" of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.]

4. Estimated total expenses

Estimated total expenses: [●]

5. Yield

Indication of yield: [●]

6. Operational information

ISIN: [●]

Common Code: [●]

Common Depository/CMU Lodging Agent: [●]

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority: [Not Applicable]/[●]

CMU Service Instrument Number: [Not Applicable]/[●]

Settlement Procedures: [●]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

7. Description of the Underlying

[The USD-ISDA Swap Rate is [●]]

[The bid and offered rate for AUD/JPY is the spot price from time to time of the Australian Dollar as against the Japanese Yen.]/[●]

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Instruments will be used by the Issuer to on-lend to WNZL which will use the proceeds for general funding purposes.

WESTPAC NEW ZEALAND LIMITED

Overview

WBC has a long-standing commitment to New Zealand, dating from 1861 when it commenced operating as the Bank of New South Wales. Since 1 November 2006, as a result of a change of policy by the RBNZ requiring all systemically important banks to be incorporated as local entities in New Zealand, the WBC Group has conducted its New Zealand banking business through both the NZ Branch and a separate New Zealand banking subsidiary, WNZL.

WNZL was incorporated on 14 February 2006 as a limited liability company under the New Zealand Companies Act 1993 (the "**NZ Companies Act**") (company number 1763882). The head office of WNZL is situated at Westpac on Takutai Square, 16 Takutai Square, Auckland 1010, New Zealand and the address for service of process on WNZL is Westpac on Takutai Square, 53 Galway Street, Auckland 1010, New Zealand.

WNZL is one of New Zealand's largest banking organisations and provides a wide range of consumer, business and institutional banking, wealth and insurance products and services to consumers, businesses, government and institutional customers in New Zealand.

Until 1 November 2006, WBC operated through a branch in New Zealand. Effective 1 November 2006, WBC has operated in New Zealand through both the NZ Branch (carrying on financial markets operations and, until 1 November 2011, institutional banking activities) and WNZL (a locally incorporated subsidiary of WBC carrying on WBC's New Zealand consumer and business banking operations). On 1 November 2011, the NZ Branch transferred additional business activities and associated employees to WNZL pursuant to the Westpac New Zealand Act 2011. The following business activities were transferred to WNZL:

- institutional customer deposits;
- institutional customer transactional banking;
- institutional customer lending (other than trade finance activities);
- debt capital markets activities carried out in assisting corporate customers to obtain funding, such as loan syndication and securitisation arrangements, but excluding the debt securities team activities, such as arrangement of commercial paper and bond programmes;
- corporate advisory; and
- institutional customer foreign currency accounts.

The transfer to WNZL consisted of NZ\$6,446 million of assets consisting primarily of loans to corporate customers of NZ\$6,336 million and NZ\$5,303 million of liabilities consisting primarily of deposits of NZ\$5,060 million.

As at 30 September 2017, WNZL and its controlled entities had consolidated total assets of NZ\$88,627 million.

Competition and Trends

WNZL operates in the New Zealand financial services sector providing services to consumers, businesses, government and institutional customers.

The New Zealand market is dominated by the locally incorporated subsidiaries of the four major Australian banks: WNZL, ANZ Bank New Zealand Limited (a subsidiary of Australia and New Zealand Banking Group Limited), ASB Bank Limited (a subsidiary of the Commonwealth Bank of Australia) and Bank of New Zealand (a subsidiary of National Australia Bank). All these major banks offer comprehensive financial services products to consumers and business customers throughout the country. In addition, there is competition from a number of smaller market participants that focus on niche opportunities within the retail and business sectors. Kiwibank Limited, ultimately owned by the New Zealand Government, is also a significant competitor principally operating in the consumer segment across both lending and deposits.

New Zealand's economic growth has slowed over 2017, as poor weather has hindered agricultural production and the building industry has faced capacity and financing constraints. The economy has continued to receive support from low interest rates and rapid population growth, although net migration inflows appear to have peaked.

House price inflation has slowed in response to a rise in mortgage rates and the RBNZ's limits on LVRs. Housing credit grew by 6.4 per cent in the year to September 2017, compared to 9.2 per cent growth in the year to September 2016.

The policies of the newly-elected Government will have a substantial impact on the economy's performance. Growth is expected to slow in 2018, as the Government's various measures to cool housing demand lead to weaker house prices and consumer spending. Increased fiscal spending is likely to boost the rate of growth over 2019 and 2020.

The RBNZ reduced the OCR to a record low of 1.75 per cent in November 2016. The OCR is expected to remain at this level until late 2019.

Major Shareholders and Share Capital

WNZL is a wholly-owned subsidiary of Westpac New Zealand Group Limited ("**WNZGL**"), a New Zealand company, which, in turn, is a wholly-owned subsidiary of Westpac Overseas Holdings No. 2 Pty Limited ("**WOHL**"), an Australian company. WOHL is, in turn, a wholly-owned subsidiary of WBC, an Australian company. WBC is incorporated in Australia under the Corporations Act and its address for service of process is Level 20, Westpac Place, 275 Kent Street, Sydney, New South Wales 2000, Australia.

At 30 September 2017, WNZGL had a direct qualifying interest in 100 per cent. of the voting securities of WNZL. WBC has an indirect qualifying interest in 100 per cent. of the voting securities of WNZL.

WNZL has no partly paid share capital.

The Board of Directors

The roles and responsibilities of the Board of Directors of WNZL (“**Board**”) are formalised in WNZL’s constitution and Board Charter. The business and affairs of WNZL must be managed by, or under the direction or supervision of, the Board. In doing so, the Board will provide strategic guidance for WNZL and its subsidiaries and effective oversight of management. The Board is also required to act in the best interests of WNZL. In addition, the Board has delegated certain functions to management.

WNZGL has the ability to directly appoint up to 100 per cent. of the Board and, as indirect holding companies of WNZL, both WBC and WOHL have the ability to indirectly appoint up to 100 per cent. of the Board.

In addition, WBC has the power under WNZL’s constitution to directly appoint up to 100 per cent. of the Board from time to time by giving written notice to WNZL. No Director may be appointed to the Board unless the RBNZ has advised it has no objection to that appointment.

Directors

The Directors of WNZL, and their respective principal outside activities, where significant, at the date of this Base Prospectus are as set out below. The business address of each of the Directors should be regarded for the purposes of this Base Prospectus as Westpac on Takutai Square, 16 Takutai Square, Auckland 1010, New Zealand.

Janice (Jan) Amelia Dawson, B.Com, F.C.A. – Chair

Jan was appointed a Director of WNZL on 19 July 2011 and Board Chair on 19 February 2015. Jan was previously Chair and Chief Executive of KPMG New Zealand, a position she held from 2006 to July 2011. During this time, she was a Board member for KPMG Asia Pacific Region, KPMG Australia and KPMG International Council. Jan is a Director of each of Air New Zealand Limited, AIG Insurance New Zealand Limited, Beca Group Limited, Fulbright New Zealand, Meridian Energy Limited, Erua Limited and Jan Dawson Limited. She is a member of each of the Capital Investment Committee of the National Health Board, the Council of the University of Auckland and the Voyager Maritime Museum. Jan is Vice-President and Director of World Sailing.

David Alexander McLean, LL.B. (Hons) – Director

David was appointed as Chief Executive of WNZL on 2 February 2015, having been Acting Chief Executive of WNZL since June 2014, and was appointed to the Board on the same day. Since joining Westpac in February 1999, David has held a number of senior roles including Head of Debt Capital Markets New Zealand, General Manager, Private, Wealth and Insurance New Zealand, Head of Westpac Institutional Bank New Zealand, and between October 2012 and June 2014, David was Managing Director of the Westpac Banking Corporation New York Branch. Before joining Westpac, David was Director, Capital Markets at Deutsche Morgan Grenfell where he was responsible for starting and developing a new debt capital markets origination business. He also established the New Zealand branch of Deutsche Bank and was New Zealand Resident Branch Manager. David is also a Director of each of Westpac New Zealand Group Limited, Westpac NZ Operations Limited, Westpac Securities NZ Limited, BT Financial Group (NZ) Limited and BT Funds Management (NZ) Limited. He is a member of the Mastercard Asia/Pacific Advisory Board and Chair of the New Zealand Bankers’ Association.

Malcolm Guy Bailey, B.Ag. Econ. – Director

Malcolm was appointed a Director of WNZL on 1 September 2012. Malcolm has a strong economic background and has also been involved in farming, land ownership and governance of the industry. Malcolm is Chair of each of the Dairy Companies Association of New Zealand, Red Meat Profit Partnership General Partner Limited and Chairman of the NZ International Business Forum. Malcolm is a Director of each of Bailey Agriculture Limited, Bailey Family Properties Limited, BBD Industrial Properties Limited, Embryo Technologies Limited, Etech NZ Limited, Gleneig Holdings Limited, RMI NZ Limited and the Central Economic Development Agency Limited. Prior to farming, he was an economist with the RBNZ and is a former RBNZ External Monetary Policy Adviser.

Jonathan Parker Mason, M.B.A., M.A., B.A. – Director

Jonathan was appointed a Director of WNZL on 18 June 2015. Jonathan has more than 30 years' experience as a Chief Financial Officer in major corporates operating in competitive markets in the USA and New Zealand. He was appointed Chair of WNZL's BAC with effect from 1 January 2016. Jonathan is a Director of Zespri Group Limited, Zespri International Limited, Vector Communications Limited, Air New Zealand Limited, New Zealand Assets Management Limited, Allagash Limited, Vector Metering Data Services Limited, NGC Holdings Limited, Vector Limited, Vector Gas Limited, Vector Gas Trading Limited, On Gas Limited, Advanced Metering Assets Limited, Advanced Metering Services Limited, Arc Innovations Limited, Vector Contracting Services Limited and Vector Advanced Metering Assets (Australia) Limited. Earlier governance experience includes seven years on the Board of Carter Holt Harvey as well as being a Director of a US-based investment funds business, Natixis. He also holds not-for-profit board roles at his own University, Beloit College and for the University of Auckland Foundation. Jonathan serves as an Adjunct Professor of Management at the University of Auckland, specialising in international finance. He is a Board Member of the American Chamber of Commerce NZ and an Advisory Board Member for the University of Auckland Business School. Jonathan joined Fonterra in 2009 as Chief Financial Officer from US-based chemicals company Cabot Corporation where he was Executive Vice-President and Chief Financial Officer. Prior to this, he was employed as the Chief Financial Officer at forest products company, Carter Holt Harvey, and also held senior financial management positions at US-based International Paper.

Christopher John David Moller, B.C.A., Dip. Accounting, F.C.A. – Director

Chris was appointed a Director of WNZL on 12 November 2010 and Chair of WNZL's Board Risk & Compliance Committee with effect from 1 January 2016. Chris is Chair of each of SKYCITY Entertainment Group Limited, Meridian Energy Limited and the New Zealand Transport Agency. Chris is a Director of Urenui Consultants Limited. Chris was Chief Executive of the New Zealand Rugby Union and Deputy Chief Executive of Fonterra Co-operative Group Limited.

Peter Francis King, BEc, FCA

Peter was appointed a Director of WNZL on 24 August 2016. Peter was appointed as Chief Financial Officer of WBC in April 2014, with responsibility for WBC's Finance, Assurance, Tax, Treasury and Investor Relations functions. Prior to this appointment Peter was the Deputy Chief Financial Officer of WBC for three years.

Since joining WBC in 1994, Peter has held senior finance positions across the Westpac Group, including in Group Finance, Business and Consumer Banking, Business and Technology Services, Treasury and Financial Markets.

Peter commenced his career at Deloitte Touche Tohmatsu. He has a Bachelor of Economics from Sydney University and completed the Advanced Management Programme at INSEAD. He is a Fellow of Chartered Accountants Australia and New Zealand (“CA ANZ”).

Mary Patricia Leonie Quin, PhD, MBA, BSc (Hons)

Mary Quin was appointed a director of WNZL on 18 May 2016. Until 31 July 2016 she was the CEO of Callaghan Innovation, a government agency which supports the commercialisation of innovation by New Zealand firms to grow the manufacturing and digital sectors of the economy. Mary grew up in New Zealand but spent most of her career in the USA where she held senior management and strategy positions at Xerox Corporation and Eastman Kodak Company as well as with start up high tech companies such as digital video editing pioneer Avid Technology.

Her early career experience as an industrial research scientist was with Raychem Corporation in California and France. Prior to returning to New Zealand in 2013 Mary spent seven years as President of NMS, an outsourced services company in Alaska jointly owned by an Inupiat Alaska Native Corporation and French multi-national corporation, Sodexo.

Mary’s prior governance experience in New Zealand includes ASB Bank Limited and NZ Food Innovation Auckland (The FoodBowl). In the USA Mary served as a director for Material Sciences Corporation in Chicago; as director and Chair of the board for CEDPA, an international agency for women’s health and human rights based in Washington DC; and on the board of Garth Fagan Dance Company in Rochester, New York. She was named the NZ Herald’s New Zealander of the Year in 2014 for her role as the key witness in an international terrorism trial in New York City.

Director independence and avoidance of conflicts of interest by a Director

The Board of WNZL is aware of its obligations to ensure that Directors of WNZL properly deal with conflicts of interest between their duties to WNZL and their own interests. In accordance with the requirements of the NZ Companies Act, a Director of WNZL must, forthwith after becoming aware of the fact that he or she is “interested” (as defined in the NZ Companies Act) in a transaction or proposed transaction with WNZL, cause to be entered in WNZL’s interests register certain details regarding that interest.

In accordance with the WNZL Board Charter, each Director must give notice to the Board of any direct or indirect interest in a matter relating to the affairs of WNZL as soon as practicable after the relevant facts have come to that Director’s knowledge. Where a matter is to be considered at a Directors’ meeting in which one or more Directors have an interest, the Board’s practice is to manage any conflict of interest on a case by case basis, depending on the circumstances.

Further, the RBNZ’s Conditions of Registration for WNZL (as a registered bank) (“**RBNZ Conditions of Registration**”) include a requirement that WNZL’s constitution must not include any provision permitting a Director, when exercising powers or performing duties as a Director, to act other than in what he or she believes is the best interests of WNZL.

The RBNZ Conditions of Registration require that Directors of WNZL can only be appointed after the RBNZ has been supplied with a copy of the curriculum vitae of the proposed appointee and the RBNZ has advised that it has no objections to the appointment.

Since 1 April 2012, the RBNZ Conditions of Registration have also required that at least half of the Directors must be independent, the majority of the Board must be non-executive Directors and at least half of the independent Directors must be ordinarily resident in New Zealand. Directors are considered to be independent if they are not an employee of WNZL, and are not a director, trustee or employee of any holding company of WNZL, or any other entity capable of controlling or significantly influencing WNZL.

In assessing independence, consideration is given to whether the Director has a business or other relationship with WNZL directly or as a partner, shareholder or officer of a company or other entity that has an interest, or a business or other relationship, with WNZL or another WBC Group member.

Information about any such interests or relationships, including any related financial or other details, is assessed to determine whether the relationship could, or could reasonably be perceived to, materially interfere with the exercise of a Director's unfettered and independent judgement.

There is a range of policies within the WBC Group relating to the management of conflicts of interest, such as the Conflicts of Interest and the Securities Trading Policies. Where these types of conflicts apply to the Board there is a consistent approach adopted. The Directors are subject to policies that restrict trading in WBC ordinary shares except in specified trading window periods. The Directors are also subject to restrictions on participating in new offers initiated by WBC ("**New Issues Policy**").

In addition, a Director is required to disclose any actual or potential conflict of interest on appointment as a Director and is required to keep these disclosures up to date.

As at the date of this Base Prospectus there are no existing or potential conflicts of interest between any duties owed to WNZL by its Directors and the private interests or external duties of those Directors. There have been no transactions entered into by any Director, or any immediate relative or close business associate of any Director, with WNZL or any of its subsidiaries, on terms other than those that would, in the ordinary course of business of WNZL or any of its subsidiaries, be given to any other person of like circumstances or means, or which could otherwise be reasonably likely to influence materially the exercise of the Director's duties.

In respect of potential conflicts of interest that may arise in the future, WNZL will manage such conflicts in accordance with the Westpac Group Conflicts of Interest Policy.

WNZL's Corporate Governance

Framework and approach to corporate governance and responsibility

WNZL is not listed on the NZSX (the New Zealand main board equity security market, operated by NZX Limited). However, it is subject to regulatory oversight by the RBNZ as a registered bank and by the Financial Markets Authority as a provider of financial services.

The WBC Group's approach to corporate governance is based on a set of values and behaviours that underpin everyday activities, ensure transparency and fair dealing, and protect stakeholder interests.

This approach includes a commitment to the highest standards of governance, which the Board sees as fundamental to the sustainability of business and performance.

WNZL Board Committees

The Board is supported by the WNZL Board Audit Committee ("**WNZL BAC**") and WNZL Board Risk & Compliance Committee ("**WNZL BRCC**").

WNZL Board Audit Committee

The WNZL BAC currently comprises all of the non-executive Directors of the Board, five of whom are independent. The WNZL BAC assists the Board in fulfilling its responsibilities in relation to external reporting of financial information and the efficiency and effectiveness of audit and compliance with regulatory and statutory reporting requirements. It reviews the interim and annual financial statements, quarterly disclosure statements for WNZL, the activities of WNZL's and its subsidiaries' auditors and monitors the relationship between management and the external auditors.

WNZL Board Risk & Compliance Committee

The WNZL BRCC currently comprises all of the non-executive Directors of the Board, five of whom are independent. The WNZL BRCC has power delegated by the Board to set risk appetites, approve frameworks, policies and processes for the management of risk and to accept risks beyond the approval discretion provided to management.

Recent Developments

There have been no changes in the composition of the Board of Directors of WNZL since 30 September 2016.

RBNZ Conditions of Registration

On 10 February 2017, the RBNZ issued WNZL with a notice under section 95 of the Reserve Bank of New Zealand Act 1989, requiring WNZL to obtain an independent review of its compliance with advanced internal rating-based aspects of the RBNZ's 'Capital Adequacy Framework (Internal Models Based Approach) (BS2B)' ("**BS2B**"). WNZL has disclosed non-compliance with BS2B (compliance with which is a condition of registration for WNZL) in its quarterly disclosure statements. On 15 November 2017 the RBNZ advised WNZL of changes to its conditions of registration resulting from the review. The changes to WNZL's conditions of registration will come into effect on 31 December 2017 and increase the minimum total capital ratio, tier 1 capital ratio and common equity tier 1 capital ratio of WNZL and its controlled entities by 2 per cent. WNZL has also undertaken to the RBNZ to maintain the total capital ratio of WNZL and its controlled

entities above 15.1 per cent. WNZL and its controlled entities retain an appropriate amount of capital to comply with the increased minimum ratios.

Credit ratings

As at the date of this Base Prospectus, WNZL's credit rating issued by S&P Global Ratings Australia Pty Limited is AA- with a 'negative' outlook, WNZL's credit rating issued by Moody's Investors Service Pty Limited is A1 with a 'stable' outlook and WNZL's credit rating issued by Fitch Australia Pty Limited is AA- with a 'stable' outlook.

Regulatory Developments

Liquidity

The RBNZ is reviewing its liquidity policy in light of the new Basel Committee on Banking Supervision requirements. Until this work is completed, the full extent of the impact on WNZL is uncertain.

APRA finalised its liquidity standard, APS 210, which implements the Basel III liquidity reforms in January 2014 and this applied to WNZL from 1 January 2015.

Capital

The RBNZ is currently undertaking a review of current bank capital requirements in light of global and domestic changes affecting the banking system in recent years. Until this work is completed, the full extent of the impact on WNZL is uncertain.

RBNZ new LVR restrictions

With effect from 1 November 2015 for new lending, the RBNZ has established a new asset class in the Capital Adequacy Frameworks for bank loans to residential property investors. On 29 November 2017, the RBNZ announced that it would be making further changes to the LVR restrictions by easing the LVR restrictions. From 1 January 2018, (i) the limit of 5 per cent on new lending carried out in the relevant measurement period for residential property investment will apply where the LVR is greater than 65 per cent (currently, the required LVR is 60 per cent), and (ii) there will be a limit of 15 per cent (currently, the required limit is 10 per cent) on new non-residential property investment lending carried out in the measurement period where the LVR is greater than 80 per cent.

RBNZ disclosure requirements

The RBNZ is also undertaking a stocktake of the regulatory framework applying to banks with the aim of improving the efficiency, clarity and consistency of regulatory requirements. One of the key issues considered was the RBNZ's off-quarter disclosure requirements. In September 2017, the RBNZ published its final policy on a dashboard approach to quarterly disclosures. The Dashboard is intended to provide investors, depositors and other interested parties with an electronic form of reporting that provides a timely side by side comparison of banks, based on key metrics. This reporting will be done on a quarterly basis and hosted on the RBNZ's website. The Dashboard disclosures will replace the need for locally incorporated banks to prepare disclosure statements relating to the first and third quarters of the financial year. WNZL's implementation of the

Dashboard has commenced, with the intention of publishing WNZL's first Dashboard in late May 2018 with data from the first quarter of 2018.

RBNZ review of outsourcing policy

In 2015 and 2016, the RBNZ released consultation papers proposing revisions to its outsourcing policy. After originally proposing that banks would be prohibited from outsourcing certain key functions to its related parties, the RBNZ accepted that an outright prohibition on such outsourcing would not be required if a bank has appropriate standby capability. The RBNZ released its final policy decisions in February 2017 along with an exposure draft of the revised outsourcing policy in March 2017. Following further discussions with banks the RBNZ published the final revised outsourcing policy in September 2017.

The key requirements of the revised outsourcing policy, which applies to certain large locally incorporated registered banks (including WNZL), are:

- any outsourcing arrangements relating to key services and operations have to meet certain outcomes;
- if a bank outsources to an overseas parent or related party, the bank must have a robust back up capability or other alternative arrangements in place;
- a non-objection confirmation needs to be obtained from the RBNZ if the outsourcing arrangements are not with independent third parties;
- banks are required to keep a compendium of information on their outsourcing arrangements, including specific information about the outsourcing arrangements;
- the outsourcing arrangements must contain certain prescribed contractual terms; and
- offshore owned banks need to have a separation plan which describes the processes the bank would undertake to operate services in-house in the event of its or its parent's failure.

The revised outsourcing policy came into effect on 1 October 2017, with banks having a two year transition period before they must fully comply with the requirement to maintain a compendium of outsourcing arrangements and five years to fully comply with other aspects of the policy.

Limits on material financial support by Australian parent bank

In late 2014, APRA initiated a process to reduce Australian bank non-equity exposures to their respective New Zealand banking subsidiaries and branches, so that these non-equity exposures are minimised during ordinary times. On 19 November 2015, APRA informed WBC that its Extended Licensed Entity ("**ELE**") non-equity exposures to New Zealand banking subsidiaries is to transition to be below a limit of five per cent. of WBC's Level 1 Tier 1 capital.

The ELE consists of WBC and its subsidiary entities that have been approved by APRA to be included in the ELE for the purposes of measuring capital adequacy.

APRA has allowed a period of five years commencing on 1 January 2016 to transition to be less than the five per cent. limit. Exposures for the purposes of this limit include all committed, non-intraday, non-equity exposures including derivatives and off-balance sheet exposures. Further, APRA imposed two conditions over the transition period – the percentage excess above the five per cent. limit as at 30 June 2015, is to reduce by at least one fifth by the end of each calendar year over the transition period, and the absolute amount of routine New Zealand non-equity exposure is not to increase from the 30 June 2015 level until WBC is, and expects to remain, below the five per cent. limit. For the purposes of assessing this exposure, the five per cent. limit excludes equity investments and holdings of capital instruments in New Zealand banking subsidiaries. As at 30 September 2017, the ELE's non-equity exposures to New Zealand banking subsidiaries affected by the limit were below 5 per cent. of Level 1 Tier 1 capital of WBC.

APRA has also confirmed the terms on which WBC 'may provide contingent funding support to a New Zealand banking subsidiary during times of financial stress'. APRA has confirmed that, at this time, only covered bonds meet its criteria for contingent funding arrangements.

Financial Advisers Act

The Financial Services Legislation Amendment Bill (the "**Bill**"), which substantially reforms the Financial Advisers Act 2008 (the "**FAA**") regime, has been tabled in the New Zealand Parliament. Expectations are that the Bill will be passed by mid-2018 and in force by May 2019 followed by an extended transition period. The Bill simplifies the FAA regime by removing unnecessary complexity and regulatory boundaries. Other key changes to the FAA regime include:

- enabling the provision of automated digital advice without the direct involvement of a human adviser (robo-advice);
- requiring all financial advice providers whether individuals or entities providing financial advice to:
 - give priority to clients' interests;
 - only provide advice where competent to do so;
 - be licensed; and
- making disclosure requirements more meaningful to improve consumer understanding and transparency.

OTC Derivatives Reform

The 'Over the Counter' ("**OTC**") derivatives market is undergoing significant reform globally with regulators mandating central clearing for standardised OTC derivatives; encouraging exchange trading where appropriate; imposing higher capital charges on non-cleared products; and requiring all transactions to be reported to trade repositories. The full extent of the impact on WNZL remains unclear.

Organisation for Economic Co-operation and Development (“OECD”) Common Reporting Standard

The OECD has developed Common Reporting Standard (“**CRS**”) rules for the automatic exchange of customer tax residency and financial account information amongst participating CRS countries.

CRS requires the WBC Group to collect and check the tax residency of all customers and to report the tax residency and financial account details of non-resident customers to the relevant authorities in jurisdictions that have entered into an exchange of information agreement with the jurisdiction in which the relevant WBC Group entity or branch is located.

The WBC Group began collecting tax residency information from 1 July 2017 and will report these details and associated financial account information from mid-2018.

The WBC Group has implemented changes to its business operations to comply with the CRS requirements in countries which have implemented the rules prior to 1 July 2017.

MiFID II

In the EU, the revised and re-enacted Markets in Financial Instruments legislation, which comprises (i) MiFID II and (ii) Regulation (EU) No 600/2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“**MiFIR**”), entered into force on 2 July 2014 and the substantive provisions of the legislation apply from 3 January 2018. In addition, certain provisions will be implemented by means of technical standards adopted by the Commission.

MiFID II expands the regulation of financial services businesses in the EU. Rules introduced under MiFID II aim to strengthen the protection of investors, through measures including:

- the introduction of new requirements concerning authorisation, product governance, independent investment advice, commodity position limits and cross-selling;
- the extension of existing rules to structured deposits; and
- the enhancement of requirements in several areas, including on the responsibility of management bodies, inducements, additional information and data reporting to clients, remuneration of staff and best execution.

MiFIR establishes, inter alia, uniform requirements in relation to disclosure of trade data, reporting of transactions to the competent authorities, trading of derivatives on organised venues, benchmarks and intervention powers of competent authorities, such as the European Securities and Markets Authority and the European Banking Authority.

The regulatory changes arising from MiFID II and MiFIR are wide ranging and may affect aspects of the WNZL Group’s (as defined below) operations in the EU and also outside of the EU in certain circumstances.

Brexit

On 29 March 2017, the Prime Minister of the United Kingdom notified the European Council in accordance with Article 50 of the Treaty on European Union of the United Kingdom’s intention to withdraw from the EU, triggering a two year period for the negotiation of the United Kingdom’s withdrawal from the EU.

As WBC's and WNZL's businesses and operations are based predominantly in Australia and New Zealand, the direct impact of the UK's departure from the EU is unlikely to be material to WBC and WNZL. However, it remains difficult to predict the impact that Brexit may have on financial markets, the global economy and the global financial services industry.

Other matters

WNZL and its controlled entities ("**WNZL Group**") have other contingent liabilities in respect of actual and potential claims and proceedings. An assessment of the WNZL Group's likely loss in respect of these matters has been made on a case-by-case basis and provision has been made in WNZL's financial statements where appropriate.

Organisational Structure

As at 30 September 2017, WNZL's controlled entities were: Westpac NZ Operations Limited (a holding company), Westpac Securities NZ Limited (a funding company), Westpac (NZ) Investments Limited (a property company), The Home Mortgage Company Limited (a residential mortgage company), Number 120 Limited (a finance company), Westpac NZ Securitisation Holdings Limited (a holding company), Westpac NZ Securitisation Limited (a funding company), Westpac NZ Securitisation No. 2 Limited (a non-active company), Westpac NZ Covered Bond Holdings Limited (a holding company), Westpac NZ Covered Bond Limited (a guarantor), Aotearoa Financial Services Limited (a non-active company), the Westpac Term PIE Fund (a portfolio investment entity), the Westpac Cash PIE Fund (a portfolio investment entity), Westpac Notice Saver PIE Fund (a portfolio investment entity) and Westpac New Zealand Staff Superannuation Scheme Trustee Limited (a trustee company). The ultimate parent of WNZL and its subsidiaries is WBC.

Westpac New Zealand Staff Superannuation Scheme Trustee Limited, a wholly owned subsidiary of Westpac NZ Operations Limited, was incorporated on 30 June 2016 to provide services as the trustee of the Westpac New Zealand Staff Superannuation Scheme.

WESTPAC SECURITIES NZ LIMITED

The Instruments are issued by WSNZL acting through its London branch. The London branch of WSNZL is not a separate legal entity, or a subsidiary, of WSNZL. The obligations of WSNZL in respect of Instruments issued by WSNZL acting through its London branch are the obligations of WSNZL as a company incorporated in New Zealand, and are not limited to the London branch or any other branch of WSNZL. Accordingly, investors have recourse to WSNZL as a company, and not just the London branch or any branch of WSNZL, in respect of WSNZL's obligations under Instruments.

WSNZL is a funding company wholly-owned by WNZOL, which is a wholly-owned subsidiary of WNZL. As at 30 September 2017, WSNZL had 651,185 ordinary shares on issue. As at the date of this Base Prospectus, WSNZL has no partly paid share capital. Its ultimate parent is WBC. WSNZL was incorporated on 29 August 2006 as a limited liability company under the laws of New Zealand with registration number 1859984. WSNZL's NZ Business Number is 9429033900759. The registered office of WSNZL is Westpac on Takutai Square, 16 Takutai Square, Auckland 1010, New Zealand. WSNZL commenced operating from 1 November 2006. The principal activity of WSNZL is to raise and manage offshore wholesale funding for WNZL. This enables the diversification of WNZL's funding sources, response to funding opportunities through its presence in the United Kingdom, and the generation of funding in maturities and volumes that fulfil WNZL's funding strategy. As a wholly-owned indirect subsidiary of WNZL, WSNZL will be dependent upon WNZL for the guarantee of the due and punctual payment of all amounts due under the Instruments issued from time to time by WSNZL. The business address and telephone number of WSNZL in New Zealand and its London branch are Westpac on Takutai Square, 16 Takutai Square, Auckland 1010, New Zealand (telephone number (64 9) 367 3539) and Camomile Court, 23 Camomile Street, London EC3A 7LL, United Kingdom (telephone number (44 20) 7621 7540) respectively.

Management

The Directors of WSNZL at the date of this Base Prospectus are:

| Name | Principal activity outside Westpac Securities NZ Limited |
|------------------------|---|
| David Alexander McLean | Chief Executive Officer, WNZL |
| Mark Broughton Weenink | General Manager Regulatory Affairs, Compliance & General Counsel NZ, WNZL |
| Carolyn Mary Kidd | Chief Risk Officer, WNZL |
| Johanna Claire Sawden | Head of Tax, WNZL |

The business address of each of the Directors is Westpac on Takutai Square, 16 Takutai Square, Auckland 1010, New Zealand.

WSNZL is not listed on the NZSX (the New Zealand main board equity security market, operated by NZX Limited) and is not an issuer of securities to the public in New Zealand. Accordingly, WSNZL is not subject to NZX Limited's Corporate Governance Best Practice Code.

The Board of WSNZL is aware of its obligations to ensure that Directors properly deal with conflicts of interest between their duties to WSNZL and their own interests. In accordance with the requirements of the NZ Companies Act, a Director of WSNZL must, forthwith after becoming aware of the fact that he or she is “interested” (as defined in the NZ Companies Act) in a transaction or proposed transaction with WSNZL, cause to be entered in WSNZL’s interests register certain details regarding that interest.

In addition, as a WBC Group subsidiary, WSNZL’s Directors are covered by the range of policies of WBC relating to the management of conflicts of interest, including the WBC Group Conflicts of Interest Policy and Insider Trading Policy.

As at the date of this Base Prospectus, there are no existing or potential conflicts of interest between any duties owed to WSNZL by its Directors and the private interests or external duties of those Directors.

In respect of potential conflicts of interest that may arise in the future, WSNZL will manage such conflicts in accordance with the WBC Group Conflicts of Interest Policy.

In relation to the responsibilities of the Board of Directors of WSNZL, the NZ Companies Act provides that the business of WSNZL must be managed by, or under the direction or supervision of, the Board. In addition, the Board has all the powers necessary for managing, and directing and supervising the management of, the business and offices of WSNZL.

WESTPAC NEW ZEALAND LIMITED
SELECTED FINANCIAL INFORMATION

Consolidated Income Statements for the years ended 30 September 2017 and 2016 of Westpac New Zealand Limited and its subsidiaries (extracted without any material adjustments from the 2017 published disclosure statement prepared in accordance with the *Financial Markets Conduct Act 2013*, the *Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014* (the “*Order*”), the *Reserve Bank of New Zealand Act 1989* and New Zealand equivalents to International Financial Reporting Standards (“*NZ-IFRS*”).

| Income statement for the year ended 30 September | The Banking Group | |
|--|-------------------|----------------|
| | 2017 NZ \$m | 2016 NZ \$m |
| Interest income | 3,917 | 4,113 |
| Interest expense | (2,176) | (2,369) |
| Net interest income | 1,741 | 1,744 |
| Non-interest income | 405 | 400 |
| Net operating income before operating expenses and impairment | 2,146 | 2,144 |
| Operating expenses | (954) | (907) |
| Impairment benefits/(charges) | 76 | (59) |
| Profit before income tax | 1,268 | 1,178 |
| Income tax expense | (359) | (327) |
| Net profit for the year | 909 | 851 |

WESTPAC NEW ZEALAND LIMITED
SELECTED FINANCIAL INFORMATION

Consolidated Balance Sheets for the years ended 30 September 2017 and 2016 of Westpac New Zealand Limited and its subsidiaries (extracted without any material adjustment from the 2017 published disclosure statement prepared in accordance with the *Financial Markets Conduct Act 2013*, the Order, the *Reserve Bank of New Zealand Act 1989* and New Zealand equivalents to International Financial Reporting Standards (“*NZ-IFRS*”).

| Balance sheet as at 30 September | The Banking Group | |
|--|-------------------|---------------|
| | 2017 NZ \$m | 2016 NZ \$m |
| Assets | | |
| Cash and balances with central banks | 1,659 | 1,418 |
| Receivables due from other financial institutions | 407 | 720 |
| Other assets | 264 | 247 |
| Trading securities | 1,797 | 2,128 |
| Derivative financial instruments | 220 | 130 |
| Available-for-sale securities | 4,087 | 3,790 |
| Loans | 77,261 | 75,172 |
| Due from related entities | 2,017 | 1,760 |
| Property and equipment | 146 | 161 |
| Deferred tax assets | 162 | 191 |
| Intangible assets | 607 | 590 |
| Total assets | 88,627 | 86,307 |
| Liabilities | | |
| Payables due to other financial institutions | 143 | 15 |
| Other liabilities | 502 | 508 |
| Deposits and other borrowings | 58,998 | 58,791 |
| Other financial liabilities at fair value through income statement | 19 | 400 |
| Derivative financial instruments | 484 | 884 |

| | | |
|---|---------------|---------------|
| Debt issues | 16,729 | 14,727 |
| Current tax liabilities | 75 | 71 |
| Provisions | 85 | 90 |
| Total liabilities excluding related entities liabilities | 77,035 | 75,486 |
| Due to related entities | 2,126 | 3,170 |
| Loan capital | 2,616 | 1,091 |
| Total related entities liabilities | 4,742 | 4,261 |
| Total liabilities | 81,777 | 79,747 |
| Net assets | 6,850 | 6,560 |
| Shareholder's equity | | |
| Share capital | 3,750 | 3,750 |
| Retained profits | 3,165 | 2,886 |
| Reserves | (65) | (76) |
| Total shareholder's equity | 6,850 | 6,560 |
| Interest earning and discount bearing assets | 87,294 | 85,088 |
| Interest and discount bearing liabilities | 74,996 | 72,569 |

WESTPAC SECURITIES NZ LIMITED
SELECTED FINANCIAL INFORMATION

The selected financial information extracted below in respect of WSNZL is presented in accordance with New Zealand equivalents to International Financial Reporting Standards (“*NZ-IFRS*”) and is derived for the years ended 30 September 2017 and 2016 from the audited non-consolidated financial statements for the year ended 30 September 2017.

Statement of comprehensive income for the year ended 30 September

| | 2017 NZ \$'000 | 2016 NZ \$'000 |
|---|-----------------------|-----------------------|
| Interest income | 192,895 | 195,743 |
| Interest expense | (187,744) | (191,403) |
| Net interest income | 5,151 | 4,340 |
| Non-interest income | 1,122 | 1,065 |
| Net operating income before operating expenses | 6,273 | 5,405 |
| Operating expenses | (1,020) | (968) |
| Profit before income tax | 5,253 | 4,437 |
| Income tax expense | (1,379) | (1,282) |
| Net profit for the year | 3,874 | 3,155 |
| Other comprehensive income (net of tax) | - | - |
| Total comprehensive income for the year | 3,874 | 3,155 |

Balance sheet as at 30 September

| | 2017 NZ \$'000 | 2016 NZ \$'000 |
|---------------------------------------|-----------------------|-----------------------|
| Assets | | |
| Cash and cash equivalents | 8,259 | 8,981 |
| Receivables due from related entities | 13,495,715 | 11,381,073 |
| Current tax asset | 3,220 | 2,303 |
| Total assets | 13,507,194 | 11,392,357 |
| Liabilities | | |
| Payables due to related entities | 2,042 | 1,260 |
| Debt issues | 13,459,583 | 11,329,259 |
| Other liabilities | 34,551 | 51,539 |
| Total liabilities | 13,496,176 | 11,382,058 |
| Net assets | 11,018 | 10,299 |
| Shareholder's equity | | |
| Share capital | 651 | 651 |
| Retained profits | 10,367 | 9,648 |
| Total shareholder's equity | 11,018 | 10,299 |

TAXATION

The information provided below does not purport to be a complete summary of New Zealand or United Kingdom tax law and practice currently applicable. This section applies only to Instruments issued by WSNZL acting through its London branch. Prospective investors who are in any doubt as to their tax position should consult their own professional advisers.

The Instruments are issued by WSNZL acting through its London branch. The London branch of WSNZL is not a separate legal entity, or a subsidiary, of WSNZL. The obligations of WSNZL in respect of Instruments issued by WSNZL acting through its London branch are the obligations of WSNZL as a company incorporated in New Zealand, and are not limited to the London branch or any other branch of WSNZL. Accordingly, investors have recourse to WSNZL as a company, and not just the London branch or any branch of WSNZL, in respect of WSNZL's obligations under the Instruments.

New Zealand

A deduction on account of New Zealand resident withholding tax will be made from the payment of interest (as defined for New Zealand tax purposes) by WSNZL to a Holder or beneficial owner if:

(a) the person deriving the interest is:

- (i) a resident of New Zealand for New Zealand tax purposes; or
- (ii) a person who carries on business in New Zealand through a fixed establishment (as defined for New Zealand tax purposes) in New Zealand and holds the Instruments for the purposes of a business carried on through that fixed establishment; or
- (iii) a registered bank (as defined for New Zealand tax purposes) engaged in business through a fixed establishment in New Zealand,

(each a **"New Zealand Holder"**); and

(b) at the time of such payment the New Zealand Holder does not hold a valid certificate of exemption for New Zealand resident withholding purposes.

WSNZL shall not make any additional payments to Holders or beneficial owners of Instruments issued by WSNZL where any deduction on account of New Zealand resident withholding tax is made.

New Zealand law requires a deduction on account of non-resident withholding tax to be made from the payment of New Zealand sourced income constituting interest (as defined for New Zealand tax purposes) made to any Holder who is not a New Zealand Holder. Where non-resident withholding tax is required to be deducted from the payment of any interest (as defined for New Zealand tax purposes), WSNZL may gross up the interest payment in accordance with the Terms and Conditions, or reduce the applicable rate of non-resident withholding tax to zero per cent. by registering the Programme with the New Zealand Inland Revenue Department and paying, on its

own account, an approved issuer levy equal to 2 per cent. of the relevant interest payment. In addition, WSNZL may be required by law to pay the approved issuer levy in the event New Zealand non-resident withholding tax would be payable but for an exemption under a double tax agreement. The Programme is registered for approved issuer levy with the New Zealand Inland Revenue.

If a Holder or beneficial owner of any Instruments issued by WSNZL derives interest (as defined for New Zealand tax purposes) jointly with one or more persons and at least one such person is resident for tax purposes in New Zealand and the interest derived by that Holder or beneficial owner is subject to New Zealand non-resident withholding tax, the rate of non-resident withholding tax is the applicable rate of resident withholding tax and that rate cannot be reduced to zero per cent. by payment of a New Zealand approved issuer levy amount. WSNZL shall not make any additional payments to such joint Holders of Instruments issued by WSNZL where any deduction on account of New Zealand non-resident withholding tax is made. However, WSNZL or WSNZL may be required by law to pay the approved issuer levy in the event New Zealand non-resident withholding tax would be payable but for an exemption under a double tax agreement.

United Kingdom

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Instruments. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Instruments. The comments relate only to the position of persons who are absolute beneficial owners of the Instruments. The following is a general guide and should be treated with appropriate caution. Holders of Instruments who are in any doubt as to their tax position should consult their professional advisers.

Holders of Instruments who may be liable to tax in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Instruments are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions). In particular, Holders of Instruments should be aware that they may be liable to tax under the laws of other jurisdictions in relation to payments in respect of the Instruments even if such payments may be made without withholding or deduction for or on account of tax under the laws of the United Kingdom.

A. United Kingdom Withholding Tax on United Kingdom-source interest

The following comments apply to United Kingdom-source interest (“**UK-source interest**”). As the Instruments are issued by the Issuer acting through its London branch, payments of interest on the Instruments are likely to be treated as having a United Kingdom source.

A.1 Instruments listed on a recognised stock exchange

The Instruments issued by the Issuer which carry a right to UK-source interest (“**UK Instruments**”) will constitute “quoted Eurobonds” provided they are and continue to be listed on a recognised stock exchange. Pursuant to Section 1005 of the Income Tax Act 2007, securities are listed on a recognised stock exchange for these purposes if they are (i) admitted to trading on that exchange and (ii) included in the Official List (within the meaning of and in accordance with Part 6 of the Financial Services and Markets Act 2000,

as amended (“**FSMA**”)) or are officially listed in a qualifying country outside the United Kingdom in accordance with provisions corresponding to those generally applicable in EEA states. The London Stock Exchange is a recognised stock exchange for these purposes. While the UK Instruments are and continue to be quoted Eurobonds, payments of interest on the UK Instruments may be made without withholding or deduction for or on account of United Kingdom income tax.

- A.2** In all cases falling outside the exemption described in A.1 above, interest on the UK Instruments may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on UK Instruments with a maturity of less than one year from the date of issue and which are not issued under arrangements which are capable of rendering such UK Instruments part of a borrowing with a total term of a year or more.

B. Payments by WNZL

If WNZL makes payments in respect of the Instruments, such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. Such payments by WNZL may not be eligible for all the reliefs and exemptions described in A above.

C. Payments under Deed of Covenant

Any payments made by the Issuer under the Deed of Covenant may not qualify for all the reliefs and exemptions from United Kingdom withholding tax described in A above.

D. Other Rules Relating to United Kingdom Withholding Tax

1. Instruments may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Instruments will not generally be subject to any United Kingdom withholding tax, but may be subject to reporting requirements.
2. Where Instruments are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements.
3. Where interest has been paid under deduction of United Kingdom income tax, Holders of Instruments who are resident for tax purposes in a jurisdiction that has a double taxation treaty with the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in that applicable double taxation treaty.
4. The references to “interest” above (including in A to C above) mean “interest” as understood in United Kingdom tax law and, in particular, do not include interest which falls to be treated under the United Kingdom tax rules as a distribution. The

statements above do not take any account of any different definitions of “interest” which may prevail under any other law or which may be created by the terms and conditions of the Instruments or any related documentation.

5. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Condition 16 (Substitution of the Issuer) of the Instruments and does not consider the tax consequences of any such substitution.

SUBSCRIPTION AND SALE

Instruments may be issued from time to time by the Issuer to any one or more of Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc, Nomura International plc, Standard Chartered Bank, UBS Limited and WBC (the “**Dealers**”). Instruments may also be issued by the Issuer direct to institutions who are not Dealers. The arrangements under which Instruments may from time to time be agreed to be issued by the Issuer to, and subscribed by, Dealers are set out in an amended and restated dealership agreement dated 11 December 2013, as supplemented by way of a supplemental dealership agreement dated 16 December 2014, a supplemental dealership agreement dated 11 December 2015, a supplemental dealership agreement dated 13 December 2016 and a supplemental dealership agreement dated 11 December 2017 (the “**Dealership Agreement**”) and made between the Issuer, WNZL and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be subscribed for by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealership Agreement makes provision for the resignation or termination or appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Instruments.

Certain Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer’s affiliates. Dealers or their affiliates which have a lending relationship with the Issuer or its affiliates routinely hedge their credit exposure to the Issuer or its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which would consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially any Instruments issued under the Programme. Any such short positions could adversely affect future trading prices of any Instruments issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

United States of America:

Regulation S Category 2; TEFRA D, unless TEFRA C is specified as applicable in the relevant Final Terms; Rule 144A Eligible if so specified in the relevant Final Terms.

Instruments have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Instruments, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Instruments comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Instruments to or through more than one Dealer, by each of such Dealers as to Instruments of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each dealer to which it sells Instruments during the restricted period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to or for the account or benefit of U.S. persons.

In addition, until 40 days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of Instruments within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act (if available).

In certain limited circumstances, Registered Instruments may be offered within the United States only to person reasonably believed to be 'qualified institutional buyers' in accordance with Rule 144A under the Securities Act. Registered Instruments issued in these certain limited circumstances will bear a Restrictive Legend in accordance with Condition 3.8.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, in respect of any offer of Instruments on or after 1 January 2018, unless the Final Terms in respect of any Instruments specified "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", it will not offer, sell or otherwise make available any Instruments which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

- (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments.

Prior to 1 January 2018, and from that date, if the Final Terms in respect of any Instruments specified “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Instruments which have a minimum denomination of less than €100,000 (or the equivalent in another currency) except that it may make an offer of such Instruments at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive.

For the purposes of this provision, the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom:

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (1) *General compliance*: It has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom;
- (2) *No deposit-taking*: in relation to any Instruments which have a maturity of less than one year: it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of section 19 of the FSMA by the Issuer; and
- (3) *Financial promotion*: It has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or WNZL.

Australia:

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or the Instruments has been, or will be, lodged with the Australian Securities and Investments Commission (“**ASIC**”). The Base Prospectus is neither a prospectus nor a disclosure

document for the purposes of the Corporations Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, it:

- (A) has not made or invited, and will not make or invite, directly or indirectly, an offer of the Instruments for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (B) has not distributed or published, and will not distribute or publish, the Base Prospectus or any other offering material or advertisement relating to any Instruments in Australia.

unless:

- (A) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternative currency, in either case, disregarding monies lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Part 6D.2 or 7.9 of the Corporations Act;
- (B) the offer or invitation does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act;
- (C) such action complies with any other applicable laws, regulations or directives (including without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act); and
- (D) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

Hong Kong:

In relation to each Tranche of Instruments, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (A) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Instruments other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the *Laws of Hong Kong*, the "**SFO**") and any rules made under the SFO; (b) in other circumstances which do not result in the document being a prospectus as defined in the *Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)* or which do not constitute an offer to the public within the meaning of that Ordinance; or (c) Instruments which are a "structured product" as defined in the SFO; and
- (B) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Instruments which are or are intended to be disposed of only to persons outside Hong

Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Japan:

The Instruments have not been and will not be registered under the *Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended (the “FIEL”))* and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Instruments, directly or indirectly, in Japan or to, or for the account or benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan. For the purposes of this paragraph, “Japanese Person” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

France:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, any Instruments to the public in France, and that offers and sales of Instruments in France will be made only to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in Articles L.411-1, L.411-2 and D.411-1 of the *French Code monétaire et financier*, but excluding individuals.

No re-transfer, directly or indirectly, of the Instruments in France, other than in compliance with applicable laws and regulations shall be made.

In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, the Base Prospectus or any other offering material relating to the Instruments other than to investors to whom offers and sales of Instruments in France may be made as described above.

The Republic of Ireland:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (A) it will not underwrite the issue of, or place the Instruments, otherwise than in conformity with the provisions of the *European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended)*, including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the *Investor Compensation Act 1998*;
- (B) it will not underwrite the issue of, or place, the Instruments, otherwise than in conformity with the provisions of the *Companies Acts 1963 - 2013 (as amended) of Ireland (as*

amended), the *Central Bank Acts 1942 - 2013 (as amended)* and any codes of conduct rules made under Section 117(1) of the *Central Bank Act 1989*; and

- (C) it will not underwrite the issue of, place or otherwise act in the Republic of Ireland in respect of the Instruments, otherwise than in conformity with the provisions of the *Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended)* and any rules issued under Section 34 of the *Investment Funds, Companies and Miscellaneous Provisions Act 2005* by the Central Bank of Ireland.

The Republic of Italy:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offering of the Instruments has not been registered pursuant to Italian securities legislation and, accordingly, the Instruments may not be offered, sold or delivered, nor may copies of this Base Prospectus or any other document relating to the Instruments be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as referred to in Article 100 of *Legislative Decree No. 58 of 24 February 1998, as amended ("Decree No. 58")* and Article 34-ter, first paragraph, letter b, of the *Italian Securities Exchange Commission ("CONSOB") Regulation No. 11971 of 14 May 1999, as amended (the "11971 Regulation")* provided that such qualified investors will act in that capacity and not as depositaries or nominees for other holders; or
- (b) in any other circumstances which are exempted from the rules on offers to the public pursuant to Article 100 of Decree No. 58 and 34-ter of the 11971 Regulation.

Furthermore, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer, sale or delivery of the Instruments or distribution of copies of this Base Prospectus or any other document relating to the Instruments in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with *Decree No. 58, Legislative Decree No. 385 of 1 September 1993, as amended ("Decree No. 385")*, CONSOB Regulation No. 16190 of 29 October 2007, as amended and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of Decree No. 385 and the implementing guidelines of the Bank of Italy, as amended from time to time (*Istruzioni di Vigilanza della Banca d'Italia*), pursuant to which the issue, offer, sale, trading, or placement of securities in the Republic of Italy may need to be followed by appropriate notice to be filed with the Bank of Italy; and
- (iii) in accordance with any other applicable notification requirements, limitations, laws and regulations, including (but not limited to) those imposed by CONSOB or by the Bank of Italy.

Each Dealer has acknowledged and agreed that it is aware of the fact that, pursuant to Italian laws, including Article 100-bis of Decree No. 58:

- (a) any subsequent resale of the Instruments - which have been previously the subject of an exempted offer - shall be subject to registration and shall be accompanied by a prospectus to the extent that such a resale qualifies as an offer to the public and it is not exempted from the registration and prospectus requirements;
- (b) any subsequent and systematic resale of the Instruments – which have been previously allotted in the Republic of Italy or abroad to qualified investors – to individuals (or entities) other than qualified investors over the 12 months following the original allotment qualifies as an offer to the public (subject to registration and to the publication of a prospectus) to the extent that it is not exempted from the registration and prospectus requirements; and
- (c) if the resale under letter (b) above occurs in the absence of a properly published prospectus, the purchaser of the Instruments – who has acted outside its professional or business purposes – may obtain a court order declaring the agreement for the purchase of the Instruments null and void and obliging the authorised dealer who sold the Instruments to pay damages incurred by the purchaser. Furthermore, the seller of the Instruments:
 - (i) shall ensure the repayment of the Instruments' nominal value to the purchaser; and
 - (ii) will be fined not less than one fourth of the overall counter value of the offer and not more than the double of that amount (unless such a counter value cannot be determined, in which case the fine would be not lower than EUR 100,000 and not higher than EUR 2,000,000),

and as a result of the levy of the financial sanctions referred to above, directors and officers of the seller are temporarily suspended from their office and are prevented from taking up or, as the case may be, are suspended from management and control positions in listed companies for a period of not less than two months and not more than three years.

The Netherlands:

The Instruments may not be offered or sold, directly or indirectly, as part of any initial distribution or at any time thereafter, directly or indirectly, to any person other than to professional market parties (*professionele marktpartijen*) as defined in 1:107 paragraph 2 of the Dutch Financial Markets Supervision Act (*Wet op het Financieel Toezicht*), as amended, restated or re-enacted at any time, in The Netherlands.

In addition and without prejudice to the relevant restrictions set out directly above, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that Zero Coupon Instruments (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext N.V. in full compliance with the *Dutch Savings Certificates Act (Wet inzake spaarbewijzen)* of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required in respect of (i) the initial issue of such Zero Coupon Instruments to the first Holders thereof, (ii) the transfer and acceptance of Zero Coupon Instruments in definitive form between individuals not acting in the conduct of a business or profession, or (iii) the transfer and acceptance of such Zero Coupon Instruments within, from or into The Netherlands if all Zero

Coupon Instruments (either in definitive form or as rights representing an interest in a Zero Coupon Instrument in global form) of any particular Series or Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter.

As used herein “**Zero Coupon Instruments**” are Instruments that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

In addition and without prejudice to the relevant restrictions set out directly above, each Dealer has represented, warranted and agreed, and each further Dealer appointed will be required to represent, warrant and agree, that as of 1 January 2012 it shall include in:

- (a) any offer of Instruments to the public in The Netherlands other than an offer:
 - (i) in respect of which a prospectus (and, as the case may be, any supplement or supplements if required) approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the “**AFM**”) (or, where appropriate, by the competent authority in another Member State of the EEA which has implemented the Prospectus Directive and notified to the AFM in accordance with the Prospectus Directive) has been made generally available; or
 - (ii) only to qualified investors as defined in the Prospectus Directive; and
 - (b) any advertisement relating to such an offer, and any document in which the prospect of such offer is held out, that:
 - (A) no prospectus approved by the AFM has been or will be made generally available; and
 - (B) such offer is not supervised by the AFM,
- in such manner as prescribed by the AFM from time to time.

For purposes of this provision the expression Prospectus Directive shall have the meaning set out under the paragraph above headed “Prohibition of Sales to EEA Retail Investors”.

New Zealand:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and agrees it will not, directly or indirectly, offer, sell or deliver any Instruments, Receipts, Coupons and Talons in New Zealand or distribute any information memorandum (including this Base Prospectus), any Final Terms or other offering memorandum or any advertisement in relation to any offer of Instruments, Receipts, Coupons and Talons in New Zealand other than to “wholesale investors” as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the *Financial Markets Conduct Act 2013 of New Zealand* (“**FMCA**”), being a person who is:

- (i) an “investment business”;

- (ii) “large”; or
- (iii) a “government agency”,

in each case as defined in Schedule 1 to the FMCA. For the avoidance of doubt, Instruments, Receipts, Coupons and Talons may not be offered to or acquired by, and any information memorandum (including this Base Prospectus), any Final Terms or other offering memorandum or any advertisement in relation to any offer of Instruments, Receipts, Coupons and Talons may not be distributed to, any “eligible investor” (as defined in clause 41 of Schedule 1 to the FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the FMCA meets the investment activity criteria specified in clause 38 of that Schedule.

Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Instruments, Receipts, Coupons and Talons to persons whom it reasonably believes to be persons to whom any amounts payable on the Instruments, Receipts, Coupons and Talons are or would be subject to New Zealand resident withholding tax, unless such persons:

- (1) certify they hold a valid RWT exemption certificate for New Zealand resident withholding tax purposes; and
- (2) provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to the Issuer, the Registrar or any Paying Agent pursuant to the Issue and Paying Agency Agreement).

Singapore:

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any instruments or caused such Instruments to be made the subject of an invitation for subscription or purchase and will not offer or sell such Instruments or cause such Instruments to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Instruments, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, as amended (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1 A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Instruments are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Instruments pursuant to an offer made under Section 275 of the SFA except:

1. to an institutional investor or to a relevant person defined in Section 275 (2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
2. where no consideration is or will be given for the transfer;
3. where the transfer is by operation of law;
4. as specified in Section 276(7) of the SFA; or
5. as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

The Kingdom of Spain:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent or agree, that the Instruments may not be offered, sold or distributed, nor may any subsequent resale of Instrument be carried out in Spain, except in circumstances which do not constitute a public offer of securities in Spain within the meaning of the *Spanish Securities Market Law, of 28 July 1988 (Ley 24/1988, de 28 de julio, del Mercado de Valores)*, as amended and restated, and further developing legislation or without complying with all legal and regulatory requirements under Spanish securities laws.

Taiwan:

The Instruments may not be sold, offered or issued to Taiwan resident investors or in Taiwan unless they are made available, (i) outside Taiwan for purchase outside Taiwan by such investors and/or (ii) in Taiwan, (A) in the case of Instruments which are a "structured product" as defined in the *Regulation Governing Offshore Structured Products of the Republic of China ("OSP Regulation")* through bank trust departments, licensed securities brokers and/or insurance company investment linked insurance policies pursuant to the OSP Regulation or (B) in the case of Instruments which are not "structured products" under the OSP Regulation, through properly licensed Taiwan intermediaries (including the non-discretionary monetary trust of licensed banks in Taiwan acting as trustees) in such manner as complies with Taiwan law and regulation and/or (iii) in such other manner as may be permitted in accordance with applicable laws and regulations of Taiwan.

General:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all applicable laws and

regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Instruments or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, WNZL and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in this section.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Instruments) or (in any other case) in a supplement to this Base Prospectus.

GENERAL INFORMATION

1. The admission of the Programme to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Regulated Market is expected to take effect on or about 14 December 2017. The price of the Instruments on the price list of the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Instruments intended to be listed on the Official List of the UK Listing Authority and to be traded on the London Stock Exchange's Regulated Market will be admitted to listing and trading upon submission to the UK Listing Authority and the London Stock Exchange of the relevant Final Terms and any other information required by the UK Listing Authority and the London Stock Exchange, subject to the issue of the relevant Instruments. Prior to admission to trading, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.
2. The Programme was authorised pursuant to resolutions of WNZL's Directors passed on 3 October 2006, 26 October 2006 and 11 August 2010 and resolutions of the Issuer's Directors passed on 15 September 2006, 26 October 2007, 15 August 2011 and 1 December 2015. The Issuer and WNZL have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Instruments.
3. The yield for any particular Series of Instruments will be specified in the applicable Final Terms and will be calculated on the basis of the compound annual rate of return if the relevant Instruments were to be purchased at the Issue Price on the Issue Date and held to maturity. Set out below is an example formula for the purposes of calculating the yield of Fixed Rate Instruments or Zero Coupon Instruments. The Final Terms in respect of any Floating Rate Instruments will not include any indication of yield.

$$\text{Issue Price} = \text{Rate of Interest} * \frac{1 - \left(\frac{1}{(1 + \text{Yield})^n} \right)}{\text{Yield}} + \left[\text{Final Redemption Amount} * \frac{1}{(1 + \text{Yield})^n} \right]$$

Where:

"Rate of Interest" means the Rate of Interest expressed as a percentage as specified in the applicable Final Terms and adjusted according to the frequency (and in the case of Zero Coupon Instruments, means "0") i.e. for a semi-annual paying Note, the rate of interest is half the stated annualised rate of interest in the Final Terms;

"Yield" means the yield to maturity calculated on a frequency commensurate with the frequency of interest payments as specified in the applicable Final Terms (and in the case of Zero Coupon Instruments, means Accrual Yield as specified in the applicable Final Terms); and

"n" means the number of interest payments to maturity.

Set out below is a worked example illustrating how the yield on a Series of Fixed Rate Instruments could be calculated on the basis of the above formula. It is provided for purposes of illustration only and should not be taken as an indication or prediction of the yield for any Series of Instruments; it is intended merely to illustrate the way in which the above formula could be applied.

Where:

N = 6

Rate of Interest = 3.875 per cent.

Issue Price = 99.392

Final Redemption Amount = 100

$$99.392 = 3.875 * \frac{1 - \left(\frac{1}{(1 + Yield)^6} \right)}{Yield} + \left[100 * \frac{1}{(1 + Yield)^6} \right]$$

Yield = 3.99 per cent. (calculated by iteration)

The yield specified in the applicable Final Terms in respect of a Series of Instruments will not be an indication of future yield.

4. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Instruments of each Series will be specified in the Final Terms relating thereto. The Instruments have been accepted for clearance through the CMU Service. The CMU Service Instrument Number for each Series of Instruments intended to be cleared through the CMU Service will be specified in the relevant Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Instruments for clearance together with any further appropriate information.
5. Bearer Instruments (other than Temporary Global Instruments) and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States Person who holds a Bearer Instrument, Receipt or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Instrument, Receipt or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
6. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Fiscal Agent or, as the case may be, the Registrar in relation to each Tranche of Instruments.
7. The following legend must appear on every form of Instrument, Receipt, Coupon or Talon:

“IF THE HOLDER OF ANY PART HEREOF IS A RESIDENT OF NEW ZEALAND FOR TAX PURPOSES, OR OTHERWISE IS A PERSON THE PAYMENT OF INTEREST (AS DEFINED FOR NEW ZEALAND INCOME TAX PURPOSES) TO WHOM WILL BE SUBJECT TO NEW ZEALAND RESIDENT WITHHOLDING TAX, THEN A DEDUCTION FOR NEW ZEALAND RESIDENT WITHHOLDING TAX MAY BE MADE FROM ANY AMOUNT PAYABLE UNDER THIS [TEMPORARY/ PERMANENT GLOBAL DEFINITIVE/ REGISTERED/ INSTRUMENT/ COUPON/ TALON/ RECEIPT] WHICH IS SUBJECT TO NEW ZEALAND RESIDENT WITHHOLDING TAX UNLESS ANY SUCH HOLDER CERTIFIES THAT IT HOLDS A VALID RWT EXEMPTION CERTIFICATE FOR NEW ZEALAND RESIDENT WITHHOLDING TAX PURPOSES AND PROVIDES THE HOLDER’S NEW ZEALAND TAX FILE NUMBER.

ON PRESENTATION OF THIS [TEMPORARY/PERMANENT/ GLOBAL/ DEFINITIVE/REGISTERED/ INSTRUMENT/ COUPON/TALON/RECEIPT] FOR PAYMENT OR, IF APPLICABLE, UPON THE RECEIPT OF SUCH PAYMENT, THE HOLDER OF ANY PART HEREOF HEREBY CERTIFIES THAT IF IT IS A RESIDENT OF NEW ZEALAND FOR TAX PURPOSES OR OTHERWISE IS A PERSON THE PAYMENT OF INTEREST TO WHOM WILL BE SUBJECT TO NEW ZEALAND RESIDENT WITHHOLDING TAX, THAT IT HOLDS A VALID RWT EXEMPTION CERTIFICATE FOR NEW ZEALAND RESIDENT WITHHOLDING TAX PURPOSES.”

8. Where Instruments have a maturity of less than one year Instruments must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.
9. There are no, nor during the 12 months before the date of this Base Prospectus have there been any, legal, arbitration or governmental proceedings (including any such proceedings which are pending or threatened) of which either the Issuer or WNZL is aware which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or of WNZL and its controlled entities, taken as a whole.
10. Since 30 September 2017, there has been no material adverse change in the prospects of WNZL and its controlled entities (being the entities referred to on page 146 of this Base Prospectus) taken as a whole.
11. Since 30 September 2017, there has been no significant change in the financial position of WNZL and its controlled entities (being the entities referred to on page 146 of this Base Prospectus) taken as a whole.
12. Since 30 September 2017, there has been no material adverse change in the prospects of the Issuer.
13. Since 30 September 2017, there has been no significant change in the financial or trading position of the Issuer.

14. PricewaterhouseCoopers New Zealand (“**PwC New Zealand**”) audited WNZL’s financial statements for the years ended 30 September 2016 and 30 September 2017. PwC New Zealand partners are members or affiliate members of the CA ANZ. PwC New Zealand and the signing partner are licensed under the Auditor Regulation Act 2011.
15. PwC New Zealand audited the Issuer’s financial statements for the years ended 30 September 2016 and 30 September 2017. PwC New Zealand partners are members or affiliate members of the CA ANZ.
16. For so long as the Programme remains in effect or any Instruments are outstanding, copies of the following documents may be inspected during normal business hours at the Specified Office of the Fiscal Agent and Principal Registrar (or the other Specified Office(s) of the Paying Agent(s) in the United Kingdom) and at the registered head office of WNZL and at WSNZL’s office at Camomile Court, 23 Camomile Street, London EC3A 7LL, United Kingdom:
 - (a) the constitutional documents of the Issuer and WNZL;
 - (b) this Base Prospectus, together with any supplements thereto;
 - (c) the Issue and Paying Agency Agreement;
 - (d) the Deed of Covenant;
 - (e) the WNZL Deed of Guarantee;
 - (f) the most recently publicly available audited financial statements of the Issuer and WNZL; and
 - (g) any Final Terms relating to Instruments which are listed, traded and/or quoted on or by any competent listing authority, stock exchange and/or quotation system. (In the case of any Instruments which are not listed, traded and/or quoted on or by any competent listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by a Holder of or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant) in respect of, such Instruments).
17. The Issuer may, on or after the date of this Base Prospectus, make applications for one or more further certificates of approval under Article 18 of the Prospectus Directive as implemented in the United Kingdom to be issued by the FCA to the competent authority in any one of the following member states of the European Union: Belgium; Germany; Ireland; Luxembourg; The Netherlands; Spain; Italy; France and Austria.
18. The price at which any Series of Instruments will be offered will be established by the Issuer and relevant Dealer(s) on or before the applicable Issue Date of the relevant Series of Instruments in accordance with prevailing market conditions and will be disclosed in the applicable Final Terms. The Issue Price of the Instruments of any Series may be less than, equal to or greater than the par value of the relevant Series of Instruments.

The amount of any expenses and/or taxes (if any) specifically charged to any subscriber or purchaser of the Instruments of any Series will be disclosed in the applicable Final Terms.

REGISTERED AND HEAD OFFICE OF THE ISSUER AND WNZL

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(as WNZL)

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Goldman Sachs International

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Nomura International plc

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United Kingdom

UBS Limited

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CMU PAYING AGENT, CMU LODGING AGENT, CMU REGISTRAR
AND CMU TRANSFER AGENT

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