

**Offer of In-Tandem membership of the
Westpac New Zealand Staff Superannuation Scheme**

Other Material Information

30 June 2025

This document supplements the Product Disclosure Statement (**PDS**) for In-Tandem, which is available at www.westpacnzstaffsuper.co.nz/. This document provides additional information about:

- the individuals and groups of people who are responsible for providing In-Tandem, and their key powers to change the way In-Tandem operates;
- managing, suspending and stopping your contributions to In-Tandem;
- when you can withdraw from the Scheme and the benefits you will be entitled to receive on doing so;
- the circumstances in which you may be entitled to an Additional Benefit, and the availability of insurance cover;
- the fees that you will be charged as a Member of In-Tandem;
- risks associated with investing in In-Tandem; and
- the treatment of your investment in In-Tandem under New Zealand income tax legislation.

In-Tandem is part of the Westpac New Zealand Staff Superannuation Scheme (**Scheme**), and interests in In-Tandem are issued by the Trustee of the Scheme, Westpac New Zealand Staff Superannuation Scheme Trustee Limited (**Trustee**).

In-Tandem is governed by the Scheme Trust Deed. The provisions in the Trust Deed prevail over anything to the contrary in any other document. The provisions of the Trust Deed may change in the future.

Capitalised terms used in this document are defined in the Trust Deed and are summarised in the Glossary.

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Who is involved and how can the Scheme be changed?

Trustee

The Trustee of the Scheme is Westpac New Zealand Staff Superannuation Scheme Trustee Limited.

At the date of this document the current Trustee Directors are:

Name	Location	Status	Member Elected Director	Receives Fees	Scheme Member
Bruce KERR	Wellington	Chairman	✗	✓	✓
Marc FIGGINS	Auckland	Director	✗	✗	✓
Ian NEW	Wellington	Director	✗	✓	✗
Grant HASSELL ¹	Waimarama	Independent Licensed Trustee Director	✗	✓	✗
Christopher HILLIER	Auckland	Director	✗	✗	✓
Damian SHARKEY	Auckland	Director	✓	✗	✓
Matthew VIDAL	Auckland	Director	✓	✗	✓

Notes:

1. The Scheme is a restricted scheme, meaning that one of the directors of the Trustee must be independent from the Scheme and hold a licence under the Financial Markets Conduct Act 2013 (**Independent Licensed Trustee Director**). Grant Hassell began serving as the Scheme's Independent Licensed Trustee Director effective from 13 December 2023.

You can contact the Trustee at:

Westpac, Human Resources
Westpac on Takutai Square
16 Takutai Square, PO Box 934
Auckland 1010

The Trustee Directors, and our contact address, may change from time to time without us notifying you. Up-to-date details of our current address and the names of the Trustee Directors can be obtained from the Administration Manager on 0508 INTANDEM (0508 468 263) or Internal extension 83995.

Responsibilities of the Trustee are:

- Managing the Scheme's assets;
- Administering the Scheme;
- Reporting material contraventions or likely contraventions to the Financial Markets Authority;
- Holding Scheme property, or ensuring that it is held, in accordance with the Financial Markets Conduct Act 2013 (**FMCA**);
- Admitting employers to participation in the Scheme;
- Ensuring administration of the Scheme complies with the Trust Deed and the law;
- Ensuring the Scheme is administered in the best interests of Members; and
- Performing and exercising any other functions, powers, and duties conferred or imposed on the Trustee by or under the FMCA or the Trust Deed.

The Trustee manages the investments of the Scheme and each Scheme Investment Fund and may, subject to compliance with the Trust Deed and the Statement of Investment Policy and Objectives (**SIPO**), give whatever directions are considered necessary in that regard.

The Trustee may delegate the performance of any of the Trustee's powers, authorities, functions and discretions to an officer or an employee or any other person nominated in accordance with the Trust Deed. The Trustee remains liable for the acts and omissions of those delegates.

For more information on the Trustee's powers, duties and responsibilities please see the Trust Deed available at www.westpacnzstaffsuper.co.nz/.

Administration Manager

Responsible to the Trustee for:

All aspects of the Scheme's administration.

The current Administration Manager is:

Mercer (N.Z.) Limited.

You can contact the Administration Manager at:

Mercer (N.Z.) Limited
20 Customhouse Quay, PO Box 1849
Wellington 6140
Phone: 0508 INTANDEM (0508 468 263)
Email: westpacstaffsuper@mercero.com

The Administration Manager, and its contact address, may change from time to time without us notifying you. Up-to-date details can be obtained from the Administration Manager on 0508 INTANDEM (0508 468 263) or Internal extension 83995.

Investment managers

The Trustee is empowered to delegate the Scheme's asset management to one or more investment managers. We currently use an implemented investment consulting structure to do this as we believe it is the most appropriate investment management structure for the Scheme.

The current **Implemented Investment Consultant** is Willis Towers Watson Australia Pty Limited, and the current **Investment Implementation Manager** is BT Funds Management (NZ) Limited. BT Funds Management (NZ) Limited is a member of the Westpac Group of companies.

The Implemented Investment Consultant provides strategic oversight of the Scheme's investments including asset allocation advice, governance, and the setting of long-term objectives. It also makes dynamic asset allocation decisions.

The Investment Implementation Manager has overall responsibility for the management of the investments comprising the different asset classes of the Scheme. The Investment Implementation Manager has a discretion and a duty to delegate investment management functions to **Investment Managers** that it considers are best suited to meet the Scheme's investment objectives (which are set out in the SIPO) and to gain exposure, or access, to those Investment Managers' strategies directly or indirectly through their pooled vehicles. The performance of the Investment Implementation Manager will be judged on its ongoing monitoring and selection of the Investment Managers.

The current Investment Managers are set out in the SIPO, which is available on the Scheme's website (www.westpacnzstaffsuper.co.nz/). The performance of these Investment Managers will be evaluated on an ongoing basis against performance objectives set out in the SIPO and other objectives that are agreed between the Implementation Investment Manager and us from time to time. Accordingly, the Investment Managers may change from time to time at the discretion of the Investment Implementation Manager.

We may change the Implemented Investment Consultant and/or the Investment Implementation Manager and the SIPO without notifying you.

Auditor, banker, insurer, registrar and solicitor

Auditors

The current auditors of the Scheme are PricewaterhouseCoopers (**PwC**). PwC is registered under the Auditor Regulation Act 2011.

Banker

The banker for the Scheme is Westpac New Zealand Limited.

Insurer

The current insurer for the Scheme (i.e. the Additional Benefit) is Fidelity Life Assurance Company Limited.

Registrar

The current registrar for the Scheme is Mercer (N.Z.) Limited.

Solicitor

The current solicitor for the Scheme is Simpson Grierson.

Key powers under the Trust Deed to change the terms of the Scheme

Changing the Trust Deed

Subject to complying with the requirements set out below, the Trustee can make changes to the Scheme by amending the Trust Deed with the consent of the Board of Westpac Banking Corporation.

The changes we make must comply with the FMCA and the Trust Deed. Most importantly, we must obtain the consent of the Financial Markets Authority (**FMA**). The FMA will not give consent unless it is satisfied that the amendment:

- does not have a material adverse effect on Scheme participants; or
- has been approved by all Scheme participants who would be adversely affected in respect of the benefits (whether vested, contingent, or discretionary) that may in due course flow from, or are attributable to, pre-amendment membership.

Changing the Scheme's investment arrangements

With the help of our Implemented Investment Consultant, we review the investment policy of the Scheme from time to time and may make changes to reflect changing investment markets, the nature of the Scheme and our requirements.

We may change the Investment Implementation Manager responsible for investing the Scheme's assets, change the investment strategy for each Investment Fund, offer new Investment Funds or close existing Investment Funds. The Investment Implementation Manager may change the Investment Managers it uses following a performance evaluation.

If the Trustee or the Investment Implementation Manager make any changes to the Scheme's investment arrangements that are inconsistent with the SIPO, the SIPO must be amended to reflect the change.

The government may make changes that affect the Scheme

The legislation governing the operation of the Scheme has changed in the past, for example, with the passing of the FMCA. Further changes to applicable legislation may be made in the future. While this may not affect returns, it would likely affect the operation of the Scheme.

Other laws may also affect the Scheme, for example, changes to tax rules may affect your or Westpac's contributions to the Scheme.

Contributing – Additional Information

1. Options when you belong to In-Tandem and KiwiSaver

The Combo Option

The Combo Option allows you to have your own and Westpac's contributions split between In-Tandem and a KiwiSaver scheme of your choice.

If you want to take a Combo Option, fill in the form available at [Documents | Westpac New Zealand Staff Superannuation Scheme \(westpacnzstaffsuper.co.nz\)](#).

The following tables summarise contribution arrangements available to you under the Combo Option, which will vary depending on how much you choose to contribute to your KiwiSaver scheme.

The table otherwise assumes that you would be contributing to In-Tandem at only the standard contribution rate for your category of membership, although you can increase this contribution rate if you wish, if you belong to Category E or F. Different settings apply if you are on leave of absence.

The Combo Option contribution details for Category E (management staff) are:

You contribute (% of your before-tax salary)					Westpac contributes (% of your before-tax salary)					Total (% of salary)
In-Tandem		KiwiSaver		Total	In-Tandem		KiwiSaver		Total	
1.8%	+	3%	=	4.8%	7%	+	3%	=	10%	14.8%
0.8%	+	4%	=	4.8%						14.8%
0%	+	6%	=	6%						16%
0%	+	8%	=	8%						18%
0%	+	10%	=	10%						20%

The Combo Option contribution details for Category F (pre-management staff) are:

You contribute (% of your before-tax salary)					Westpac contributes (% of your before-tax salary)					Total (% of salary)
In-Tandem		KiwiSaver	Total		In-Tandem		KiwiSaver	Total		
Less than two years' Service:										
1%	+	3%	=	4%						7%
0%	+	4%	=	4%						7%
0%	+	6%	=	6%						9%
0%	+	8%	=	8%						11%
0%	+	10%	=	10%						13%
Two or more years' Service:										
1%	+	3%	=	4%						10%
0%	+	4%	=	4%						10%
0%	+	6%	=	6%						12%
0%	+	8%	=	8%						14%

0%	+	10%	=	10%		16%
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The Combo Option contribution details for Category G (fixed term and casual staff) are:

You contribute (% of your before-tax salary)					+	Westpac contributes (% of your before-tax salary)					=	Total (% of salary)
In-Tandem		KiwiSaver		Total		In-Tandem		KiwiSaver		Total		
1%	+	3%	=	4%								7%
0%	+	4%	=	4%								7%
0%	+	6%	=	6%		0%	+	3%	=	3%		9%
0%	+	8%	=	8%								11%
0%	+	10%	=	10%								13%

The contribution arrangements available under the Combo Option may change from time to time as the contribution rates applying under the KiwiSaver legislation change. The above examples are based on the employee and compulsory employer contribution rates applying under the KiwiSaver Act 2006 as at the date of this document.

Contributing fully to In-Tandem with KiwiSaver on top

If you do not choose the 'Combo Option' you can still contribute to both KiwiSaver and In-Tandem (e.g. if you join a KiwiSaver scheme later, while still a member of In-Tandem, without notifying the Trustee you want the Combo Option).

If you have not chosen the Combo Option, any contribution you make to your chosen KiwiSaver scheme will be in addition to your In-Tandem contributions.

Any employer contributions to In-Tandem will reduce by the amount of the compulsory employer contributions payable from time to time to your KiwiSaver scheme (currently 3% of your KiwiSaver salary).

The following tables summarise contribution arrangements available to you if you do not choose the Combo Option, which will vary depending on how much you choose to contribute to your KiwiSaver scheme.

The non-Combo Option contribution details for Category E (management staff) are:

You contribute (% of your before-tax salary)					Westpac contributes (% of your before-tax salary)					Total (% of salary)	
In-Tandem		KiwiSaver		Total	In-Tandem		KiwiSaver		Total		
4.8%	+	3%	=	7.8%	7%	+	3%	=	10%	17.8%	
4.8%	+	4%	=	8.8%						18.8%	
4.8%	+	6%	=	10.8%						20.8%	
4.8%	+	8%	=	12.8%						22.8%	
4.8%	+	10%	=	14.8%						24.8%	

The non-Combo Option contribution details for Category F (pre-management staff) are:

You contribute (% of your before-tax salary)					Westpac contributes (% of your before-tax salary)					Total (% of salary)
In-Tandem		KiwiSaver		Total	In-Tandem		KiwiSaver		Total	
Less than two years' Service:										
4%	+	3%	=	7%						10%
4%	+	4%	=	8%						11%
4%	+	6%	=	10%						13%
4%	+	8%	=	12%						15%
4%	+	10%	=	14%						17%
Two or more years' Service:										
4%	+	3%	=	7%						13%
4%	+	4%	=	8%						14%
4%	+	6%	=	10%						16%
4%	+	8%	=	12%						18%
4%	+	10%	=	14%						20%

The non-Combo Option contribution details for Category G (fixed term and casual staff) are:

You contribute (% of your before-tax salary)					Westpac contributes (% of your before-tax salary)					Total (% of salary)
In-Tandem		KiwiSaver		Total	In-Tandem		KiwiSaver		Total	
4%	+	3%	=	7%						10%
4%	+	4%	=	8%						11%
4%	+	6%	=	10%						13%
4%	+	8%	=	12%						15%
4%	+	10%	=	14%						17%

Contributing fully to In-Tandem with no contributions to KiwiSaver

If you belong to a KiwiSaver scheme but only want to contribute to In-Tandem, you can achieve this by taking a KiwiSaver suspension. See section 2.2 below for more information about this.

2. Stopping Contributions

2.1 Temporary Absence

You can stop contributing to In-Tandem if you are considered to be temporarily absent.

You may be considered temporarily absent:

- if you are absent temporarily due to illness, incapacity or parental leave, as determined by Westpac,

- if you are in Service outside New Zealand. (Service outside New Zealand will normally still count as a period of In-Tandem membership. This is important because the length of time you are in In-Tandem could affect your leaving Service benefit – for more information see the “Withdrawals – Additional Information” section of this document), or
- during any other period Westpac advises us should be considered temporary absence.

If you do not return to Service at the end of your temporary absence period you will be considered to have left Service when you stopped contributing. This could affect your leaving service benefit (for more information see the “Withdrawals – Additional Information” section of this document).

Stopping contributions

If you stop contributing during your temporary absence, Westpac will also stop contributing on your behalf.

Continuing contributions

You can elect to continue making contributions from your personal account for the period of your temporary absence by completing a direct debit form. Your contributions will be deducted from your bank account fortnightly. The amount deducted will be the dollar amount you were contributing (including any amount diverted to KiwiSaver if you were on the Combo Option) each fortnight from your pay immediately prior to your temporary absence, based on your before-tax base salary. The Combo Option does not currently apply during temporary absence. We provide more information about how KiwiSaver works during temporary absence below.

Westpac’s contributions to In-Tandem in relation to your temporary absence will be based on your pre-temporary absence before-tax base salary and will be reduced by any amount Westpac is required to contribute to KiwiSaver for you.

Summary of KiwiSaver impact during temporary absence

In addition to the explanations above, we summarise how your KiwiSaver options work during temporary absence below (for those who are KiwiSaver members):

Situation	KiwiSaver impact
I am on temporary absence and not receiving any payments from Westpac that are liable to KiwiSaver contributions and:	
I wish to continue contributing to In-Tandem during my temporary absence.	Your pre-leave contribution is deducted from your bank account and paid in full to In-Tandem. No KiwiSaver contributions are made for you from this amount.

Situation	KiwiSaver impact
	<p>Westpac contributions for you are all paid to In-Tandem.</p> <p>You can make your own voluntary contributions to KiwiSaver if you wish, in addition. There will be no matching Westpac contributions for voluntary KiwiSaver contributions you make.</p> <p>If you are on parental leave, you can ask Inland Revenue to deduct KiwiSaver contributions from any Government-paid parental leave payments. In this case, Inland Revenue will also make employer contributions of 3%. For more information, see https://www.ird.govt.nz/paid-parental-leave/kiwisaver.</p>
<p>I do not wish to continue contributing to In-Tandem during my temporary absence.</p>	<p>Neither you nor Westpac will contribute to In-Tandem.</p> <p>You can make your own voluntary contributions to KiwiSaver if you wish. There will be no matching Westpac contributions for voluntary KiwiSaver contributions you make.</p> <p>If you are on parental leave, you can ask Inland Revenue to deduct KiwiSaver contributions from any Government-paid parental leave payments. In this case, Inland Revenue will also make employer contributions of 3%. For more information, see https://www.ird.govt.nz/paid-parental-leave/kiwisaver.</p>
<p>I am on temporary absence and may receive payments from Westpac that are liable to KiwiSaver contributions, e.g. parental leave top-up payments and:</p>	
<p>I wish to continue contributing to In-Tandem during my temporary absence.</p>	<p>Your pre-leave contribution is deducted from your bank account and paid in full to In-Tandem. No KiwiSaver contributions are made for you from this amount.</p> <p>Unless you are on a KiwiSaver savings suspension, Westpac will deduct your KiwiSaver employee contribution from amounts Westpac</p>

Situation	KiwiSaver impact
	<p>pays you that are liable to KiwiSaver contributions, and these amounts are contributed to your KiwiSaver scheme for you. These contributions are in addition to the full contribution you are making to In-Tandem.</p> <p>Westpac contributions are paid to In-Tandem for you, less any amount Westpac is liable to contribute to KiwiSaver on your behalf.</p> <p>You can make your own voluntary contributions to KiwiSaver if you wish, in addition. There will be no matching Westpac contributions for voluntary KiwiSaver contributions you make.</p> <p>If you are on parental leave, you can ask Inland Revenue to deduct KiwiSaver contributions from any Government-paid parental leave payments. In this case, Inland Revenue will also make employer contributions of 3%. For more information, see https://www.ird.govt.nz/paid-parental-leave/kiwisaver.</p>
<p>I do not wish to continue contributing to In-Tandem during my temporary absence.</p>	<p>Neither you nor Westpac will contribute to In-Tandem.</p> <p>Unless you are on a KiwiSaver savings suspension, Westpac will deduct your KiwiSaver employee contribution from amounts Westpac pays you that are liable to KiwiSaver contributions, and these amounts are contributed to your KiwiSaver scheme for you.</p> <p>Westpac will also make employer contributions to KiwiSaver where liable to do so for you.</p> <p>You can make your own voluntary contributions to KiwiSaver if you wish, in addition. There will be no matching Westpac contributions for voluntary KiwiSaver contributions you make.</p> <p>If you are on parental leave, you can ask Inland Revenue to deduct KiwiSaver contributions from any Government-paid parental leave payments. In this case, Inland Revenue will also make employer contributions of 3%. For more</p>

Situation	KiwiSaver impact
	information, see https://www.ird.govt.nz/paid-parental-leave/kiwisaver .
I have taken a KiwiSaver savings suspension during a temporary absence period where I have elected to continue contributions to In-Tandem.	<p>Your contributions to In-Tandem will continue. The Trustee's and Westpac's current policy is to agree to allow In-Tandem contributions in these circumstances. This differs from usual default position (under the Trust Deed) that a member who takes a KiwiSaver savings suspension also automatically takes an In-Tandem savings suspension.</p> <p>If you receive payments from Westpac that are considered part of your KiwiSaver salary, no KiwiSaver contributions will be made in respect of those payments during your KiwiSaver savings suspension.</p>

How to apply for temporary absence

If you want to apply for temporary absence, you will need to contact Human Resources (see page 3 of this document for contact details).

2.2 You can take a break from contributing through a “savings suspension”

You can apply to take a break from contributing:

- from In-Tandem, after you have been contributing to In-Tandem for at least 12 months (or earlier if you are suffering or are likely to suffer financial hardship);
- from KiwiSaver, after you have been contributing to KiwiSaver for at least 12 months (or earlier if you are suffering or are likely to suffer financial hardship),

by completing the “In-Tandem Contributions Option Change” form (if you have been contributing for at least 12 months) or the “Savings Suspension Request” form (if you have been contributing for less than 12 months but are applying on financial hardship grounds – see section 2.3 below).

This is called a “savings suspension”.

If you are a member of a KiwiSaver scheme, there are some options as to how a savings suspension applies to you (as discussed below).

If you want to take a savings suspension or change your contribution options, complete the relevant form(s) available here: [Documents | Westpac New Zealand Staff Superannuation Scheme \(westpacnzstaffsuper.co.nz\)](https://westpacnzstaffsuper.co.nz)

If you are on temporary absence, different settings apply. See the section on Temporary Absence above. Otherwise, here is the way the savings suspension options work:

If you are an In-Tandem “Combo Option” member (i.e. a KiwiSaver member as well as an In-Tandem member with your minimum KiwiSaver contributions diverted from your and Westpac’s In-Tandem contributions):

Option	Type of savings suspension	Effect on contributions during savings suspension	Effect on your Salary deductions during savings suspension
1	<p>Maximise In-Tandem⁷:</p> <p>You elect to take a KiwiSaver savings suspension¹, but also elect for your KiwiSaver contributions to divert back to In-Tandem.</p>	<ul style="list-style-type: none"> Your contributions to your KiwiSaver scheme will cease for the period of the savings suspension (and so will Westpac's contributions to your KiwiSaver scheme on your behalf). Your contributions to In-Tandem will go back to your standard rate (and any Westpac contributions to In-Tandem will also go back to their standard rate for your category of membership).² 	<p>The amount deducted from your Salary:</p> <ul style="list-style-type: none"> will be roughly the same as before the savings suspension, if your KiwiSaver contribution rate was 3% or 4%³; will reduce to your standard In-Tandem contribution rate,² if you were contributing to KiwiSaver at more than 4%.⁴
2	<p>In-Tandem only break: You apply for and are granted an In-Tandem savings suspension⁵</p> <p>AND</p> <p>You do not elect to take a KiwiSaver savings suspension</p>	<ul style="list-style-type: none"> Your contributions to your KiwiSaver scheme continue (and so do Westpac's contributions to KiwiSaver on your behalf). Your contributions to In-Tandem will cease for the period of the savings suspension (and so will any Westpac contributions to In-Tandem on your behalf). 	<p>Your Salary will be deducted with at least 3% for contributions to KiwiSaver.⁶</p>
3	<p>Total break: By electing to take a KiwiSaver savings suspension¹ and doing nothing else</p>	<ul style="list-style-type: none"> Your contributions to your KiwiSaver scheme will cease for the period of the savings suspension (and so will your Westpac's contributions to your KiwiSaver scheme on 	<p>No superannuation deductions will be deducted from your Salary.</p> <p>No Westpac superannuation</p>

Option	Type of savings suspension	Effect on contributions during savings suspension	Effect on your Salary deductions during savings suspension
		<p>your behalf).</p> <ul style="list-style-type: none"> Your contributions to In-Tandem will also automatically cease for the period of the KiwiSaver savings suspension (and any Westpac contributions to In-Tandem will also cease during that period). 	contributions will be made.

- 1 To take a KiwiSaver savings suspension, you must apply using the KS6 form and meet KiwiSaver criteria. The form is available at [Documents | Westpac New Zealand Staff Superannuation Scheme \(westpacnzstaffsuper.co.nz\)](#).
- 2 See the standard contribution rates for each category of membership of In-Tandem set out in section 2 of the PDS under "Making Investments". There are no Westpac contributions for In-Tandem Category G, and Westpac contributions to In-Tandem for Category F do not commence until the Member has completed two years of Service.
- 3 There are differences in how "Salary" is defined for the purposes of calculating In-Tandem contributions and KiwiSaver contributions, so there may be some adjustments when you change the way you contribute as between KiwiSaver and In-Tandem.
- 4 If you are a Category E or F member, you can however apply to increase your In-Tandem contributions if you want to equate your In-Tandem contributions to the level at which you were contributing to KiwiSaver. See section 3 below.
- 5 To take an In-Tandem savings suspension, you must apply to the Trustee on the Contributions Option Change Request form (if you have been a Member for 12 months or more) or the Savings Suspension Request form (if you have been a Member for less than 12 months). Both forms can be found at [Documents | Westpac New Zealand Staff Superannuation Scheme \(westpacnzstaffsuper.co.nz\)](#).
- 6 A different rate will apply if the KiwiSaver minimum contributions changes under the law, or if you are voluntarily contributing to KiwiSaver at a rate higher than the minimum member rate.
- 7 Option 1 will not be available if you have been contributing to KiwiSaver for less than 12 months and are granted a KiwiSaver savings suspension (on the basis that you are suffering or are likely to suffer financial hardship).

If you are an In-Tandem member only (i.e. not an In-Tandem "Combo Option" member as described above):

Option	Type of savings suspension	Effect on contributions during savings suspension	Effect on your Salary deductions during savings suspension
1	You apply for and are granted an In-Tandem savings suspension ⁸	<ul style="list-style-type: none"> Your contributions to In-Tandem will cease for the period of the savings suspension (and so will any Westpac contributions to In-Tandem on your behalf). 	No superannuation deductions will be deducted from your Salary (except that if you belong to KiwiSaver as a non-Combo Option participant, and have not taken a KiwiSaver savings suspension, KiwiSaver deductions, and Westpac's contributions to your KiwiSaver scheme on your behalf, will continue). ⁹

- 8 To take an In-Tandem savings suspension, you must apply to the Trustee on the Contributions Option Change Request form (if you have been a Member for 12 months or more) or the Savings Suspension Request form (if you have been a Member for less than 12 months). Both forms can be found at [Documents | Westpac New Zealand Staff Superannuation Scheme \(westpacnzstaffsuper.co.nz\)](https://westpacnzstaffsuper.co.nz).
- 9 It is possible for a Member to choose to contribute to KiwiSaver over and above their standard contribution to In-Tandem, rather than combining their In-Tandem and KiwiSaver contributions in the "Combo Option". If a Member is contributing to KiwiSaver in this arrangement, Westpac will also contribute to KiwiSaver, and In-Tandem Westpac contributions will be reduced commensurately.

General requirements for In-Tandem savings suspensions

You will only be eligible to apply for a savings suspension in respect of In-Tandem after you have been contributing to In-Tandem for at least 12 months, unless you are suffering or are likely to suffer financial hardship.

You may apply for a savings suspension from In-Tandem for a minimum period of 3 months and a maximum period of 1 year. There is no limit on the number of times you can apply to do this.

Your own and any Westpac contributions to In-Tandem will be discontinued during an In-Tandem savings suspension.

The period of your savings suspension will however count as a period of membership of In-Tandem.

Different settings apply during temporary absence. See the section on Temporary Absence above.

General requirements for KiwiSaver savings suspension

You will only be eligible to apply for a savings suspension in respect of your KiwiSaver after you have been contributing to your KiwiSaver scheme for at least 12 months, unless you are suffering or are likely to suffer financial hardship.

You may apply for a savings suspension from your KiwiSaver scheme for a minimum period of 3 months and a maximum period of 1 year. There is no limit on the number of times you can apply to do this.

You can start or stop your contributions at any time while you are on a savings suspension, but if the change is within three months of the last change, Westpac will need to agree. When you restart contributions to your KiwiSaver scheme, Westpac will begin making compulsory contributions to that scheme.

Ask your KiwiSaver scheme provider about what other conditions apply to KiwiSaver savings suspensions. There is also some information at www.ird.govt.nz/kiwisaver. We do not check or update that information.

2.3 Reducing contributions in special circumstances of hardship

Instead of taking a savings suspension, in special circumstances of hardship, you may (with the prior consent of Westpac) be allowed to contribute at a lesser rate than the standard contribution rates applicable to your category of membership, and we may make such adjustment to the benefits payable to you as we deem appropriate. Any lesser rate of contribution must be agreed between you, us and Westpac.

The kind of situations that may be covered by the term “hardship” include where you may face significant financial difficulties due to:

- not being able to meet minimum living expenses;
- not being able to meet mortgage repayments on your family home, resulting in the mortgagee seeking to enforce the mortgage on the residence;
- the costs of modifying a home to meet special needs arising from you or a dependant having a disability;
- the costs of medical treatment for an illness or injury suffered by you or a dependant;
- the costs of palliative care for you or a dependant;
- funeral costs for the death of a dependant; or
- you suffering from a serious illness.

The Trustee must be reasonably satisfied that you are suffering “hardship”. The occurrence of one of the above circumstances does not necessarily mean that there is “hardship”.

You can find out about how to apply for reduced contributions by contacting Human Resources (see page 3 of this document for contact details). You will need to complete a “Savings Suspension Request” form. This form asks for information about your financial status, and requires you to provide both a statutory declaration and bank declaration. The form can be found here: <https://www.westpacnzstaffsuper.co.nz/documents.html>. The Trustee will then decide whether to allow your proposed reduction.

2.4 Stopping contributions after you reach the New Zealand superannuation qualifying age

While the default position in the Trust Deed is that all contributions must cease when you reach age 65, under current Westpac policy, contributions will only cease when you reach age 65 if you actively choose this (in which case Westpac contributions on your behalf will also cease). However, you must cease contributing if you choose to take your In-Tandem Leaving Service Benefit while still in Service.

If you are not taking your In-Tandem Leaving Service Benefit at retirement age, and continue in Service, you do not need to do anything to exercise the option to continue contributions. Contributions will continue to be deducted by payroll automatically (and Westpac will continue to contribute on your behalf), unless you notify us that you wish to stop your contributions. You can notify us by emailing payroll@westpac.co.nz.

For information about taking the In-Tandem Leaving Service Benefit on reaching New Zealand superannuation qualifying age, see the “Withdrawals – Additional Information” section of this document.

3. Increasing your contributions to In-Tandem

If you are a Category E or F Member, you can increase your own contributions to In-Tandem to a higher level of your Salary than the standard contribution rate. This will not result in an increase in contributions by Westpac (except at Westpac’s absolute discretion).

4. Transfer into In-Tandem

We may accept a transfer of funds from another permitted workplace savings or superannuation scheme. Any transfer would be subject to the consent of the trustees of the other scheme and any terms and conditions determined by us or the trustees of the other scheme.

5. Transferring overseas while in Service

If you remain in the Service of Westpac or an Associated Company, but transfer to employment outside of New Zealand, then you, us and Westpac may all agree either:

1. That you will remain a member of the Scheme, with the benefits and contributions payable by or in respect of you altered as agreed, in which case:
 - (i) your period of Service outside New Zealand may be treated as a temporary absence (i.e. even if you do not contribute to In-Tandem, your period of Service outside New Zealand may count as a period of Scheme membership); but
 - (ii) you will not be eligible to receive an insured Additional Benefit while in Service overseas,or
2. That you will transfer the value of your savings to a permitted superannuation scheme operated overseas by Westpac or an Associated Company, in which case (following the transfer) you will cease to be a member of the Scheme.

Withdrawals – Additional Information

1. Payment of your benefit entitlements

You are entitled to a benefit under the circumstances described in the following sections.

Whenever you are entitled to payment of a benefit, you must tell us where to pay the benefit. If we do not receive verified payment instructions within three months of a benefit becoming payable to you, we will pay your benefit to the same bank account as has been used for payment of your remuneration by Westpac, if possible.

Benefits that remain unclaimed after 6 years are automatically forfeited to the Scheme.

Benefits that have become payable will continue to be credited or debited with investment returns (in accordance with investment selections in place when the benefit became payable), taxes and expenses until paid or forfeited.

Your benefit will usually be paid by the Trustee as soon as practicable after you become entitled to it. The usual payment timeframe differs depending on the nature of the benefit, and is described for each benefit in the relevant section below.

There are some circumstances where benefit payment may be delayed beyond usual timeframes, such as:

- You have not provided payment instructions or other information the Trustee requires;
- Investment market events affect the liquidity of Scheme investments to an extent that delays the Trustee's ability to redeem investments for the cash required to fund benefit payments; or
- There is an unexpectedly high value of benefit entitlements in a short period of time.

The Trustee will communicate with you if payment is delayed, provided it is able to get in touch with you.

1.1 When you leave Service

When you leave Service (for example, you resign or retire) you will be entitled to a leaving Service benefit of your Member Account and up to all of your Company Account, if any (Category G Members do not have a Company Account). The amount of your Company Account that you will receive depends on how long you have been a Member of In-Tandem (for Category E) or in Service (for Category F).

You must provide the Leaving Employment Form to us with your payment instructions when you leave Service or your benefit will be paid to the same bank account as has been used for payment of your remuneration by Westpac, if possible. This form is available at <https://www.westpacnzstaffsuper.co.nz/documents.html>

You will usually be paid your leaving service benefit within three months of leaving Service, assuming the Trustee receives all necessary documentation in a timely manner.

1.1.1 In-Tandem **Category E** (management staff)

Category E Member leaving Service with fewer than two years' In-Tandem membership

You will be entitled to a lump sum equal to:

- your **Member Account** balance; *plus*
- a **percentage of your Company Account** balance, calculated as follows:

If your In-Tandem membership period is...(completed months)	You will be entitled to...
0-4 months	None of your Company Account
5 months	5% of your Company Account
6 months	10% of your Company Account
7 months	15% of your Company Account
8 months	20% of your Company Account
9 months	25% of your Company Account
10 months	30% of your Company Account
11 months	35% of your Company Account
12 months	40% of your Company Account
13 months	45% of your Company Account
14 months	50% of your Company Account
15 months	55% of your Company Account
16 months	60% of your Company Account
17 months	65% of your Company Account
18 months	70% of your Company Account
19 months	75% of your Company Account
20 months	80% of your Company Account
21 months	85% of your Company Account
22 months	90% of your Company Account
23 months	95% of your Company Account
24 months or more	100% of your Company Account

The two years of initial In-Tandem membership during which your Company Account balance gradually becomes available to you in full on leaving Service is called a “vesting” period.

Category E Member Leaving Service with two or more years' In-Tandem membership

You will be entitled to a lump sum equal to your **entire Account balances** – that is, your Member Account and Company Account balances.

1.1.2 In-Tandem Category F (pre-management staff)

Category F Member leaving Service with fewer than four years' Service

You will be entitled to a lump sum equal to:

- your **Member Account** balance; *plus*
- a **percentage of your Company Account** balance, calculated as follows:

If your length of Service is.....(completed months)	You will be entitled to...
24-28 months	None of your Company Account
29 months	5% of your Company Account
30 months	10% of your Company Account
31 months	15% of your Company Account
32 months	20% of your Company Account
33 months	25% of your Company Account
34 months	30% of your Company Account
35 months	35% of your Company Account
36 months	40% of your Company Account
37 months	45% of your Company Account
38 months	50% of your Company Account
39 months	55% of your Company Account
40 months	60% of your Company Account
41 months	65% of your Company Account
42 months	70% of your Company Account
43 months	75% of your Company Account
44 months	80% of your Company Account
45 months	85% of your Company Account
46 months	90% of your Company Account
47 months	95% of your Company Account
48 months or more	100% of your Company Account

The four years of Service before which your Company Account balance becomes available to you in full on leaving Service is called a “vesting” period.

Category F member Leaving Service with four or more years' Service

You will be entitled to a lump sum equal to your **entire Account balances** – that is, your Member Account and Company Account balances.

1.1.3 In-Tandem Category G (fixed term and casual staff)

You will be entitled to a lump sum leaving Service benefit equal to your full Member Account balance. As a Category G Member you do not have a Company Account.

1.2 On Dismissal

You may not receive all of your Company Account balance (or all of the portion to which you would otherwise be entitled) if you are dismissed from Service (or leave to avoid dismissal) on the grounds you owe money to Westpac due to a criminal act, fraud, negligence or as a result of an unlawful act or omission.

2. Remaining in In-Tandem on leaving Service

We may allow you to keep your savings in In-Tandem as a 'Continued Beneficiary' for up to two years after the date when you leave Service ('Continuation Period'). Your request to become a Continued Beneficiary is subject to the approval of Westpac. You must make your request before your last day at Westpac.

To apply to become a Continued Beneficiary, you must indicate that you request this option on your Leaving Employment Form and you must complete a Continuation Beneficiary Application Form. All forms are available at <https://www.westpacnzstaffsuper.co.nz/documents.html>

You will usually be paid your benefit within three months of the end of the Continuation Period or earlier date you request, assuming the Trustee receives all necessary documentation in a timely manner.

For further information about this option, please contact Westpac, Human Resources or the Helpline on 0508 INTANDEM (0508 468 263).

3. Transferring to another scheme on leaving Service

We may transfer your leaving Service benefit to another permitted superannuation scheme (subject to Westpac's approval and your consent). We will be discharged from all liability to you once the other scheme receives your leaving Service benefit.

Your benefit transfer will usually be made within three months of your leaving Service (other than by reason of death or Total and Permanent Disablement), assuming the Trustee receives all necessary documentation in a timely manner.

4. If you reach New Zealand superannuation qualifying age while still in Service

If you are still in Service when you reach age 65, you will be entitled to withdraw an amount equal to your leaving Service benefit (in which case you will cease to be an In-Tandem member and all contributions will cease). If you elect to take your benefit while still in Service once you reach age 65, the benefit will usually be paid within three months of the Trustee receiving your request,

assuming the Trustee receives all necessary documentation in a timely manner. You must make your request using the Retirement Benefit Election form available at <https://www.westpacnzstaffsuper.co.nz/documents.html>

If you choose to keep your benefit in In-Tandem from age 65 while still in Service, unless you make an active choice to cease contributions, contributions to In-Tandem will continue to be deducted from your pay (and Westpac will continue to contribute on your behalf) until you leave Service.

While the default position under the Trust Deed is that all contributions must cease when you reach age 65, the current Westpac policy is that contributions will only cease when you reach age 65 if you actively choose this (in which case Westpac contributions on your behalf will also cease).

5. If you die or become Totally and Permanently Disabled

If you die or become Totally and Permanently Disabled while in Service then, your benefit will be a lump sum consisting of:

- an amount equal to your **Member Account** and **Company Account** balances (all categories, noting that Category G does not include a Company Account); *plus*
- an insured '**Additional Benefit**' if you are aged under 65 and an insured member of Category E or F (subject to acceptance of the claim by the insurer).

The component of your benefit that is your Member Account and Company Account balance at the date of payment will usually be paid within three months of the Trustee determining, as applicable:

- the recipient(s) of the death benefit; or
- that you qualify for a Total and Permanent Disablement benefit,

assuming the Trustee receives all necessary documentation in a timely manner (and subject to any interim payments already made).

The Additional Benefit component of the benefit is subject to determination and payment by the insurer, and different timing will apply.

5.1 Your insured 'Additional Benefit'

For insured members of Category E or F, subject to insurance cover and acceptance of the claim by the insurer, your 'Additional Benefit' will be the lesser of:

- 10% of your Salary at the date of your death or Total and Permanent Disablement multiplied by the number of complete years between the previous 1 July and your 65th birthday; *or*

- four times your Salary at the date of your death or Total and Permanent Disablement.

Example

*John dies on 1 August. As at the previous 1 July Scheme anniversary, he was **44 years old**.*

*Being aged 44 at the previous 1 July, he had 20 complete years before his 65th birthday (because his next birthday would be age 45). His Salary was **\$50,000** on the date he died.*

Therefore, his Additional Benefit will be:

- 10% of his Salary multiplied by the number of complete years from the previous 1 July to his 65th birthday (20 years).
 - $10\% \times \$50,000 \times 20 \text{ years} = \$100,000$

OR (if it is a lesser amount):

- Four times his Salary (\$50,000)
 - $4 \times \$50,000 = \$200,000$

*As John's insured Additional Benefit will be the lesser of the two options, **his Additional Benefit will be \$100,000**. The same calculations would apply for Total and Permanent Disablement.*

Want more information about insurance?

You'll find additional information about insurance cover in the "Additional Benefit" section of this document.

The insurer may restrict (or decline to grant) cover to you based on your state of health or other relevant circumstances. We will advise you if this applies.

Total and Permanent Disablement has a different definition for the purposes of the Additional Benefit than it does for the purposes of the benefit entitlement to your Member Account and Company Account balances. The Insured "Additional Benefit" section of this document has more details on these different definitions.

5.2 Payment of your death benefit

If you die, we have discretion as to how to distribute your death benefit. We may pay it to all or any of:

- your nominated beneficiaries (you will be asked to nominate your beneficiaries in the membership application form at the end of the PDS for In-Tandem, but you can do it at a later date too); or
- your personal representatives (the executors or administrators of your estate); or
- your spouse, children or dependants.

If when you die you have a spouse or long-term de facto partner, your death benefit is likely to be 'relationship property'. The Family Court may in some cases override your nomination and our discretion and order some of the benefit to be paid direct to a spouse and/or partner.

We encourage you to update your nominated beneficiaries from time to time. You can download a copy of the "Nomination of Beneficiaries" form from In-Tandem's website at [Documents | Westpac New Zealand Staff Superannuation Scheme \(westpacnzstaffsuper.co.nz\)](https://www.westpacnzstaffsuper.co.nz/Documents).

6. If you experience hardship

We **may** allow you to withdraw the whole of your Member Account (which relates to your own contributions) while still in Service if we determine that you are suffering **hardship**. You cannot withdraw any of your Company Account (which relates to your Westpac's contributions) if you are suffering hardship. Only one such withdrawal from your Member Account may be made in a Scheme year (1 July to 30 June).

You can download a copy of the hardship application form from In-Tandem's website at [Documents | Westpac New Zealand Staff Superannuation Scheme \(westpacnzstaffsuper.co.nz\)](#).

You will be advised about the timing of any approved hardship withdrawal if your application is approved.

7. If you wish to buy a home

If you have been a member of In-Tandem for at least three years, you may be entitled to a lump sum equal to your leaving Service benefit (including investment earnings after deducting tax and fees) to put towards the purchase price of your first home. You may also be eligible as a second home purchaser if we are of the view that your financial position is similar to what would be expected of a person who has never purchased a home.

For much more detailed information about first home withdrawal qualifying criteria please download the First Home Withdrawal - Frequently Asked Questions document from In-Tandem's website at [Documents | Westpac New Zealand Staff Superannuation Scheme \(westpacnzstaffsuper.co.nz\)](#).

You can download a copy of the first home withdrawal application form or the second chance home withdrawal application form from In-Tandem's website at [Documents | Westpac New Zealand Staff Superannuation Scheme \(westpacnzstaffsuper.co.nz\)](#).

The timing of a first home withdrawal payment will be discussed with your solicitor.

Additional Benefit

In-Tandem Category E for management Staff

In-Tandem Category F for pre-management Staff

1. Insurance Overview – applies for Category E and F members only

1.1 If you die or are Totally and Permanently Disabled

If you, as a Category E or F member of In-Tandem, die or become Totally and Permanently Disabled while in Service then your benefit will be a lump sum consisting of two parts:

- **Standard benefit:** an amount equal to your **Member Account** and **Company Account** balances; *plus*
- **Additional Benefit:** subject to the insurer having granted cover and accepting the claim, an insured '**Additional Benefit**' if you are aged under 65.

1.2 What is "Totally and Permanently Disabled"?

For the standard benefit, you are Totally and Permanently Disabled if:

- you have been absent from your regular employment because of illness or injury for a period of up to six consecutive months (if you make a claim, in most cases the Trustee will, in its sole discretion, consider your eligibility for the standard benefit after you have been absent from regular employment due to your illness or injury for three consecutive months); and
- you are considered by the Trustee unlikely ever to have a significant earning capacity in the future having regard to your previous employment and your other characteristics deemed by the Trustee to be relevant to such considerations.

For the Additional Benefit, you are Totally and Permanently Disabled if:

- you have been absent from your regular employment for a period of three consecutive months by reason of illness or injury; and
- have not attained age 65 at the date of disablement determined by the insurer; and
- the insurer has determined that by reason of illness or injury you will be unable to ever have earning capacity in the future of at least 25% of your "Earnings" in the last 12 consecutive months of work prior to the date of disablement, in any occupation for which you are reasonably suited having regard to previous employment, education and experience.

"Earnings" means your before tax total remuneration or its equivalent (including performance payments). It excludes discretionary one-off payments such as special recognition awards, service quality awards and profit share remuneration. It also excludes overtime payments and most allowances.

1.3 Your insured 'Additional Benefit'

Your 'Additional Benefit' will be the **lesser** of:

- 10% of your Salary at the date of your death or Total and Permanent Disablement multiplied by the number of complete years between the previous 1 July and your 65th birthday; **or**
- four times your Salary at the date of your death or Total and Permanent Disablement.

Your "Salary" is an amount determined from time to time by Westpac, currently your before-tax total cashed up remuneration or its equivalent (including performance payments). It currently excludes discretionary one-off payments such as special recognition awards, service quality awards and profit share remuneration. It also excludes overtime payments and most allowances.

Example

*John dies on 1 August. As at the previous 1 July Scheme anniversary, he was **44 years old**. Being aged 44 at the previous 1 July, he had 20 complete years before his 65th birthday (because his next birthday would be age 45). His Salary was **\$50,000** on the date he died. Therefore, his Additional Benefit will be:*

- 10% of his Salary multiplied by the number of complete years from the previous 1 July to his 65th birthday (20 years).
 - $10\% \times \$50,000 \times 20 \text{ years} = \$100,000$

OR (if it is a lesser amount):

- Four times his Salary (\$50,000)
 - $4 \times \$50,000 = \$200,000$

*As John's insured Additional Benefit will be the lesser of the two options, **his Additional Benefit will be \$100,000**. The same calculations would apply for Total and Permanent Disablement.*

2. Acceptance Criteria for insurance cover

For the insurer to automatically accept you for insurance cover for death or Total and Permanent Disablement, you will need to meet the following acceptance criteria:

- ✓ be a member of the Category E or Category F section of In-Tandem; and
- ✓ your **Additional Benefit** cover is no more than \$1,000,000; and
- ✓ you join In-Tandem within 90 days of first becoming eligible to join; and
- ✓ on the day of becoming a member you are not off work due to injury or sickness.

If, when you join In-Tandem, you do not meet these acceptance criteria, you will be asked to complete a medical questionnaire. The insurer may restrict (or decline to grant) cover to you based on your state of health or other relevant circumstances. You will be informed if you are not eligible for the Additional Benefit.

3. Acceptance of Total and Permanent Disablement claims

The insurer will decide whether your disablement meets the Total and Permanent Disablement test for the purposes of the Additional Benefit after obtaining medical information. You may be required

to undergo an examination by a registered medical practitioner whom the insurer appoints at no cost to you.

The insurer will determine the date on which you became Totally and Permanently Disabled for the purposes of the Additional Benefit.

4. Continuing your insurance cover while you are temporarily absent

If, as a Category E or Category F Member of In-Tandem, you are temporarily absent from Service, you will remain eligible for the insured Additional Benefit, unless your temporary absence from Service is due to having transferred outside New Zealand while still in Service.

5. Continuing your death insurance cover on leaving Service

You may be eligible to continue death-only insurance cover with the insurer on leaving Service. Normally you will be able to continue such insurance cover without medical evidence.

The availability and terms of your continuing death cover will depend on the terms of the relevant insurance policy in force at that time.

Premiums, rates and conditions will be those appropriate to your age and other circumstances. Future premium payments will become your responsibility.

The insurer must receive your application to continue your death insurance cover within 60 days of you leaving Service.

If you wish to take up this option when you leave Service, please contact Fidelity Life Assurance Company Limited on 0800 177 277.

6. Who pays the premium while you are a member?

Insured benefit premiums for members in Service are either paid for by the Trustee and reimbursed by Westpac or are met from the Scheme surplus. The cost of the insurance premium does not affect the value of your benefit entitlement.

If you continue to hold insurance cover with the insurer after you leave Service with Westpac, you must make arrangements directly with the insurer and you will be responsible for paying the premiums.

7. Want more information about insurance?

Contact the Administration Manager of the Scheme:

Mercer (N.Z.) Limited
20 Customhouse Quay, PO Box 1849
Wellington 6140
Phone: 0508 INTANDEM (0508 468 263)
Email: westpacstaffsuper@mercerc.com

The Administration Manager, and its contact address, may change from time to time without us notifying you. Up-to-date details can be obtained from the Administration Manager on 0508 INTANDEM (0508 468 263) or Internal extension 83995.

Fees & Other Charges

1. What are the fees?

You will be charged fees for investing in your selected Investment Funds. Fees are deducted from your investment and will reduce your returns. If the relevant Investment Manager for a fund invests in other funds, those funds may also charge fees that affect the fees you pay.

The fees you pay will be charged in two ways:

- regular charges (for example, annual fund charges); and
- one-off fees (for example, the home withdrawal application fee).

2. Annual fund charges

An estimate of the annual fund charges that will be payable under the various Investment Funds are:

Fund	Annual Fund Charges* (% net asset value of relevant fund) (includes estimates for in-fund charges)
Cash Fund	0.14%
Defensive Fund	0.24%
Moderate Balance	0.35%
Growth Fund	0.40%
High Growth Fund	0.46%

* This is an indication of fees based on each Investment Fund's strategic asset allocation and size as at the date of this document. Administration fees are not included because these are paid by Westpac.

The annual fund charges are made up of:

- investment implementation management fees;
- third party fund manager fees; and
- an estimate of in-fund costs.

All fees are disclosed on a before-tax basis and are exclusive of GST (if any). GST may be included in some expenses, where applicable.

3. Investment implementation management fees

The Investment Implementation Manager charges management fees, which are deducted from investment returns (together with any GST payable) before those returns are applied to your Member and Company Accounts. You therefore pay those costs, and they affect your benefit entitlement from In-Tandem.

The Trustee is responsible for the payment of any taxes, costs, charges and other expenses properly incurred in the management of an Investment Fund or the acquisition or disposal of any investment in an Investment Fund (including all brokerage, custodian or nominee and other fees). These

expenses may be deducted by the Investment Implementation Manager from the assets of the Investment Funds.

The Investment Implementation Manager is responsible for certain costs or expenses incurred by it in connection with complying with information requests or requirements from the Implemented Investment Consultant. These costs and expenses are not deductible from the assets of the Investment Fund.

4. Third party fund manager fees

Currently exposure to Real Assets – Global Listed Infrastructure is gained through First Sentier Investors (Australia) IM Limited, which charges a management fee.

The management fee is deducted from investment returns before those returns are applied to your Member and Company Accounts. You therefore pay those costs and they affect your benefit entitlement from In-Tandem.

5. In-Fund costs

In-fund costs are an estimate of in-fund fees and expenses expected to be charged by underlying funds (including any performance fees).

6. Basis of estimates for the annual fund charges in the PDS

The annual fund charges in the PDS and this document include estimates of fees and expenses expected to be charged by underlying funds (including any performance fees for unrelated underlying funds – there are no performance fees charged by a manager of a fund that is a member investment option or a related underlying fund). These estimates, as at the date of the PDS, are based on fees and expenses disclosed in the most recently available annual reports for the specialist underlying funds or where these reports do not fully cover such charges, verification from underlying managers is used. In determining these estimates, we have assumed that the ongoing charges will be at levels equivalent to these historical charges. Actual charges, however, will vary from the estimates and will depend on the performance of the underlying funds and investment manager performance fees.

Scheme administration costs and fees are not included because these are paid by Westpac.

7. Individual action fees

The following fees apply on an individual basis for member-specific decisions or actions.

Action	Fee
Home Withdrawal Application	An administration charge of \$500 will be deducted automatically from the amount being withdrawn.
Investment Fund Switch Fee	\$79.61 fee deducted from a Member's Member account for each investment fund switch (beyond the two free switches allocated to Members per Scheme year). This is the fee as at the date of this document, but this is subject to change. See the PDS for the current fee.

Apart from the above, there are currently no contribution, establishment, termination or withdrawal fees charged.

Risks

All investments involve some degree of risk that can affect members' ability to recover the full amount of their investment or impact on the level of return.

Because of the risks associated with an investment in In-Tandem, it is reasonably foreseeable that you may receive a lower return than expected. It is possible you may lose some or all of the value of your investment. No person guarantees the payment of any money payable from In-Tandem, including the repayment of any investment in In-Tandem or the payment of any return on it.

If you haven't already, it's a good idea to complete the simple risk profiler at sorted.org.nz/tools/investor-profiler/ or www.westpac.co.nz/kiwisaver-investments/kiwisaver/kiwisaver-calculators/ to get a better idea of how you feel about risk.

Investment risks

1. What is risk?

Risk is the likelihood that you may not get back the money you invest or that your returns are less than you expect. The level of return from your investment is usually related to the level of risk in the Investment Fund(s) you invest in and the length of time you invest in the fund(s).

As a general guide, the Investment Funds with a greater exposure to income assets usually offer more stable but lower potential returns over a longer timeframe. The Investment Funds with a greater exposure to growth assets have the potential for greater long-term returns but are usually more volatile.

2. What is volatility?

Volatility describes the frequency and degree to which the value of an investment or asset fluctuates over time. Generally speaking, growth assets are more volatile than income assets and are more likely to produce negative returns in the short term. Levels of volatility are likely to increase when there is heightened uncertainty in the financial markets.

3. What are the main risks when investing?

The main risk is investment risk – the risk of negative or lower than expected returns on your investment. **All investments have investment risk.** If market conditions are volatile or you invest for a short time it is reasonably foreseeable that your overall returns from an Investment Fund may be less than you expect or may be negative for a period of time. If returns are less than charges paid and you withdraw your money at this time, it is possible that you could receive back less money than you put in.

Below are the principal investment risks that may result in you receiving less money than you put in, or produce returns which are from time to time either negative or less than you expect.

We describe what steps we take to manage these risks (where possible). It is important to note that despite taking such steps we cannot manage the relevant risks completely, and the elimination of all risks is not considered possible, nor desirable if it were possible, because of the effect on returns.

3.1 Market risk

Many factors affect market performance generally and, therefore, the value of the assets in which the investment funds invest. These can include the state of the economy (both domestic and international), the performance of individual entities, tax laws and other regulatory conditions, political events, regional instability, inflation, market sentiment, movements in interest rates and currency and broader events like changes in technology or environmental disasters.

We may manage market risk to some extent by diversifying across asset classes, investment sectors, countries, investment managers and/or investment styles. The Investment Funds that invest in international markets are exposed to movements in foreign currencies, which may have an adverse effect on the New Zealand dollar value of their international investments. We set out the extent to which we may manage currency movements for each Investment Fund in the SIPO.

Events which may be perceived to have an adverse effect on the reputation of the Scheme or Trustee may also affect whether new members wish to join In-Tandem. If the event relates to investments of the Scheme, it may also have an impact on the value of those investments. The Trustee has a sustainable investment policy, to ensure that it gives due consideration to sustainable and responsible investment principles when investing the Scheme's assets. The Trustee also has a conflict of interest policy to manage any conflicts, and has experienced professional advisers.

3.2 Investment manager risk

The allocation of an investment fund's investments between asset classes, investment sectors and individual investments will affect returns, as will the performance of the businesses underlying the investments. This is a mix of diversity or concentration risk and investment manager performance risk. Even though investment managers make the investment decisions, the outcomes cannot be predicted with certainty, and results will vary.

To manage this risk, we seek to utilise an implemented investment consulting structure where we work with an Implemented Investment Consultant and an Investment Implementation Manager to meet our investment objectives.

3.3 Credit risk

If an investment fund invests in cash, fixed interest assets, money market securities, mortgages or derivatives there is always a risk that a borrower or other counterparty's creditworthiness may decline, or they may default and not make the required payments (meaning that not all of the amount invested is recovered).

Our investment strategy incorporates an appropriate diversification and/or assessment of credit worthiness in order to reduce any significant credit risk for the Investment Funds.

3.4 Derivatives risk

Derivatives are financial contracts whose value depends on the future value of underlying assets such as shares, bonds, currency or cash. Derivatives may be used by the Investment Funds as an alternative to investing in a physical asset or as a risk management tool. They provide exposure

to an underlying asset without the need to buy or sell that asset. The potential gains and losses from derivative transactions can be substantial and can increase the volatility of returns. To manage this risk, we operate within guidelines concerning the use of derivatives in the Investment Funds. The specialist funds in which the Investment Funds invest may use derivatives more extensively than the Investment Funds themselves.

We do not invest directly in derivatives to gear the Investment Funds (that is, to obtain greater exposure to markets than the net asset value of an Investment Fund). If, for any reason (including market movements or cash flows), an Investment Fund becomes geared through its direct investments, we will realign it as soon as practicable to remove any gearing.

3.5 Concentration risk

An Investment Fund's assets may be concentrated in particular assets, types of assets, investment vehicles, geographical areas or industries. Where this is the case, the poor performance of a single investment or group of investments can significantly impact returns and increase volatility.

The Investment Funds typically adopt concentration limits to manage this risk.

3.6 Liquidity risk

An Investment Fund may be limited in its ability to meet your withdrawal request if it cannot sell or accurately value assets to fund your withdrawal and may suspend or restrict withdrawals in certain circumstances. This may occur because some assets are less liquid than others, meaning it's harder to sell them without losing any capital or experiencing undue delays. In some cases, assets may not be easily converted into cash for reasons such as lack of demand for the asset, disruptions in the market or large withdrawals. This risk may increase where an Investment Fund invests through specialist funds, which may suspend or restrict withdrawals or otherwise become illiquid.

We seek to manage liquidity risk by investing primarily in liquid markets and securities. We monitor each Investment Fund's liquidity levels in order to meet any liabilities and withdrawals during normal market conditions.

3.7 Asset Allocation - Investment Fund risks

Each asset class in which an Investment Fund invests also has its own particular risks. The risks for each asset class that are most likely to affect the value of your investment in an Investment Fund are set out below.

3.7.1 Income assets

(a) Cash: market risk and credit risk

The value of an Investment Fund's cash assets may not keep pace with inflation (market risk). This could mean that even though your savings are steadily growing, your money in future years may not have the same buying power as you would expect in 'today's money'. The value of cash assets can also be impacted by the ability of an issuer to pay interest or repay a loan or an issuer's creditworthiness can decline (credit risk).

(b) Fixed Interest: market risk and credit risk

The value of an Investment Fund's fixed interest assets will be affected by changes to interest rates (market risk) and the ability of a borrower to repay the loan or pay interest (credit risk). The borrower's creditworthiness can also decline. Fixed interest may involve extensive use of derivatives. The potential gains and losses from derivatives can be substantial and can increase the volatility of an Investment Fund's returns.

In the case of international fixed interest assets there is also the market risk of currency movements impacting on returns, or the costs of hedging to remove currency risk impacting on returns.

3.7.2 Growth assets

(a) Property: market risk

The value of an Investment Fund's property assets will be affected by factors such as the demand for property generally, demand for the sector and location, the quality of the specific properties, the general economy, market sentiment and movements in interest rates. These impact both capital value and rental income.

(b) Equities: market risk

The value of an Investment Fund's share assets will be affected by factors such as the performance of the individual companies, market sentiment and the economic performance of the country or sector.

In the case of international share assets there is also the market risk of currency movements impacting on returns, or the costs of hedging to remove currency risk impacting on returns.

The above is an outline of what we consider to be the key investment-related risks associated with In-Tandem. It is not an exhaustive list. Additional risks may arise. More information on risk areas such as derivatives, borrowing and currency exposure is set out in our SIPO. You can obtain a copy of the SIPO by visiting www.westpacnzstaffsuper.co.nz/

New Zealand Income Tax

1. Your contributions are tax-paid

Your Member contributions to the Scheme are calculated as a percentage of your before-tax Salary, and are paid from your after-tax income through Westpac New Zealand Limited's payroll system.

No additional tax is payable on your contributions to the Scheme, as these are deducted from your after-tax Salary.

2. Your employer's contributions are taxed at up to 39%

Employer's superannuation contribution tax (**ESCT**) is deducted from Westpac's contributions before they are paid to the Scheme. The rate of ESCT varies, depending on:

- your taxable earnings in the prior income year (ended 31 March); and
- Westpac's superannuation contributions for your benefit (including any KiwiSaver contributions) in that prior income year.

The current ESCT rates are:

Taxable earnings plus employer contributions	ESCT rate
\$0 - \$18,720	10.5%
\$18,721 - \$64,200	17.5%
\$64,201 - \$93,720	30%
\$93,721 - \$216,000	33%
\$216,001 or more	39%

If you were not employed by Westpac for all of the previous income year (ended 31 March), this calculation will be based on an estimate of those amounts during the current income year.

3. Investment income is taxed at 28%

The Scheme is currently taxed at the rate of 28% on all taxable investment income. This tax is deducted from the income of the Scheme before earnings are allocated to your Accounts.

A tax deduction also applies at that rate to certain expenses.

All of the Scheme's assets are invested in underlying Investment Funds which are portfolio investment entities (**PIEs**) under the Income Tax Act 2007. This means that:

- Shares in New Zealand resident companies, and in most Australian resident companies listed on an approved Australian Securities Exchange index, are taxed under the PIE tax rules:
 - no tax is paid on any gains from selling the shares (and no tax deductions are allowed for any losses)

- dividends are fully taxable, with a credit allowed for any attached imputation credits (but not for any Australian franking credits) and tax credits may be claimed for any withholding tax deducted from such dividends.
- International Shares are generally taxed under the fair dividend rate method - they produce deemed income in an income year equal to 5% of their average daily market value and:
 - a credit is available for any withholding tax paid on dividends, subject to certain limits, and
 - any dividends or profits from selling the shares are ignored for tax purposes (and no tax deductions are allowed for any losses), and
- Interest earned from income investments, foreign exchange gains from non-New Zealand dollar denominated debt instruments and income derived from hedging contracts are all taxable (and tax deductions are generally allowed for expenses incurred in earning income and for any foreign exchange or hedging losses).

4. Your benefits are paid tax-free

Under current legislation, you will not have to pay New Zealand income tax on any benefit paid to you from the Scheme.

5. Tax laws may change

The above summary of the New Zealand income tax laws is accurate as at the date of this document. However, the law may change at any time and such changes may mean the summary is no longer accurate.

The Trustee cannot accept responsibility for your individual tax position as it will depend on your particular circumstances. You should obtain advice from an independent tax adviser.

Glossary

'We'/'us'/'our'/'it' – 'we', 'us', 'our' and 'it' refer to the Trustee of the Westpac New Zealand Staff Superannuation Scheme.

Account – a Member Account or Company Account, as the context requires.

Additional Benefit – the insured component of the benefit that may be payable to a Category E and Category F Member of In-Tandem on death or Total and Permanent Disablement as described in the "Additional Benefit" section of this document.

Associated Company – any company which is or may become directly or indirectly associated in business with or may become directly or indirectly controlled by Westpac Banking Corporation or such other company as Westpac Banking Corporation may decide.

Combo Option – allows a member to have their own and their employer contributions split between In-Tandem and a KiwiSaver scheme, as described in the "Contributing – Additional Information" section of this document.

Company Account – for a Member, the record kept by the Trustee of the Member's Westpac contributions and investment returns on those contributions.

Continued Beneficiary – a person who was a Member but who has left Service and who has, with the consent of Westpac, elected to retain their leaving Service benefit in In-Tandem.

Continuation Period – the period from the date a Continued Beneficiary leaves Service to the date the Continued Benefit is paid to the Continued Beneficiary (which is a maximum period of 2 years).

Current or **currently** – 'current' or 'currently' means as at the date of the PDS.

Defined Benefit Section – the non-In-Tandem sections of the Scheme (which are not open to new membership but have existing members and pensioners).

Earnings – for the purpose of determining eligibility for the Additional Benefit on Total and Permanent Disablement, means before tax total remuneration or its equivalent (including performance payments). It excludes discretionary one-off payments such as special recognition awards, service quality awards and profit share remuneration. It also excludes overtime payments and most allowances.

Implemented Investment Consultant – the person appointed by the Trustee to provide strategic oversight of the Scheme's investments including asset allocation advice, governance, and the setting of long term objectives. It also makes dynamic asset allocation decisions.

Investment Implementation Manager – the person appointed by the Trustee to have overall responsibility for the management of the investments comprising the different asset classes of the Scheme. It has a discretion and duty to delegate investment management functions to investment managers that it considers are best suited to meet the Scheme's investment objectives (which are set out in the SIPO) and to gain exposure to, or access those investment manager's strategies directly or indirectly through pooled vehicles.

Investment Manager – a person to whom the Investment Implementation Manager has delegated investment management functions.

Investment Fund - an investment fund available as an option for Members of In-Tandem to select for investment of contributions, as described in the PDS.

KiwiSaver Salary – your gross salary or wages before the deduction of tax including any bonuses, commissions, overtime pay and other extra payments of any kind (but excluding exempt income payments and employer superannuation contributions) as defined in the KiwiSaver Act 2006.

Member – a member of the Scheme.

Member Account – for a Member, the record kept by the Trustee of the Member's contributions and investment returns on those contributions.

Participating Company – includes Westpac Banking Corporation, Westpac New Zealand Limited and any other Associated Company admitted to participation in the Scheme in accordance with the Trust Deed (and in respect of you means the Participating Company which employs you).

PDS – the product disclosure statement for In-Tandem, available at <https://www.westpacnzstaffsuper.co.nz/>.

Salary – for the purposes of Category E and F Members of the Scheme, is an amount determined from time to time by Westpac, currently your before-tax total cashed up remuneration or its equivalent (including performance payments). It currently excludes discretionary one-off payments such as special recognition awards, service quality awards and profit share remuneration. It also excludes overtime payments and most allowances. For Category G Members, "Salary" refers to your KiwiSaver Salary.

Scheme – Westpac New Zealand Staff Superannuation Scheme.

Service – continuous permanent employment with one or more Participating Companies including:

- any period that we determine to be employment with a company before it became a Participating Company;
- any period of probationary service with a Participating Company; and
- any period of additional service granted in respect of an amount transferred into the Scheme.

In the event of any doubt as to what is Service, the decision of Westpac will be final.

SIPO – the Statement of Investment Policy and Objectives for the Scheme, available at <https://www.westpacnzstaffsuper.co.nz/>.

Totally and Permanently Disabled – means:

- (a) for the period prior to 1 July 2016 that you have been absent from your regular employment because of illness or injury for a period of six consecutive months (or such shorter period as may be determined by the Trustee in its sole discretion) and you are considered by the Trustee unlikely ever to have a significant earning capacity in the future having regard to your previous employment and your other characteristics deemed by the Trustee to be relevant to such considerations, and "Total and Permanent Disablement" shall have an equivalent meaning; and
- (b) for the period on or after 1 July 2016:
 - (i) for the determination of an entitlement to the total of your Member Account and Company Account, the definition that applied prior to 1 July 2016; and

- (ii) for the determination of an entitlement to an Additional Benefit, that you have been absent from your regular employment for a period of three consecutive months by reason of illness or injury, and have not attained age 65 at the date of disablement determined by the insurer, and the insurer has determined that by reason of illness or injury you will be unable to ever have earning capacity in the future of at least 25% of your Earnings in the last 12 consecutive months of work prior to the date of disablement, in any occupation for which you are reasonably suited having regard to previous employment, education and experience, and “Total and Permanent Disablement” shall have a corresponding meaning; or
- (iii) for the determination of an entitlement to an Additional Benefit, the meaning agreed between the Trustee and the insurer from time to time and notified in writing by the Trustee to Active Members prior to the new meaning taking effect, and “Total and Permanent Disablement” shall have a corresponding meaning.

Trust Deed – the trust deed of the Scheme dated 31 August 2016, being the governing document that sets out the rules of the Scheme.

Trustee – Westpac New Zealand Staff Superannuation Scheme Trustee Limited, the trustee appointed to govern the Scheme.

Westpac– Westpac Banking Corporation and/or Westpac New Zealand Limited, as determined under the Trust Deed (and in respect of you means the Participating Company which employs you).