



30 June 2023

## Conflict of Interest

### In-Tandem

This document provides additional information describing the nature of the potential conflicts of interest that could arise for In-Tandem, and the steps that have been (or will be) taken to manage any conflict. It should be read in conjunction with the Product Disclosure Statement (**PDS**) for In-Tandem, which is available at [www.westpacnzstaffsuper.co.nz/](http://www.westpacnzstaffsuper.co.nz/). It replaces the “Conflict of Interest” document dated 27 February 2023.

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.

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 at [www.westpacnzstaffsuper.co.nz/](http://www.westpacnzstaffsuper.co.nz/).

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## 1. Meaning of conflict of interest

A conflict of interest under the Financial Markets Conduct Regulations 2014 means a financial or any other interest, a relationship, or any other association of the Trustee of the Scheme - Westpac New Zealand Staff Superannuation Scheme Trustee Limited (**Trustee**), of an investment manager, or of a relevant person that would, or could reasonably be expected to, materially influence the investment decisions of the Trustee or investment manager (or both) in respect of the Scheme.

A relevant person, in relation to the Scheme, means:

- a director of the Trustee; or
- a senior manager of the Trustee; or
- an employee of the Trustee who has a significant impact on the investment decisions that are made in respect of the Scheme; or
- an associated person of the Trustee (or a director or senior manager of that associated person).

## 2. Management of potential conflicts of interest

Details of potential conflicts of interest that could arise from these key relationships and how the Trustee has or would manage or mitigate them are outlined in the table below.

### 3. Details of potential conflict of interest plus management and mitigation steps.

Nature of potential conflict of interest	Funds affected	When and how could the potential conflict of interest influence investment decisions in respect of the Scheme	The steps that have been taken, or will be taken, to manage and mitigate the potential conflicts of interest
Trustee is not independent of Westpac New Zealand Limited ( <b>WNZL</b> ) because the Trustee and WNZL are wholly owned subsidiaries of Westpac Banking Corporation ( <b>WBC</b> ).	All	Decisions made by the Trustee could potentially be influenced by considerations of how WBC might react as the Trustee's ultimate holding company.	The potential lack of independence of the Trustee is managed through the presence on the Board of experienced respected employees of WNZL plus a licensed independent trustee director who has a statutory reporting duty to the Financial Markets Authority. The Trustee is subject to legal and fiduciary obligations to Members and other beneficiaries of the Scheme, retains professional advisors to assist in discharging those obligations and has statutory reporting obligations to the Financial Markets Authority.
The remuneration of the directors of the Trustee (including the chairman, independent licensed trustee director and any director who is not an employee of WNZL) are set and paid by WNZL.	All	<p>Director's decisions could potentially be influenced by WBC or WNZL's wishes.</p> <p>Directors who also have a role with another organisation connected with the Scheme, such as the insurer or investment managers or advisers, could be influenced by their duties to the other organisation.</p>	<p>Any potential conflict in relation to directors' remuneration is managed because the level of remuneration is set by WNZL relevant to industry best practice.</p> <p>Neither of WBC nor WNZL exercises any direct influence over the investment and administration of the Scheme other than the appointment of a majority of the directors of the Trustee. Their other powers under the Scheme trust deed relate to stopping contributions and winding-up the Scheme. WBC and WNZL leave the Trustee to deal with the investment and administration of the Scheme.</p>

			<p>The Scheme is also subject to legislative and regulatory review and reporting obligations. In particular, the Trustee is subject to legal and fiduciary obligations to members and other beneficiaries of the Scheme, and retains professional advisors to assist in discharging those obligations and has statutory reporting obligations to the Financial Markets Authority. The Trustee's constitution also requires the Trustee directors to act in the best interest of the members when acting as the trustee of the Scheme.</p> <p>Currently, only the licensed independent trustee director, the chairman of directors, and Ian New (BT Funds Management (NZ) Limited director) receive remuneration for their work for the Trustee.</p>
WNZL employee directors of the Trustee do not receive any remuneration for their directorship of the Trustee and hold office only while employed by WNZL.	All	Director's decisions could potentially be influenced by WNZL's wishes.	<p>The Trustee's constitution requires the Trustee directors to act in the best interest of the members when acting as the trustee of the Scheme.</p> <p>Currently, only the licensed independent trustee director, the chairman of directors, and Ian New (BT Funds Management (NZ) Limited director) receive remuneration for their work for the Trustee. The Trustee directors who are also WNZL employees do not receive remuneration for their roles as directors of the Trustee.</p>
Directors of the Trustee may from time to time be members of the Scheme.	All	Decisions made by affected directors could potentially be influenced by their personal interest in the Scheme.	The potential lack of independence of the Trustee is managed through the presence on the Board of experienced respected employees of WNZL plus a licensed independent trustee

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director<sup>1</sup>. The Trustee is subject to legal and fiduciary obligations to Members and other beneficiaries of the Scheme, retains professional advisors to assist in discharging those obligations and has statutory reporting obligations to the Financial Markets Authority.

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<sup>1</sup> As a restricted scheme one of the directors of the Trustee must hold a licence under the Financial Markets Conduct Act 2013.

<p>BT Funds Management (NZ) Limited (<b>BT</b>) is a wholly owned subsidiary of WBC.</p>	<p>All</p>	<p>Investments could potentially be made to maximise BT fee income or otherwise benefit the WBC Group.</p>	<p>The Trustee has entered into an arm's length agreement with BT to be the investment implementation manager for the Scheme. The Trustee has appointed Willis Towers Watson Australia Pty Limited (<b>Towers Watson</b>) as the implemented investment consultant to provide strategic oversight of the Scheme's investments, including asset allocation advice. Towers Watson also makes the dynamic asset allocation decisions. BT's role is to implement those asset allocations and otherwise implement the Statement of Investment Policy and Objectives (<b>SIPO</b>) which is determined by the Trustee. In addition BT is subject to related party investment restrictions under the Financial Markets Conduct Act 2013 and its conduct is overseen by the Financial Markets Authority.</p>
<p>Directors of the Trustee may from time to time be directors or employees of BT</p>	<p>All</p>	<p>Decisions by affected directors could potentially be influenced by BT's wishes, or made to maximise BT fee income or otherwise benefit the WBC Group.</p>	<p>Any potential conflict of affected directors is managed through the presence on the Board of experienced respected employees of WNZL plus a licensed independent trustee director. The Trustee is subject to legal and fiduciary obligations to members and other beneficiaries of the Scheme, and retains professional advisors to assist in discharging those obligations and has statutory reporting obligations to the Financial Markets Authority. In particular, the Trustee's constitution requires the Trustee directors to act in the best interest of the members when acting as the trustee of the Scheme.</p> <p>As noted above, BT is the Scheme's investment implementation manager pursuant to an arm's</p>

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length agreement with the Trustee. Towers Watson provides strategic oversight of the Scheme's investments, including asset allocation advice and making dynamic investment decisions. BT's role is confined to implementing those asset allocation decisions and giving effect to the SIPO, which is determined by the Trustee. Additionally, BT is subject to Financial Markets Authority oversight.

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