

Bank of New Zealand

Investment Statement for Term Investments

INVESTMENT STATEMENT AND STANDARD T&C'S



Bank of New Zealand

Investment Statement for Term Investments

This is an Investment Statement for the purpose of the Securities Act 1978, prepared as at 12 August 2011.

Important information

(The information in this section is required under the Securities Act 1978.) Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

The Financial Markets Authority regulates conduct in financial markets

The Financial Markets Authority regulates conduct in New Zealand's financial markets. The Financial Markets Authority's main objective is to promote and facilitate the development of fair, efficient, and transparent financial markets. For more information about investing, go to <http://www.fma.govt.nz>

What sort of investment is this?

This Investment Statement is for unsecured debt securities, known as Term Investments, issued by Bank of New Zealand, and provided in relation to New Zealand dollar, or such other currency as Bank of New Zealand permits. This includes blackboard and carded Term Investments as well as special offers when these are offered from time to time. It also includes any Term Investments which the Bank has tailored particularly for you. For the purposes of this Investment Statement, these products are referred to as the "Investments" and Bank of New Zealand is referred to as the "Bank". Products from issuers other than the Bank and products other than Term Investments are not covered by this Investment Statement. If you are in doubt as to whether this Investment Statement applies to your investment please ask the Bank staff member you are dealing with.

Who is involved in providing it for me?

As at the date of this Investment Statement, the issuer is Bank of New Zealand, whose address is Level 4, 80 Queen Street, Auckland. The name and address of the issuer may change from time to time. The current name and address of the issuer is available on bnz.co.nz/companydetails.

The Directors of Bank of New Zealand as at the date of this Investment Statement are as follows:

Cameron Anthony Clyne
Prudence Mary Flacks
Edwin Gilmour Johnson
Susan Carrel Macken
Stephen John Moir
Andrew John Pearce
Gavin Robin Slater
Andrew Gregory Thorburn
John Anthony Waller

The Directors of Bank of New Zealand may change from time to time. Current details of the Directors of Bank of New Zealand are available on bnz.co.nz/companydetails or on request at any Bank of New Zealand store.

Description of the Bank's activities

Bank of New Zealand is a registered bank under the Reserve Bank of New Zealand Act 1989. Since its establishment in 1861 the Bank has been carrying on the business of banking and financial services in all its aspects in New Zealand and other countries. A comprehensive range of banking and financial services is provided including deposit taking, credit and debit cards, corporate, domestic and multi-currency based lending, dealing in interest rate and foreign exchange products and their derivatives, trade finance, the distribution of life and general insurance, managed funds, KiwiSaver and superannuation products, and the provision of investment advice.

In June 2010, the Bank established a covered bond programme under which the Bank or BNZ International Funding Limited (a wholly owned subsidiary of the Bank) is able to issue covered bonds from time to time. Covered bonds are debt securities in which investors have full recourse to the issuer and also to a pool of assets that 'cover' the issuer's obligations. The pool of cover assets, in the case of the Bank's covered bond programme, is established by the Bank selling mortgage loans originated in the ordinary course of the Bank's business to a bankruptcy-remote trustee company that guarantees the Bank's and BNZ International Funding Limited's obligations in the event of a default. While the transfer of these mortgage loans is a true sale (meaning creditors of the Bank (including holders of Investments) will have no recourse to those mortgage loans in a liquidation of the Bank), the transferred mortgage loans are not derecognised from the Bank's financial statements as the Bank retains substantially all of the risks and rewards of ownership. The aggregate value of mortgage loans to be transferred by the Bank under the covered bond programme will not exceed the limits prescribed by the Reserve Bank of New Zealand from time to time. The Bank does not consider that the issue of covered bonds under the Bank's covered bond programme will adversely impact the Bank's ability to meet its obligations in respect of Investments.

How much do I pay?

Each Investment has a minimum and maximum sum that can be invested. These can be ascertained by calling the 0800 number on the back page, by searching on bnz.co.nz or by contacting a Bank of New Zealand representative. If you wish to make an investment, the principal amount must be paid or transferred in full to any store, agency or customer contact centre of the Bank. If you are arranging your investment through an intermediary then you should make arrangements with them for payment to be made to the Bank. The Bank will not accept your Investment until full payment is received.

What are the charges?

No charges are currently payable by you to the Bank when you make an investment in an Investment. If however, you wish to terminate or partially withdraw a fixed term Investment before its maturity date, then the Bank may either decline your request or charge you for this. This charge will take the form of a change in the interest returns paid to you. Instead of the rate quoted to you when you subscribed for the Investment, you will receive the Bank’s standard per annum rate applying to the period of your Investment up to the date of early withdrawal less an interest adjustment on the amount being withdrawn early. This will be calculated on a daily basis and paid to you at the time of withdrawal. The interest adjustment may vary according to the type of Investment and the amount that is proposed to be withdrawn. In some cases the interest adjustment may result in no interest being payable on the amount being withdrawn before maturity. If, at any time, prior to or during the term of the Investment, you wish to know details of how the interest adjustment in respect an early withdrawal of all or part of your Investment would be calculated and what the adjustment would be, you can contact the Bank and it will be calculated for you. There are no charges for withdrawing from a flexible term Investment prior to the end of the term of the Investment. The Bank may from time to time impose or modify fees and charges relating to the Investments. However, during the term of any particular Investment the Bank cannot introduce any new charges or change the way in which any charge is calculated for that Investment.

What returns will I get?

The returns payable by the Bank on Investments are available on request and will generally be a fixed interest rate during the term of the Investment plus repayment of the principal invested. If you wish, the Bank can inform you of exactly what your returns will be, at the time you make your Investment.

The key factors that will determine your returns will be the interest rate that you agree to invest your money at, the amount of principal you invest, the term of your Investment, and any tax deductions.

No amount of returns is quantifiable at the date of this Investment Statement and therefore no such amount can be promised by the Bank in this Investment Statement. However, once the terms and conditions of any Investment (including the principal amount of, and the interest rate applicable to, the Investment) have been agreed between the Bank and you, those terms and conditions will be legally enforceable by you.

Returns on your Investment will be affected by taxes. The Bank will deduct New Zealand resident withholding tax from the gross interest (‘Gross Interest’) amount paid to you unless you provide the Bank with the appropriate exemption certificate. If your IRD number or resident withholding tax payment rate election has not been supplied, deductions may be made at a rate that is higher than otherwise might apply. You are responsible for advising the Bank of any change to your resident withholding tax payment rate election or “residence” status.

If you are a non-resident that does not carry on business in New Zealand through a fixed establishment in New Zealand, non-resident withholding tax will be deducted from the Gross Interest. Non-resident withholding tax will apply at zero percent if you have elected for the Bank to pay the approved issuer levy (currently 2% of the Gross Interest) and agreed that the Bank may deduct this amount from your return. In the event of any change in law, the Bank reserves the right not to pay the approved issuer levy but to instead deduct non-resident withholding tax from payments to non-residents.

Interest is calculated daily and may be payable (less any applicable tax) either at the end of the term of the Investment, annually, six monthly, quarterly or, in some cases, monthly depending on the type of Investment that you choose.

If applicable to the type of Investment that you select, you may choose to have your returns compounded within the term. Choosing to compound interest within the term of an Investment may impact on the interest rate for the Investment when compared to the corresponding standard fixed term Investment. If you do not choose to have interest compounded within the term, your Investment will earn simple interest. The principal you invest will be paid to you at the end of the term of the Investment or you may choose to reinvest it (with or without the interest earned) in a new Investment. If you choose a fixed term you may request access to your Investment prior to maturity. In the case of a fixed term Investment, the Bank is not bound to agree to a request for payment of principal or interest prior to due date. Alternatively, you may choose a flexible term. If you choose a flexible term you will be able to access your Investment prior to the end of the term of the Investment. The interest rate for a flexible term Investment is generally set slightly lower than the rate for the corresponding fixed term Investment.

The Bank may also withhold payment of principal and interest after due date if it considers there are reasonable grounds to do so, including on your death or bankruptcy, where there is a third party claim on your account or where you are in breach of any of the Bank’s terms and conditions.

When returns are payable then the Bank is legally liable to pay them to you.

As at 12.01am on 12 October 2010, Bank of New Zealand ceased to be a member of the Crown retail deposit guarantee scheme, which had been in place from 12.01am on 12 October 2008.

What are my risks?

Investments are low risk investments. The main risks of you not recovering the sum which you paid for the Investment or of not receiving the returns described above are:

- › the insolvency or statutory management of the Bank;
- › the Bank receiving a tax deduction notice in respect of your Investment; or
- › the Bank exercising its rights to combine your accounts or to set off funds held in credit against debts you owe to the Bank.

By law, Inland Revenue has the power to collect taxes owing from the Bank’s customers. It can order the Bank to deduct any sum owing by a taxpayer from money the taxpayer has deposited with the Bank. The Bank is obliged to comply with such orders.

In relation to Investments made in currencies other than New Zealand dollars, there is an exchange rate risk. This may affect your return in New Zealand dollar terms, including the potential for capital loss. You should note that past performance of a currency is not necessarily an indication of its future performance. Investments are unsecured, unsubordinated debt obligations of the Bank. This means that in a liquidation of the Bank, the holders’ rights to repayment in respect of their Investments:

- › will rank after the claims of secured creditors of the Bank (if any), and creditors of the Bank who are preferred by law (eg, the Bank’s employees in respect of claims for unpaid wages or salaries, and the Inland Revenue Department in respect of unpaid tax);
- › will rank equally with the claims of all other unsecured, unsubordinated creditors of the Bank; and
- › will rank in priority to the claims of subordinated creditors of the Bank (being creditors who have agreed to accept lower priority in respect of their claims in a liquidation of the Bank).

Should the Bank become insolvent then certain payments in respect of your Investment may be voidable under the provisions of the Companies Act 1993. In summary, a payment may be voidable if (among other things) it enabled you to receive more towards satisfaction of the Bank’s obligation to you under the

Investment than you would (or would be likely to) receive in the Bank’s liquidation. This may result in you having to repay any returns you have received from your Investment, including the principal. Subject to this, you will not be liable to pay money to any person as a result of the insolvency of the Bank.

Can the investment be altered?

The Bank may at any time alter its Standard Terms and Conditions for Accounts, and may alter the minimum and maximum amounts payable for the Investments. Once an Investment is made, the specific terms relating to that Investment cannot generally be altered without the agreement of you and the Bank. Additional Investments can however be made at any time on the terms and conditions applicable at that time. As stated above, the Bank may in certain circumstances agree to the early or partial withdrawal of the Investment (see ‘**What are the charges?’** section on the previous page for information relating to charges and the Bank’s rights to impose and modify fees and charges for the Investments).

How do I cash in my investment?

You may apply to cash in the Investment prior to maturity by contacting the Bank.

If your investment is a fixed term Investment, the Bank may (at its discretion) decline your request. If it approves your request, the charges referred to earlier in this Investment Statement will apply. Under the law and its terms and conditions the Bank may also exercise its power to combine your accounts and to set-off credit funds against debts you owe to it. The Bank may also terminate your Investment on giving you reasonable notice or if it considers there are reasonable grounds to do so, including on your death or bankruptcy, where there is a third party claim on your account or where you are in breach of any of the Bank’s terms and conditions. You are not able to sell or transfer the Investment to any other person.

Who do I contact with inquiries about my investment?

Inquiries about the Investment can be made to any Bank of New Zealand representative at any store or agency of the Bank or by phoning **0800 800 468**.

Is there anyone to whom I can complain if I have problems with the investment?

Complaints about the Investment can be made to any Bank of New Zealand representative at any store or agency of the Bank. The first step is to raise your concern with the person you dealt with initially. They should be able to resolve the majority of problems and will listen to and investigate your concern. If a staff member is unable to resolve your problem on the spot, they will personally follow it up and keep you informed about action being taken on your behalf. If the issue remains unresolved, contact the Area Manager responsible for the store. They look after a group of outlets in your area and will then take charge of any outstanding issues. Your store will give you the name, address and phone number of the appropriate manager.

In the event the problem is still not resolved to your satisfaction, you should refer your complaint to:

Complaint Resolution

Bank of New Zealand
PO Box 995, Shortland Street, Auckland 1140
T. 0800 788 999

Any complaint which reaches this level will receive the personal attention of a member of the Bank’s Complaint Resolutions team. If after raising the matter with the Bank, you are still not satisfied, the option is available to contact the Banking Ombudsman. The Bank is a member of an independent dispute

resolution scheme operated by the Banking Ombudsman and approved by the Ministry of Consumer Affairs, for the purposes of the Financial Service Providers (Registration and Dispute Resolution) Act 2008. Under the terms of this scheme, the Bank has three months to resolve your complaint. If you are not satisfied by the Bank’s response you may refer the matter to the Banking Ombudsman by emailing help@bankomb.org.nz or calling 0800 805 950. Alternatively you may write to the Banking Ombudsman at:

The Office of the Banking Ombudsman

Level 11
BP House
20 Customhouse Quay

Freepost 218002
PO Box 10573
The Terrace
Wellington 6143

Full details of how to access the Banking Ombudsman scheme can be obtained at www.bankomb.org.nz/eng

What other information can I obtain about this investment?

Other information about Investments and the Bank is contained in the Bank’s disclosure statement published under section 81 of the Reserve Bank of New Zealand Act 1989, including in the financial statements contained in that disclosure statement. A copy of this disclosure statement and the Bank’s most recent financial statements can be obtained free of charge from any store or agency of the Bank and, along with other documents relating to the Bank, are filed on a public register at the Companies Office of the Ministry of Economic Development and are available for public inspection (including at companies.govt.nz).

Other information about the Investment is available from the Bank. Depending upon the product you choose, this may include a brochure and/or fact sheet.

A statement and Resident Withholding Tax deduction certificate (if applicable) relating to the Investment will be forwarded to you annually. Around two weeks prior to the Investment maturing a maturity advice will also be sent to you.

You may request information about your Investment, such as the balance, from the Bank, from time to time. Copies of the following information are also available from the Bank on request:

- › the Bank’s most recent annual report;
- › the Bank’s most recent disclosure statement (including the Bank’s most recent financial statements); and
- › the most recent Investment Statement for Bank of New Zealand Term Investments.

Requests should be made by telephoning the 0800 number on the back page. If you obtain this information by using the Bank’s telephone banking system, a small charge may be payable, otherwise there is no charge. The amount of the charge will depend on the frequency of your use of the telephone banking system. More information on any charge can be ascertained by calling the 0800 number on the back page or by contacting a Bank of New Zealand representative.

You have rights of access to personal information that the Bank holds about you under the Privacy Act 1993. If you wish to make a request, please see the store where your accounts are held. The Bank may impose a reasonable charge for complying with a request.

For further information, please contact a Bank of New Zealand representative or call **0800 275 269**.

Bank of New Zealand

Standard Terms and Conditions

Conditions for operating your Bank of New Zealand bank account

This document contains the standard terms and conditions ('Terms') for operating your bank accounts with Bank of New Zealand ('Bank'). Please take the time to read this document carefully.

1 Standard terms and conditions

1.1 Application

These Terms apply to all Bank accounts, whether existing or future, operated or to be operated by you (whether solely or with others) unless any specific terms and conditions applicable to an account provide otherwise. These Terms replace the general terms previously applying in respect of your accounts, but do not apply to any product offered by any related company of the Bank such as unit trusts, superannuation and insurance.

1.2 Acceptance

By operating any of your accounts with the Bank you acknowledge that you accept these Terms.

1.3 Relationship with specific terms and conditions

The terms and conditions of any loan facility (including an overdraft) on an account and these Terms are separate contracts. The terms and conditions of the facility apply, in addition to these Terms, when the account is used to borrow money under the facility. Otherwise, these Terms are to be read in conjunction with the specific terms and conditions of any account or service provided with an account.

If there is a conflict between any specific terms and conditions and these Terms then the specific terms and conditions will prevail.

1.4 Applicable law and jurisdiction

Your accounts, your banker/customer relationship with the Bank and these Terms are governed by New Zealand law and the New Zealand courts shall have jurisdiction to hear and determine disputes in respect of these Terms.

2 Account operating

2.1 Verification of identity

The Bank may from time to time require proof, to its satisfaction, of the identity of yourself and any person authorised to operate your account(s).

2.2 Instructing the Bank

The Bank may in its discretion and subject to conditions allow you to give instructions in respect of any of your accounts by cheque, telephone, facsimile, email, text, card or computer or by any other written, electronically communicated or verbal method acceptable to the Bank (each a 'facility'). The Bank may require you to provide a written indemnity before making any such facility available to you. Except as otherwise required by law, the Bank may give effect to operations on an account authorised by a deceased person prior to his or her death.

2.3 Written instructions

Any person you wish to authorise to instruct the Bank in writing in respect of your accounts must be listed on the Bank's form entitled 'Account Operating Authority' and must provide the Bank with a specimen signature. You may be required to use the Bank's standard forms (which are available at Bank stores) when instructing it.

2.4 Available transactions

Except as provided in the specific terms and conditions of any account, an account may be operated by deposits, withdrawals, transfers, direct credits, direct debits, automatic payments or any other type of payment authority acceptable to the Bank. Specific terms and conditions may apply.

3 Authority to the Bank

3.1 General

You authorise the Bank to act in accordance with your instructions relating to each account. You acknowledge that the Bank may decline to so act where the Bank considers it has good reason to do so. In particular, unless you have an arrangement with the Bank, the Bank will not be obliged to act in accordance with your instructions where to do so would result in an account becoming overdrawn.

3.2 Set off and combination

You authorise the Bank at any time and without notice, to combine the balance of one of your accounts with the balance of another of your accounts, so as to treat them as a single balance, and there will be no implied agreement to the contrary. If you owe any money to the Bank which is due but unpaid, whether it is owed alone or with others, you authorise the Bank, without prior notice, to apply any credit balance in any account, or any other amount the Bank owes to you, towards that unpaid amount. For this purpose you authorise the Bank to transfer funds from one account to another (including any joint account which you can operate individually), to use funds in one currency to buy another currency and to break any term deposit. The Bank may do this without prior notice and in the order, and as often, as the Bank determines.

3.3 Recording instructions

You authorise the Bank to record any telephone calls between you and the Bank and to retain such recordings.

3.4 Limited access

The Bank may agree that in certain circumstances you may authorise one or more persons individually to operate your account(s) at the 'transaction' and 'enquiry' access levels set out in the Account Operating Authority. You must ensure that any authorised person operates each relevant account in a proper manner.

4 Changes to standard terms and conditions

These Terms will continue to apply until the Bank gives you notice of any changes to them. Notice of any changes will be given to you a reasonable period before the changes become effective, either at your most recent address as shown on the Bank's records, by public notice or by display in all Bank stores. In addition changes will be displayed on our website.

5 General terms and conditions

5.1 Reasonable care and skill

The Bank will provide its services with reasonable care and skill.

5.2 Deposit reversal

An account balance may be altered by reversal of any unpaid cheque or other non-cash payment included in a deposit.

5.3 Ownership of funds

Unless you instruct the Bank otherwise in writing, you acknowledge that you are solely entitled to the funds in your accounts, that they belong to you and do not belong to any other person and that no other person has any legal or beneficial interest in them.

5.4 Non-compliant cheques

The Bank may, in its absolute discretion, refuse to accept for collection or payment cheques which do not comply with current banking standards applied by the Bank.

5.5 Stopping payment

When you wish to stop a cheque or other payment you must notify the Bank which will advise you of any further requirements.

5.6 Deposits instructed to be applied for specific purposes

The Bank is not obliged to act on or verify compliance with an instruction to apply a deposit for a specific purpose or subject to any condition and the Bank will not be responsible for applying a deposit contrary to any instruction.

5.7 Fees and charges

The Bank may, from time to time, impose and modify fees and charges for services provided in connection with any accounts. The Bank will, from time to time, debit your accounts with all fees and charges that are payable in respect of your accounts and any services provided to you by the Bank. The Bank may also, from time to time, debit your accounts with any governmental fees or charges, recovery costs and any other amount owed to the Bank by you. The Bank will keep you advised of fees and charges in accordance with the Code of Banking Practice.

5.8 Recovery costs

You must pay, on demand, any costs associated with collection or attempted collection of amounts overdue on any account (including collections agent's costs and legal fees on a solicitor/own client basis).

5.9 Taxes

Unless you have supplied the Bank with a copy of your current certificate of exemption, the Bank will deduct withholding tax from any interest credited or paid to you. If your IRD number has not been supplied, this deduction may have to be made at a higher rate than might otherwise apply. For non-residents the Bank may, in its discretion, elect to pay to the Inland Revenue Department

a non-resident approved issuer levy instead of deducting non-resident withholding tax. In this case, the amount of the non-resident approved issuer levy will be deducted from any interest credited or paid to you.

You should immediately notify the Bank of any change in your personal tax rate or your tax residence status.

5.10 Use and return of forms

Cheque forms and other forms encoded by the Bank with an account number must not be used to access or operate any other account. Where you would be entitled to the return of any form, the Bank may at its discretion provide you with a copy instead of the actual form.

5.11 Payment priority

The Bank may determine the order of priority of payments from any account.

5.12 Liens

If the Bank receives or holds any property, items or documents for you for any purpose it may, in its discretion, exercise a lien over the property, item or document as security for any amount you owe to the Bank (whether alone or with any other persons) under any account.

5.13 Rights to your accounts

You may not assign, mortgage, charge or declare a trust of any rights to your accounts, including any credit balances, without the prior written consent of the Bank.

5.14 Suspension or closure of accounts

You may close an account at any time, subject to any specific terms and conditions of that account. The Bank may close an account at any time, provided reasonable notice in the circumstances has been given. The Bank may also suspend the operation of an account or close it without prior notice if:

- › it learns of your death, bankruptcy or any other lack of legal capacity or that you have committed an act of bankruptcy, or that a petition has been presented for your bankruptcy, or that you have applied for or are subject to any personal insolvency procedure or proceedings under the Insolvency Act 2006;
- › there are insufficient funds (including funds available under any overdraft, or other loan, facility on that account) to meet debits from the account;
- › any third party claims an interest in your account which the Bank considers may be justifiable, pending resolution of the matter;
- › you breach these Terms or the terms and conditions of any overdraft, or other loan, facility; or
- › it considers that there are other reasonable grounds to do so (in which case all reasonable efforts will be made to notify you of the circumstances of closure or suspension), and you must reimburse the Bank for any expense which it incurs in connection with any of these matters.

If your account is suspended or closed, it is your responsibility to make other arrangements for the payment of any automatic payment, direct debit or other payment from that account.

6 Your responsibility

6.1 Generally

You must:

- › check your statements to ensure their accuracy and promptly advise the Bank of any error or discrepancy or unauthorised transaction;
- › notify the Bank of any alteration to a payment authority and of any change of name or address; and
- › comply with the specific terms and conditions of any account or facility provided on an account.

6.2 Sufficient funds

It is your responsibility to ensure that you have sufficient funds in an account (including funds available under any overdraft, or other loan, facility on that account) to meet debits from that account. If there are insufficient funds available to meet debits from an account (including funds available under any overdraft, or other loan, facility on the account), these may be paid, or not paid, at the Bank's discretion and honour/dishonour fees may be debited to the account.

6.3 Password or PIN

Where you are able to access an account by password or PIN, you will be responsible for keeping your password or PIN secure. In particular, you must:

- › not keep a written record of your password or PIN;
- › not keep your password or PIN in a form that can be readily identified as a password or PIN;
- › not select a PIN that consists of any readily accessible personal data such as your birth date, telephone number, driver's licence, licence plate or passport nor must it be an obvious number or combination of numbers;
- › not voluntarily disclose your password or PIN to any other person;
- › not allow another person to see your PIN when you enter it or it is displayed and you must make sure it is not retained on any device;
- › not negligently or recklessly disclose your password or PIN;
- › notify the Bank immediately if you become aware that your password or PIN has become known to someone else; and
- › ensure authorised signatories and limited users who are able to access any of your accounts by password or PIN keep their password or PIN secure as set out above.

7 The Bank's position

7.1 Assumptions as to instructions

Subject to complying with its duty to exercise reasonable care and skill and other obligations under the Consumer Guarantees Act 1993, but otherwise irrespective of anything else stated in these Terms.

The Bank:

- › may decline to act or delay acting on any instructions given where it considers that it has good reason to do so; and
- › may, where your account can be accessed by telephone or by any electronic means, assume that any telephone or electronic instructions received using your password or PIN are authorised by you.

7.2 Bank's responsibility

The following paragraph applies subject to and provided the Bank has complied with its duty to act with reasonable care and skill and its other obligations under the Consumer Guarantees Act 1993.

The Bank:

- › will not be liable for any claim that arises from acting reasonably in accordance with your instructions;
- › will not be liable for any loss suffered by you or any third party due to matters outside the Bank's control (including, without limitation, machine failure, system failure or strikes);
- › accepts no liability for the loss or destruction of, or delay in processing, cheques or other instructions or documents;
- › accepts no liability (except interest for the period of the delay) for any delay in transferring funds to or from your accounts; and
- › will not be liable for either refusing to act on contradictory instructions given in respect of any account or for acting on any one only of such contradictory instructions.

8 Consumer Guarantees Act 1993

8.1 Guarantees as to service

The Consumer Guarantees Act 1993 overrides the provisions of these Terms and, except as set out in the following paragraph you are entitled to the benefit of the guarantees as to service set out in the Consumer Guarantees Act 1993.

8.2 Does not apply to businesses

If you acquire, or hold yourself out as acquiring, accounts, facilities or other services from the Bank for the purposes of a business then the Consumer Guarantees Act 1993 will not apply to the accounts, facilities or other services provided.

9 Miscellaneous

- › The Bank will comply with the Code of Banking Practice, as it applies to these Terms
- › The operation of your accounts and these Terms may be affected by over-riding laws of general application
- › Headings in these Terms do not affect interpretation

10 Terms and conditions specific to joint accounts

The additional specific terms and conditions in this clause 10 apply to each joint account.

10.1 Deposits

Where you are a party to a joint account and the Bank receives a deposit (whether by cheque, draft, bill of exchange or other instrument or payment authority) in your favour, the Bank may credit it to your joint account, unless instructed in writing to pay it into a separate account in your name.

10.2 Operating joint account

Unless you have otherwise specified in writing, any one of you may instruct the Bank to act in respect of your joint account.

10.3 Features of joint account

Your attention is drawn to the following features of joint accounts:

- › Any one joint account holder can operate the joint account separately, unless all account holders have given the Bank written instructions to the contrary. This means that any one of the joint account holders may withdraw all of the money credited to the joint account or incur the maximum debt allowed against the account.

- › If any joint account holder dies, the remaining account holder(s) automatically become(s) the owner(s) of all funds in the joint account and have full authority to operate the account. The Bank will treat any credit balance in the joint account as payable and belonging to the surviving joint account holder(s) and the Bank will incur no liability in paying or delivering such funds to such person(s).
- › Each joint account holder is jointly and individually liable for the whole of the amount owing to the Bank in respect of a joint account. This means that the Bank can require each joint account holder to pay either a part or all of such amount. If you or the other joint account holder(s) die, any liability to the Bank will not be discharged as a result of that death.
- › Any notice given to one joint account holder is deemed to be sufficient notice to all joint account holders.

10.4 Suspension or closure of joint account

The Bank may suspend the operation of or close a joint account without prior notice if:

- › there is any dispute between any of the joint account holders and this has not been resolved (to the Bank's satisfaction);
- › one joint account holder attempts to withdraw or notifies the Bank of his or her intention to withdraw from the joint account;
- › the Bank learns that any joint account holder has committed an act of bankruptcy or been declared bankrupt or that a petition has been presented to declare any joint account holder bankrupt, or that any joint account holder has applied for or is subject to any personal insolvency procedure or proceedings under the Insolvency Act 2006; or
- › any joint account holder purports to assign or dispose of his or her interest in the joint account.

In such case:

- › each joint account holder prior to suspension or closure of the account will continue to be jointly and individually liable for any outstanding debt; and
- › the Bank will not be liable to any joint account holder for any consequences of the suspension or closure of the joint account. The Bank will not be liable to any joint account holder if it does not suspend or close a joint account when it could have done so.

10.5 Joint security

When jointly owned assets are provided as security for borrowing, independent legal advice should be sought about individual liability for debts incurred now and in the future and the implications of this for the assets given as security.

10.6 Disputes

If a dispute occurs between you as joint account holders you must advise the Bank immediately and you should seek independent legal advice.

10.7 Closure of joint accounts

Unless you have specified that two or more signatories are required to operate your joint account, your joint account may be closed by any one of you so instructing the Bank. In such a case, the Bank will not be liable to the other joint account holder(s) for any consequences arising from the closure.

11 Terms and conditions specific to partnership accounts

The additional specific terms and conditions in this clause 11 apply to each partnership account.

11.1 Warranty

There is an implied warranty that all partners in the partnership have authorised the account to be opened and operated in terms of the Account Operating Authority and all terms and conditions applicable to the account and that such opening and operation complies with the relevant provisions of the partnership contract.

11.2 Accession

Every partner as at the date on which the partnership account is opened, and every person who thereafter joins the partnership as a partner, agrees or on joining will be deemed to agree to be bound by these Terms and the Account Operating Authority.

11.3 Deposits

Where the Bank receives a deposit (whether by cheque, draft, bill of exchange or other instrument or payment authority) in favour of any one or more of the partnership's partners, the Bank may credit it to the partnership account, unless instructed in writing to pay it into another account.

11.4 Liability

All partners will be jointly and individually liable for all amounts owing on a partnership account and for the performance of all obligations imposed under these Terms or general law in relation to the partnership account, provided that the liability of a limited partner in a limited partnership will, subject to sections 30 and 31 of the Limited Partnerships Act 2008, not exceed that partner's liability under the partnership agreement for that partnership.

11.5 Operating partnership accounts

The authorised signatories and limited users operating in accordance with the terms of the Account Operating Authority may conduct a partnership account as fully and freely as all partners to the partnership could if they all acted jointly, and the partners all undertake to ratify and confirm all transactions undertaken in conformity with such authority.

If the Bank receives contradictory instructions from any persons authorised to operate a partnership account the Bank may refuse to act on any or all such instructions or may act on any one of such instructions.

11.6 Alteration of partnership

The Bank must be immediately notified in writing should there be any alteration in the composition of the partnership. Until such notice is received the Bank may treat the partnership for all purposes as continuing unchanged. A former partner will remain jointly and individually liable in respect of the partnership account until released by the Bank in writing.

12 Terms and conditions specific to estate and trustee accounts

The additional specific terms and conditions in this clause 12 apply to each estate or trust account.

12.1 Warranty

There is an implied warranty that all trustees, executors and administrators have authorised the account to be opened and operated in terms of the Account Operating Authority and all terms and conditions applicable to the account and that such opening and operation of the account comply with the relevant provisions of the trust deed, will or other authority.

12.2 Accession

Every trustee/executor/administrator as at the date on which the account is opened, and every person who is thereafter appointed as such, agrees or on being appointed will be deemed to agree to be bound by these terms and the Account Operating Authority.

12.3 Liability

All trustees of any trust or all executors or administrators of any estate holding an account shall have joint and individual liability to the Bank for any amount owing on the account and for the performance of all obligations imposed under these Terms or the general law in relation to the account.

12.4 Operating trust accounts

The authorised signatories and limited users operating in accordance with the terms of the Account Operating Authority may conduct an estate or trustee account as fully and freely as all trustees/executors/administrators could if they all acted jointly.

All trustees/executors/administrators to the estate or trustee account undertake to ratify and confirm all transactions undertaken in conformity with these instructions. If the Bank receives contradictory instructions from any persons authorised to operate a trustee account the Bank may refuse to act on any or all such instructions or may act on any one of such contradictory instructions.

12.5 Changes in trust or estate

The Bank must be immediately notified in writing of the resignation or appointment of any trustees, executors or administrators and ensure that any such person(s) appointed agree(s) to be bound by these Terms and the Account Operating Authority. Until released by the Bank in writing the liability of a trustee, executor or administrator in respect of a trust or an estate account shall remain.

13 Terms and conditions specific to accounts with cheque access

The additional specific terms and conditions in this clause 13 apply to each account with cheque access.

13.1 Cheque books

The Bank may mail a cheque book to you at the most recent address noted on its records. Government stamp duty is payable on cheques and will be debited from your account. It is your responsibility to keep your cheque book safe. The loss of your cheque book or any cheque(s) should be reported to the Bank immediately.

13.2 Crossings

There are different legal consequences of crossing cheques in different ways. If you are in doubt about these you should ask the Bank for details.

13.3 Instructions as to special purpose

The Bank is not obliged to verify compliance with any notice or instruction to apply the proceeds of a cheque for a specific purpose or subject to any condition.

13.4 Dishonoured cheques

The Bank may refuse to pay out on a cheque in its reasonable discretion (including without limitation where the cheque has been incorrectly completed, not signed in terms of the Account Operating Authority.) Dishonour fees may also be debited to the account.

13.5 Post dated and stale cheques

Cheques presented before the date of the cheque or more than six months after the date of the cheque may be dishonoured.

13.6 Stopped cheques

If you provide the Bank with a written request to stop payment on a cheque issued on your account, the Bank will make reasonable efforts to stop payment on that cheque. It will, however, not be liable if payment on a cheque is not prevented. Charges may apply.

13.7 Alteration of a cheque

Alterations increasing the amount payable on a cheque must have the drawer's full signature next to the alteration, in accordance with the relevant Account Operating Authority. All other alterations must be initialled by the drawer in accordance with the relevant Account Operating Authority.

13.8 Closure of account

If an account is closed, you must return all of your unused cheques and any debit or credit cards relating to that account to the Bank. Government stamp duty may be refundable on receipt of any unused cheques.

14 Information about you

Information about you which, at any time, you provide to the Bank or is collected by the Bank or any related company (as defined in section 2(3) of the Companies Act 1993 as if 'company' includes a company or other body corporate incorporated in New Zealand or any other jurisdiction) of the Bank (each a **BNZ Company**) may be stored, used or disclosed in accordance with this clause 14. Each BNZ Company may rely on this clause 14 pursuant to the Contracts (Privity) Act 1982.

14.1 Storage of information

Information about you may be stored physically or electronically, including in offshore facilities, by the Bank, any other BNZ Company or any third party (who is subject to an obligation of confidentiality in relation to that information) contracted to store it.

Each BNZ Company will ensure that any information held about you is protected securely by safeguards as required by the Privacy Act 1993 and any other applicable laws. No BNZ Company will disclose information about you to any person, except in connection with a purpose described below, or as authorised by you or as required or authorised by law.

14.2 Use and disclosure of information

Information about you will be used primarily for administering your accounts, data processing, data analytics, credit, risk or prudential management and offering or providing banking and other financial services to you. Information may be disclosed to another BNZ Company or a third party in connection with any of these purposes provided the recipient of the information is subject to an obligation of confidentiality in relation to

that information. Information may also be used to further the relationship between you and any BNZ Company and for marketing purposes. This includes, without limitation, communicating with you via email, text message, an on-line facility (without an unsubscribe facility), telephone or post about any products, services or promotions offered or distributed by any BNZ Company.

14.3 Market research

To seek your views on its services and the products it offers, the BNZ Company may provide your name, address and telephone number to reputable market research organisations. The information is selected at random and places you under no obligation to take part in the market research. The information is supplied in strict confidence to the research organisation, which will not be authorised to use it for any other purpose. However, if you do not wish to be involved, please advise us.

14.4 Credit agencies

In respect of opening accounts, loan applications and reviews, you authorise the BNZ Company to make credit references and other enquiries within its normal procedures. For this purpose, the BNZ Company may seek from any such source information concerning you. In the event that you are in default under any loan or facility from the BNZ Company, the BNZ Company is authorised to disclose all relevant information about you to and for the use of credit reference agencies, debt collection agencies and law firms.

14.5 Access and correction

Pursuant to the Privacy Act 1993 and other applicable laws, if you are an individual, you have rights to see and request correction of personal information about you held by the BNZ Company.

14.6 Please tell us

If you do not wish to provide all the information requested on an application form, then please tell the Banker dealing with you. If you do not provide all the information requested on the application form, the Bank may restrict the products, facilities and/or services available to you.

14.7 Contacting us

To obtain more information about how we manage information about you, or if you would like a copy of our relevant privacy policies, please call **0800 275 269**.

Need more information?

- › Talk to us in store
- › Visit bnz.co.nz
- › Give us a call on **0800 275 269**