



# BNZ Term PIE Terms and Conditions

A tax-smart alternative to Term Deposits.  
Application form enclosed.

1 November 2019



# BNZ Investment Services Limited

## BNZ Term PIE Terms and Conditions

This document contains terms and conditions for BNZ Term PIE (**Product Terms**). These Product Terms, the other terms and conditions referred to in clause 1.1 of these Product Terms, and the Governing Document are the terms and conditions of an agreement between us, BNZ Investment Services Limited as manager of BNZ Term PIE, Level 4, 80 Queen Street, Auckland, and you.

By applying for units in BNZ Term PIE, you agree to be bound by these Product Terms, the Governing Document, and any other terms and conditions applying to BNZ Term PIE.

**Please take the time to read this document carefully.**

# 1. Application

- 1.1 Terms and conditions applicable to the Fund:** As well as these Product Terms, the following terms and conditions apply to the Fund and should be read in conjunction with these Product Terms:
- (a) Part 1 of BNZ's Standard Terms;
  - (b) the Eftpos, Telephone banking, Joint accounts, Partnership accounts and Estate and trust accounts sections in Part 2 of BNZ's Standard Terms; and
  - (c) BNZ's Terms and Conditions for Internet Banking.
- BNZ's Standard Terms are available at **bnz.co.nz**. These Product Terms are **Product Terms** as defined in BNZ's Standard Terms.
- 1.2 Governing Document:** The Fund is also subject to the terms and conditions included in the Governing Document. You can ask us for a copy of the Governing Document.
- 1.3 Conflicts between terms:** If there is any conflict between the terms and conditions applying to the Fund, the terms and conditions in the Governing Document and these Product Terms will prevail over BNZ's Standard Terms and BNZ's Terms and Conditions for Internet Banking.
- 1.4 References in BNZ's Standard Terms:** References in BNZ's Standard Terms to Terms includes a reference to these Product Terms, where relevant. Any references to BNZ in BNZ's Standard Terms include us, as manager of the Fund, and any limitations of liability in BNZ's Standard Terms also apply to us. References in BNZ's Standard Terms to an Account Operating Authority include the authorities given by you in subscribing for units under these Product Terms.
- 1.5 Offer in New Zealand:** Units in the Fund are only available to persons who are in New Zealand. The Fund is not offered in any jurisdiction other than New Zealand.

# 2. Definition and Interpretation

- 2.1 Definitions:** For the purposes of these Product Terms, the following expressions have the following meanings:
- Account** means an account representing a holding of units in the Fund;
- Account Balance** means the value of your Account;
- BNZ** means Bank of New Zealand;
- BNZ's Standard Terms** means BNZ's Standard Terms and Conditions, as amended from time to time;
- Business Day** means a day (other than Saturday, Sunday, or public holidays) on which BNZ is open for general banking business in Auckland and Wellington, New Zealand;
- Fund** means BNZ Term PIE, as established under the Governing Document;
- Governing Document** means the governing document for the Fund between us and the Supervisor, as amended and/or restated from time to time;
- Hardship** means a sudden and unforeseen event that requires you to urgently access your Account Balance to pay for necessary expenses;
- Maturity Date** means the date on which your BNZ Term PIE Account expires;

**Minimum Account Balance** means the minimum amount that we determine from time to time which needs to be maintained in an Account;

**PIE** means a portfolio investment entity as defined in the Income Tax Act 2007;

**Return** means the return (before the deduction of tax and any fees) on an Account;

**Start Date** means the start date for your BNZ Term PIE Account as specified in the investment certificate that we issue to you for that Account;

**Supervisor** means The New Zealand Guardian Trust Company Limited;

**Term** means the fixed amount of time you elect to have funds invested in a BNZ Term PIE Account;

**we** or **us** means BNZ Investment Services Limited, and includes our successors and assigns. BNZ Investment Services Limited is a wholly owned subsidiary of BNZ;

**website** means BNZ's website at **bnz.co.nz**; and

**you** means each customer who subscribes or intends to subscribe for units in the Fund, and includes any personal representative or lawful successor.

- 2.2 Interpretation:** Headings in these Product Terms do not affect the interpretation of these Product Terms. References to clauses and sections are references to clauses and sections of these Product Terms, unless otherwise specified.

## 3. The Fund

- 3.1 Managed investment schemes:** The Fund is a managed investment scheme under the Financial Markets Conduct Act 2013. By subscribing for a unit in the Fund, you receive a beneficial interest in the assets of the Fund as a whole. You do not have an interest in any particular property of the Fund.
- 3.2 Manager:** We are the issuer and manager of the Fund.
- 3.3 Supervisor:** The Supervisor holds the assets of the Fund on behalf of all Account holders (either directly or through a nominee).
- 3.4 Administration Manager and Registrar:** MMC Limited is the administration manager and registrar of the Fund. BNZ also provides customer management and certain administrative functions in relation to the Fund.
- 3.5 Accounts:** Your units in the Fund will be represented by an Account in your name. You will have a separate Account for each holding of units in BNZ Term PIE with a different Maturity Date and rate of Return. You can choose to have separate Accounts for holdings of units with the same Maturity Date and rate of Return by informing us when you apply for units in BNZ Term PIE.
- 3.6 Joint applications:** In the case of joint applications, the units will be held jointly as joint tenants, and the terms and conditions in BNZ's Standard Terms and Governing Document relating to joint accounts and joint account holders will apply.
- 3.7 Units do not represent deposits:** Units in the Fund do not represent deposits or other liabilities of BNZ or any other member of the National Australia Bank Limited group.
- 3.8 No guarantee:** Units are subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of BNZ, any member of the National Australia Bank Limited group, the Supervisor, any of their directors or any other person guarantees (either partially or fully) the capital value or performance of the Fund.

## 4. Investment in BNZ Term Pie

- 4.1 Investment policy:** The Fund invests solely in New Zealand dollar, interest bearing deposits with BNZ.
- 4.2 Units:** Every investment you make in the Fund buys units in the Fund. Each unit has a fixed unit price of \$1.
- 4.3 Applying for units:** You can apply for units in the Fund by completing the application form that we provide to you.
- 4.4 Our right to decline applications:** We can decline an application for units (in whole or in part) for any reason. If we decline an application, any money received will be refunded in full without interest.
- 4.5 Method of payment:** Payment can only be made in New Zealand dollars. You can invest in a Fund by cheque, cash, transferring money from a New Zealand bank account or any other method we decide. Payment can also be made at any BNZ branch or partners centre.
- 4.6 Nominee:** The Fund's assets are held by the Supervisor's nominee, BNZ Investment Services Nominees Limited.
- 4.7 Cheques:** All investments made by cheque should be made out to 'BNZ Investment Services Nominees Ltd – BNZ Term PIE'.
- 4.8 Payments not accepted or reversed:** If a payment is not accepted or reversed, no units will be issued in respect of such payment and any units issued based on that payment will be cancelled.
- 4.9 Sale or transfer of units:** Subject to our approval, you may sell or transfer all or any of your units in the Fund by providing an instrument of transfer to us. We may decline to register a transfer and suspend transfers in accordance with the Governing Document.
- 4.10 Adjustments to Account:** We can adjust your Account(s) to reflect Returns, tax and the break fee described at clause 8.1 (if applicable) from time to time (including at the time of Account withdrawals).

## 5. About BNZ Term Pie

- 5.1 Objective:** The Fund's objective is to give you a potentially tax efficient alternative to a term deposit with BNZ. Subject to any restrictions published on our website or advised at the time you invest, you will be able to choose the length of Term, the Maturity Date, the frequency of your Returns, and how your Account will be treated at the Maturity Date.
- 5.2 Minimum investment:** You must invest a minimum of \$2,000 (or 2,000 units), or such other amount as we decide from time to time, in each BNZ Term PIE Account you hold. Where rates of Return are advertised as 'specials', the minimum investment amount might differ.
- 5.3 Minimum Account Balance:** You must maintain a Minimum Account Balance equal to the minimum investment amount referred to at clause 5.2.
- 5.4 Altering a BNZ Term PIE Account:** You can alter certain terms relating to your BNZ Term PIE Account by telling us within seven days following the Start Date. Any alterations after the first seven days cannot be made without our consent.
- 5.5 Cancelling a BNZ Term PIE Account:** You can cancel your BNZ Term PIE Account within the first seven days following the Start Date, and you will get back the amount you have invested in that Account without interest.

## 6. Returns

- 6.1 Rate of Return payable:** The rate of Return payable for units in the Fund is the rate of Return we agree with you when you invest in the Fund. We cannot change this rate of Return once it is agreed. The current rates, investment periods and frequency of Returns for new investments in BNZ Term PIE are published on the rates pages on our website at [bnz.co.nz/termpie](https://bnz.co.nz/termpie), and we can change any of these at any time, without telling you first.
- 6.2 Distributions:** Your distributions will either be reinvested in your BNZ Term PIE Account or paid to your specified account in accordance with the instructions you give us when you set up your account.
- 6.3 Distribution date:** Throughout the term of your Account, distribution dates will be calculated based on the frequency of Returns that you have selected. For frequencies that are expressed in multiples of months, the distribution date will initially be scheduled to fall on the same day of the month as the day of the month when you opened your Account. If any distribution date is initially scheduled to fall on a weekend or public holiday, that distribution date will be rescheduled to fall on the closest previous Business Day. This might mean that the amount of regular Returns varies, due to the differing number of days between scheduled distribution dates.
- 6.4 Special distribution date:** On a date on or around 31 March in each year, a special distribution date will be scheduled for tax purposes. Where you hold an Account on that date, the amount of this Return and the subsequently scheduled Return (if applicable) might vary from other scheduled Returns, due to the differing number of days between distribution dates. We can schedule a special distribution date at any other time if we determine that is necessary or desirable for tax purposes.

## 7. Withdrawals and transfers

- 7.1 Term and Maturity:** Your Account in BNZ Term PIE is locked in for the relevant Term, unless you withdraw all or part of your Account Balance in the Fund in accordance with clause 7.2. On the Maturity Date, your Account will be treated in accordance with the instructions you have given us, if any. If you have not given us any instructions, the principal and your Returns will be paid to the account nominated on your application form. If the Maturity Date is scheduled to fall on a weekend or public holiday, the Maturity Date will be rescheduled to fall on the closest previous Business Day and the Term of your Account will be adjusted accordingly.
- 7.2 Early withdrawal requests:** Withdrawal of all or part of your Account Balance in the Fund before the Maturity Date is not permitted except at our discretion. You can ask to withdraw all or part of your Account Balance prior to the Maturity Date:
- (a) by telling us 31 days before you want to withdraw; or
  - (b) if you are experiencing Hardship (as reasonably determined by us).

If we agree to an early withdrawal for either of the above reasons, you will be required to pay the break fee (if applicable) described in clause 8.1.

If the last day of the 31 day notice period in (a) falls on a non-Business Day, the amount being withdrawn will be disbursed on the next Business Day.

- 7.3 Acceptance of early withdrawal request:** If we accept your early withdrawal request and you decide to proceed with the withdrawal, units in your Account will be redeemed to pay the break fee (if applicable) and tax on all (for a withdrawal of your entire Account Balance) or part (for a partial withdrawal of your Account Balance) of the Returns you earned to the date of the withdrawal.
- 7.4 Revoking early withdrawal request:** If you do not want to proceed with the early withdrawal when you are advised of the approximate amount of your break fee (in accordance with clause 8.1), you can revoke your early withdrawal request.
- 7.5 Partial withdrawal:** Where a partial withdrawal is made, all accrued Returns (less tax and applicable fees and expenses) will be credited to you on the earlier of the next distribution date (including on or around 31 March), or the Maturity Date, and not at the time of withdrawal.
- 7.6 Payment on withdrawal:** We can deem your withdrawal request to be a request to withdraw also the number of units (if any) required to be cancelled to reflect tax paid or payable by the Fund on all or a portion of your entitlement under the Fund. If you request withdrawal of your entire Account Balance, all your units will be redeemed by us (including any units issued for any Returns on your units since the last distribution date) and you will receive a cash payment of the withdrawal proceeds less tax and the break fee for BNZ Term PIE (if applicable) described at clause 8.1.
- 7.7 Our ability to decline a withdrawal request:** A withdrawal request might not be processed if, following the withdrawal, your Account Balance would be less than the Minimum Account Balance, or the amount of the withdrawal exceeds your Account Balance. We can withdraw all your units in these circumstances. We can also decline a withdrawal request if we have not received payment for those units in cleared funds.
- 7.8 No revocation of withdrawal request:** You cannot revoke a withdrawal request once you have made it, except as set out in clause 7.4.
- 7.9 Withdrawal price:** On withdrawal you will receive for each unit withdrawn the lower of \$1 and the current unit value, minus any tax and the break fee described at clause 8.1. The amount payable to you on withdrawal will be paid to the account that you nominate on your application form.
- 7.10 Suspension or delay of payment of withdrawal amounts:** We can suspend or delay payment of withdrawal amounts if, for any good reason reasonably determined by us, we form the opinion that the withdrawal:
- (a) is not desirable;
  - (b) would be prejudicial to the interests of unit holders in a Fund as a whole; or
  - (c) would or might cause the Fund to become ineligible as a PIE.
- We will notify you where payment of your withdrawal amount is suspended or delayed.
- 7.11 Death or bankruptcy:** Any person who becomes entitled to units as a consequence of the death or bankruptcy of an Account holder can be registered as the holder of the relevant units.

## 8. Fees and charges

- 8.1 Break fees:** If an early withdrawal is permitted, a break fee may apply. The break fee at the time of the early withdrawal will apply, not the break fee on the Start Date (or any other date). The break fee includes an interest adjustment (a percentage amount) which is reviewed periodically and is subject to change from time to time without prior notice to you.
- The calculation and current interest adjustment is available at [bnz.co.nz/earlywithdrawal](https://bnz.co.nz/earlywithdrawal)
- You will be advised of the approximate amount of the break fee (if any) when you ask about making an early withdrawal request.
- If the break fee is calculated to be negative or zero, no break fee will be charged.
- 8.2 Imposing and changing fees and charges:** We might, from time to time, impose fees and charges relating to your investment in the Fund, including entry and exit fees, management fees, switching fees, registry and accounting fees, and fees relating to the termination of the Fund. We can change our fees and charges relating to your investment at any time.
- 8.3 Notifying you of new or changed fees and charges:** We will notify you of any new fees or charges or any changes to the fees and charges relating to your investment in accordance with clause 9.2 of these Product Terms.
- 8.4 Fees and expenses payable to third parties:** We pay fees to the Supervisor, Administration Manager and Registrar, and expenses in relation to the ongoing administration and regulatory compliance of the Fund. These fees and expenses will be paid by the Fund if we fail to pay them. In the unlikely event that these fees and expenses are paid out of the Fund, the Returns payable to you from the Fund will be reduced to reflect that payment.
- 8.5 Other charges:** A commission might be payable by BNZ to investment advisers for arranging investments in a Fund. Any such commission will be paid by BNZ, and is not payable by you or out of the Fund.

## 9. Amendments to your investment

- 9.1 Telling us about changes** - You must tell us about changes to your:
- (a) details such as your contact details and the nominated account you want your Returns or withdrawals paid into;
  - (b) prescribed investor rate; or
  - (c) maturity instructions before your Account's Maturity Date,
- and we will give effect to your changes as soon as reasonably practicable.
- 9.2 Changes by us** - We can change these Product Terms and any other terms that apply to units in the Fund, including (without limitation):
- (a) changing BNZ's Standard Terms;
  - (b) changing the break fee. The current break fee calculation and interest adjustment is available at [bnz.co.nz/earlywithdrawal](https://bnz.co.nz/earlywithdrawal);

- (c) excluding the break fee covered in 9.2(b), introducing new fees, expenses or charges to the Fund, or changing such fees, expenses or charges (subject to us notifying you at least 30 days before the change), in accordance with the Governing Document;
  - (d) changing the Minimum Account Balance requirements, any notice periods, the Fund's primary investments (subject to any tax requirements and investment policies), or the Fund's investment policies and objectives (subject to the Supervisor's written consent), in accordance with the Governing Document;
  - (e) changing the distribution date (subject to us notifying you at least 30 days before the change), in accordance with the Governing Document;
  - (f) amending the provisions of the Governing Document under the circumstances set out in, and subject to the requirements of, the Governing Document; and
  - (g) terminating or closing the Fund in accordance with the provisions of the Governing Document (in which case break fees will not be payable in relation to any Accounts held in BNZ Term PIE at the termination date).
- 9.3** We will not change the rate of Return or Term on any existing Account if the change is adverse to you, except where the change is (in the opinion of the Manager and the Supervisor) necessary to comply with any law. We can change fees or introduce new fees as described in clauses 9.2(b) and 9.2(c).
- 9.4** Any notice to you may be given by either:
- (a) issuing a new copy of these Terms & Conditions to you; or
  - (b) writing to you,
- and we may do so electronically or otherwise.

## 10. Taxation

- 10.1 Portfolio investment entity:** The Fund is a portfolio investment entity. The Fund will pay tax on its income attributed to you at your prescribed investor rate (PIR).
- 10.2 Prescribed investor rate:** To determine your PIR, go to [ird.govt.nz/toii/pir/workout/](http://ird.govt.nz/toii/pir/workout/) or [bnz.co.nz/pir](http://bnz.co.nz/pir). If you are unsure of your PIR, we recommend you seek professional advice or contact Inland Revenue on 0800 227 774. It is your responsibility to tell us your PIR when you invest or if your PIR changes. If you do not tell us your PIR the highest PIR will apply.
- 10.3 Adjustments:** While the Fund is a portfolio investment entity, we can adjust (by cancelling or issuing new units) any Return or the number of units you hold (including on withdrawals or sales) to reflect any tax liability attributed to you. You will be told about any tax adjustments in your annual tax certificate.
- 10.4 Maintaining portfolio investment entity status:** We can take all steps necessary to ensure that the Fund is eligible, or continues to be eligible, for portfolio investment entity status or otherwise complies with the requirements of tax legislation relating to portfolio investment entities (including rejecting applications and requests, and withdrawing your units, at our discretion).
- 10.5 Custodian:** If you invest through a custodian, then the custodian may pay the tax on the Fund's income attributed to you. You should talk to your custodian about the tax consequences of your investment in the Fund.

## 11. Indemnity

- 11.1 Indemnity:** You indemnify us, BNZ and the Supervisor, to the maximum extent permitted by law, in all respects against all damage, costs, expenses, losses or liabilities which arise by reason of any of them accepting or acting on your instruction or an instruction on your behalf or from an authorised signatory in respect of your holding of units (including any instructions issued by telephone, facsimile, email or other electronic means and any instruction which is unauthorised, forged or fraudulent where we could not reasonably have detected that from the instruction).

## 12. Complaints

- 12.1 Complaints to Supervisor:** In addition to the complaints process set out in BNZ's Standard Terms, you can make complaints to the Supervisor at Level 14, 191 Queen Street, Auckland 1010 or +64 9 909 5100.

## 13. Further information

- 13.1 Further information:** You can obtain copies of the Governing Document and other documents relating to the Fund is by contacting us by telephone or email.
- 13.2 Contact us:** You can inquire about your Account at any BNZ branch or with your BNZ partner. You can also inquire by contacting us:
- (a) by calling 0800 275 269;
  - (b) by emailing us at [bnz\\_investment\\_services@bnz.co.nz](mailto:bnz_investment_services@bnz.co.nz); or
  - (c) by writing to us at Level 9, 80 Queen Street, Private Bag 92208, Auckland 1142.
- 13.3 Statements:** You can ask us for a written statement of your units in the Fund at any time, and you will not be charged a fee for a written statement. We will send you notices about your Account (including annual tax statements).



# Application form



Terms and Conditions dated : 1 November 2019

## 1. Applicant Type

- ☐ New application form
 ☐ New to BNZ
 ☐ Replacement application form
 ☐ Existing BNZ Customer

BNZ Account Number or Access Number (back of card):

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## 2. Application Type

- ☐ Personal application (individual/joint) proceed to Section 3
 ☐ Non-Personal application (Trust, Company, Partnership, Estate etc.) proceed to Section 4

## 3. Personal Customer Details

- ☐ Individual Unit Holder
 ☐ Joint Unit Holders\*
 ☐ Child\*\*

\*For Joint Applicants, the Manager will use the higher of the two 'Prescribed Investor Rates' (PIR) given below. If a PIR is not provided the Manager must use the default rate of 28%. If you are unsure how to determine your PIR you can determine this at the IRD website [ird.govt.nz](http://ird.govt.nz).

\*\*The child's details should be entered as 'Applicant 1' and the parent/guardian details should be entered as 'Applicant 2'.

### Applicant 1:

- ☐ Mr
 ☐ Mrs
 ☐ Ms
 ☐ Miss
 ☐ Other

Name

IRD number You must provide your IRD number to open your account.

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Prescribed Investor Rate (please tick one)

- ☐ 0%
 ☐ 10.5%
 ☐ 17.5%
 ☐ 28%

### Applicant 2:

- ☐ Mr
 ☐ Mrs
 ☐ Ms
 ☐ Miss
 ☐ Other

Name

IRD number You must provide your IRD number to open your account.

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Prescribed Investor Rate (please tick one)

- ☐ 0%
 ☐ 10.5%
 ☐ 17.5%
 ☐ 28%

### Applicant 3:

- ☐ Mr
 ☐ Mrs
 ☐ Ms
 ☐ Miss
 ☐ Other

Name

IRD number You must provide your IRD number to open your account.

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Prescribed Investor Rate (please tick one)

- ☐ 0%
 ☐ 10.5%
 ☐ 17.5%
 ☐ 28%

Once completed - go to Section 5

## 4. Non-Personal Customer Details

- ☐ Trust
 ☐ Company
 ☐ Other (estate, partnership, group etc)

Other details

Trust - all trustees to sign (2 directors for corporate trustee).  
- Applicant name must be written as '[Trustee name] as trustee for the [XYZ] trust'  
(e.g. Mr Smith as Trustee for the Smith Family Trust)

Company - The form must be signed by two directors of the company (or one director if there is only one director) or by an attorney.

## Name of Entity

IRD number You must provide your IRD number to open your account.

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Prescribed Investor Rate (please tick one)

- ☐ 0%
 ☐ 10.5%
 ☐ 17.5%
 ☐ 28%

## Signatory 1:

- ☐ Mr
 ☐ Mrs
 ☐ Ms
 ☐ Miss
 ☐ Other

Name

## Signatory 2:

- ☐ Mr
 ☐ Mrs
 ☐ Ms
 ☐ Miss
 ☐ Other

Name

## Signatory 3:

- ☐ Mr
 ☐ Mrs
 ☐ Ms
 ☐ Miss
 ☐ Other

Name

## 5. Contact Details

### Mailing address

Postal address	
Suburb	
Town/city	Postcode

Phone	0		Mobile	02	
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Email*	
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\*By providing your email address on the application form or otherwise, the Manager and BNZ may email you future terms and conditions for the Fund instead of sending them to your postal address.

## 6. Nominated Account

Please provide a nominated account for any payments as you cannot receive payments in cash. If you wish to nominate a different account for payments you may notify the Manager of that account in writing at any time.

Account name(s)

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Bank Branch Account number Suffix

7: Information and Signature(s) of the Applicant(s)  
(please read carefully)

In this application form, **Fund** means BNZ Term PIE established under the Governing Document (as amended from time to time). **Manager** means BNZ Investment Services Limited. **Supervisor** means The New Zealand Guardian Trust Company Limited.

The information provided in this application form is provided to enable the Manager, BNZ, their related bodies corporate and their agents to process your application and to administer your investment.

Failure to provide the information requested may delay the processing of your application.

Signing Authority

- I/We agree to be bound by the BNZ Term Pie Terms and Conditions and the Governing Document.
- I/We understand that this application form allows the authorised signatories stated in this application form to apply now or in the future for Units in the Fund and all details in this form will apply to such applications, unless otherwise advised to, or by, the Manager or BNZ.
- I/We have been provided with the BNZ Standard Terms and Conditions and the Terms and Conditions for the Fund and understand that they, and the Governing Document, will be binding on me/us as amended or replaced from time to time.
- I/We declare that all details and statements made by me/us in the application form are true and correct, and will apply to all future investments I/we make in the Fund unless otherwise advised to, or by, the Manager or BNZ.
- I/We certify that, where information is provided by me/us in this form about another person, I am /we are authorised by such person to disclose the information to you and to give authorisation.
- I/We understand that by providing an email address, consent is provided to any member of the BNZ Group making contact electronically (e.g. by email, SMS, website link) from time to time with information about our products, services, and promotions, and without an unsubscribe facility.
- I/We agree to indemnify in all respects and hold harmless the Manager, BNZ, and the Supervisor against all damages, costs, expenses, losses or liabilities which may arise by reason of any of them accepting or acting on instructions from me/us or an authorised signatory acting on my/our behalf (including without limitation, any instructions issued by telephone, facsimile, email or other electronic means or unauthorised, forged or fraudulent instructions where that could not reasonably have been detected) in respect of my/our membership in BNZ Term Pie, except in situations where the Manager, BNZ, or the Supervisor fails to exercise the care, diligence and skill of a prudent person in their respective capacities when giving effect to such instructions, or where they have otherwise acted in breach of their duties under the Financial Markets Conduct Act;

I/We acknowledge and agree that:

- Units in the Fund do not represent deposits or other liabilities of BNZ, or any member of the National Australia Bank Limited group; and
- Units are subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of BNZ, any member of the National Australia Bank Limited group, the Supervisor, any of their directors or any other person guarantees (either partially or fully) the capital value or performance of the Fund.
- In the case of a transaction request (including this application) which is invalid or contains insufficient information when provided, will not be processed until valid documentation is received and/or in accordance with our obligations at law, your account may be closed and your investment refunded, less tax and expenses.

I/We acknowledge that if I am/we are a custodian applying on behalf of another person(s):

- I/We warrant to the Supervisor and the Manager that the other person(s) has received a copy of the latest Terms and Conditions for the Fund prior to this application being submitted and I/we will undertake to provide the other person(s) with updates of the Terms and Conditions published by the Manager for the duration of the Account;
- I/We warrant that I/we have explained to the other person(s) that they will be bound by the provisions of the Governing Document, the Terms and Conditions for the Fund and any other conditions (including the BNZ Standard Terms and Conditions) which may apply, each as amended or replaced from time to time;
- I/We warrant to the Supervisor and the Manager that the other person(s) has been provided with the BNZ Standard Terms and Conditions prior to this application being submitted; and
- I/We have either verified or received confirmation of the verification of the identity of each underlying investor to whom this application relates.

If I am/we are a PIE Investor Proxy, I/we;

- Agree to establish systems and procedures to monitor the holdings of underlying investors and to monitor such holdings, and to manage and remedy any breach of the investor interest size requirements in the Income Tax Act 2007 or the investor membership requirements in the Income Tax Act 2007 relating to underlying investors within the time periods permitted under the Income Tax Act 2007, and to immediately notify the Manager on becoming aware of any such breach; and
- Agree to indemnify the Supervisor and the Manager for any losses, liabilities, costs or expenses arising from any breach of investor interest size requirements or the investor membership requirements in the Income Tax Act 2007 relating to underlying investors who I/we, as a PIE Investor Proxy, am/are responsible for, including the losses, liabilities, costs or expenses arising from the Fund losing PIE status.

I/We have read and understood the above disclosures.

Signatory 1:

Signature	
Customer Number	ID Document

Signatory 2:

Signature	
Customer Number	ID Document

Signatory 3:

Signature	
Customer Number	ID Document

Additional Signatures (authorised signatories for all PIEs for the above applicants):

Additional Signatory

Signature	
Customer Number	ID Document

Additional Signatory

Signature	
Customer Number	ID Document

Signing instructions

☐ Number of authorised signatures required (If not completed, the Manager may rely on the instructions of any one of the above applicants)

Specific signing instructions

OFFICE USE ONLY:

☐ BNZ Know your customer requirements completed for all parties as required by the AML and CFT Act 2009

Customer No.	
Processed by	
Staff No.	D D M M Y Y

Important: please send this completed and signed application form with the customer BIS number to CAS at location code **1269A12**.

Complete this section if you are acting on behalf of someone for whom you hold Power of Attorney.

## 8. Certificate of non-revocation of Power of Attorney

I,

(Name of Attorney)

of

(Address and occupation of Attorney)

certify

1. That by a deed dated

(Name of donor) of

(Address of donor) appointed me its/his/her Attorney.

2. That I have not received notice of any event revoking the Power of Attorney.

Signed at  this  day

of  2 0

Signature of Attorney

Complete this section if you are acting as agent for someone.

## 9. Certificate of non-revocation of Agent

I,

(Name of Agent)

of

(Address and occupation of Agent)

certify

1. That by an Agency Agreement dated

(Name of appointor) appointed me its/his/her Agent on the terms and conditions set out in the Agency Agreement.

2. That I have not received notice of any event revoking that appointment.

Signed at  this  day

of  2 0

Signature of Agent

## Do you need help working out your PIR?

**This information below is based on our understanding of taxation law that applies as at November 2019. It is intended as a guide only. Tax legislation, its interpretation and the rates and basis of taxation are subject to change. For tax advice relating to your specific circumstances, we recommend that you consult a professional tax adviser.**

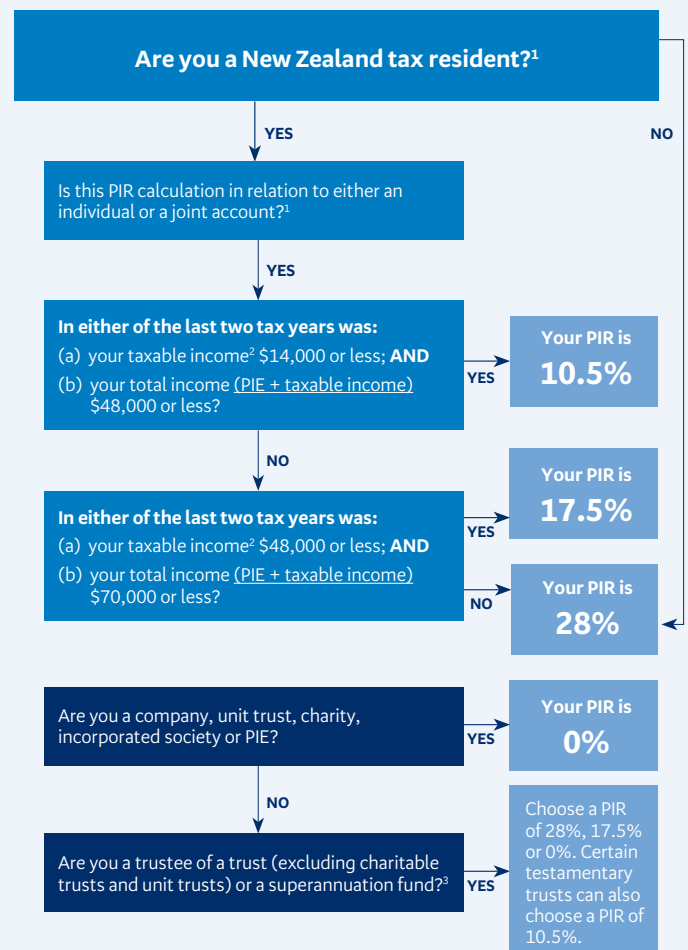
Your PIR is the tax rate prescribed by law used to calculate the tax payable by the Fund on the income of the Fund that is allocated to you.

If you do not notify us of your PIR then your income earned from the Fund will be taxed at the default rate of 28%.

The Commissioner of Inland Revenue can, by notice, require the Fund to apply a different PIR to the PIR notified by you. In this case, the Fund would have to apply the PIR that the Commissioner considers appropriate.

For more information about taxable income, PIRs and to determine your correct PIR please refer to the IRD website [ird.govt.nz](http://ird.govt.nz) or contact your professional tax adviser.

The diagram below will help you work out your PIR.



1. Taxable income for New Residents: In determining your PIR, gross income earned from foreign sources while you were a non-resident must be treated as if it were taxable income. However, you may choose that this rule does not apply if you expect that your taxable income in either of your first two years as resident will be significantly lower than your total income in the income year prior to becoming a New Zealand resident. In that case, you will be taxable at your marginal tax rate on your returns from the Fund, with a credit being available for any PIE tax paid.

2. Joint account holders will be treated as one account holder, with a PIR equal to the highest PIR of the joint account holders.

3. If you choose a PIR of less than 28%, you will need to include PIE income in the Trust's tax return. A tax credit will be available for any PIE tax paid.

If for the two previous income years you qualify for two rates, your PIR is the lower rate.

## Checking your PIR is important

It is important that we always have your correct PIR because:

- if you notify us of a PIR that is lower than your correct PIR, you will be liable to pay tax on PIE income attributed to you at your marginal tax rate (plus any penalties and interest) and to file a tax return (a credit is available for any PIE tax paid by the Fund on your behalf); and
- if you notify us of a PIR that is higher than your correct PIR, you will not be able to claim back the excess tax paid.

If:

- your notified PIR is 0%; or
- you are a new resident who chooses not to include your non-resident foreign-sourced income to determine your PIR; or
- you are a trust which has notified a PIR of less than 28%; then

you will be responsible for paying tax on the income attributed to you. If you are a trust which has notified us that you have a PIR of 10.5% or 17.5%, or you are a new resident as described above, a credit is available for the tax paid by the Fund on your behalf. In the case of joint unit holders with differing PIRs the higher notified PIR is used.

If you notify us of a change to your PIR after the beginning of the tax year, the tax payable by the Fund on PIE income which is allocated to you will be recalculated using the new PIR notified to us by you. However, there will be no recalculation of any tax which has already been paid to the IRD on your behalf before we receive the notification.

