

1. Foreign Currency Account Terms and Conditions

Date 1 June 2011

1. Foreign Currency Account

- 1.1 These are the terms and conditions between us, ASB Bank Limited (ASB), and you, the Customer, which govern the opening and operation of foreign currency accounts held with ASB (these Terms and Conditions).
- 1.2 These Terms and Conditions are in addition to:
 - (a) ASB's Personal Banking or Business, Rural and Corporate Terms and Conditions (as applicable to you) which also govern the opening and operation of accounts held with ASB;
 - (b) ASB's Foreign Exchange Terms and Conditions, which govern the provision of certain foreign currency services; and
 - (c) any other ASB product specific terms and conditions.
- 1.3 If there is any conflict between these Terms and Conditions and ASB's Personal Banking or Business, Rural and Corporate Terms and Conditions, these Terms and Conditions will apply.
- 1.4 If there is any conflict between these Terms and Conditions and ASB's Foreign Exchange Terms and Conditions or any other ASB product specific terms and conditions, those other terms and conditions will apply.

2. Deposits

- 2.1 ASB accepts foreign currency deposits in most major currencies. Minimum balances are required and may be varied by ASB in its absolute discretion and without notice.
- 2.2 Where funds are deposited to your foreign currency call account other than by way of foreign cheque, travellers cheque or draft, they will be available for withdrawal on the day of receipt of the funds by ASB or on the value day of any authenticated advice from a remitting bank, whichever is the later, so long as that day is a business day in New Zealand and in the country of the relevant currency being deposited.
- 2.3 If you deposit funds into your foreign currency account in a different currency to that of your foreign currency account or ASB is required to effect any dishonour or return of funds in a currency other than that of your foreign currency account, the relevant funds will be converted at ASB's prevailing rate of exchange on the day of the transaction or subsequent dishonour or return.
- 2.4 For terms and conditions applicable to deposits by way of foreign cheque or draft refer to ASB's Foreign Exchange Terms and Conditions.
- 2.5 Foreign currency deposits will be subject to all laws, regulations and usages in any country which may be applicable from time to time to the currency being deposited.
- 2.6 For information on foreign currency term deposits refer to the Investment Statement for ASB Treasury & Financial Markets Term Deposits.

3. Withdrawals

- 3.1 Unless otherwise agreed by ASB, at least two business days' notice is required to withdraw funds from a foreign currency call deposit account. For this purpose, "business day" means a business day in New Zealand and in the country of the relevant currency being withdrawn.
- 3.2 For information on withdrawals from a term deposit refer to the Investment Statement for ASB Treasury & Financial Markets Term Deposits.

4. Interest

- 4.1 The term of the foreign currency deposit and applicable interest rates shall be agreed between you and ASB on application but where the interest rate is not so agreed, it shall be the

prevailing market rate as determined by ASB in its sole discretion. Interest rate calculations may vary dependent upon international practice for each currency. Any balances under the minimum balance required from time to time will not accrue interest.

- 4.2 Unless otherwise agreed, ASB may in its absolute discretion alter any interest rate (other than during the term of a fixed deposit) without giving you prior notice.
- 4.3 Interest on foreign currency call deposits will be calculated daily and paid monthly to your foreign currency account.
- 4.4 Unless you hold a current Certificate of Exemption (or other legal exemption), ASB is required by law to deduct from the gross interest payable to you as the investor, Resident Withholding Tax or Non-Resident Withholding Tax as appropriate. Alternatively, if the Approved Issuer Levy applies to you, this may be deducted, as per your contract with ASB, instead of Non-Resident Withholding Tax. Deductions are made prior to the payment of the net interest to you.

5. Fees and Instructions

- 5.1 ASB may impose fees and charges for services provided in connection with any foreign currency account. Details of applicable fees and charges can be obtained from ASB on request. ASB's fees and charges will be deducted from your nominated account.
- 5.2 Unless otherwise agreed by ASB, all transfers from a foreign currency account to a New Zealand dollar account must be made to an account in the name of the Customer.
- 5.3 ASB may in its absolute discretion refuse to accept or act on any instructions received by telephone, facsimile or email. If such instructions are received and accepted by ASB:
 - (a) ASB shall have no obligation to verify the authenticity of any instruction received from the Customer or purporting to have been sent by the Customer and may act on any directions contained in such instruction which on its face appears to be genuine without further enquiry; and
 - (b) the Customer waives all present and future claims which it may have in respect of any transaction entered into ASB where ASB has in good faith acted in relation to and relied upon instructions or purported instructions from the Customer.

To the extent permitted by law, ASB has no responsibility or liability in respect of any facsimile or email instructions transmitted by the Customer to ASB but not received by ASB.

- 5.4 The Customer will be responsible for all liabilities incurred in relation to its accounts and shall indemnify ASB against any liability, loss or expense in any form whatsoever which may be incurred in relation to such accounts including, but not limited to, any liability, loss or expense arising from, or in connection with ASB accepting instructions (including instructions by telephone, facsimile or email) whether those instructions are valid or not.

6. Limitation of Liability

- 6.1 To the extent permitted by law, ASB will not be liable for:
 - (a) any event or circumstance which affects the operation of any foreign currency account or the funds held in a foreign currency account and which is outside the control of ASB, including but not limited to, acts of God, power, equipment or systems failure, variation in the supply of power, processing system failure, failure of a communications link, communication lines failure, strikes, riots, acts of war or terrorism, epidemics, lockouts or industrial disturbances.
 - (b) any consequential or indirect losses or damages, however caused, suffered or incurred by you.

1. Foreign Currency Account Terms and Conditions - continued

6.2 The provisions of the Consumers Guarantees Act 1993 will not apply where you are a business or use your foreign currency account for any business purpose.

7. Foreign Currency Transactions

If you decide to buy or sell foreign currency ASB accepts no responsibility whatever for your decision. Foreign currency transactions can be complicated and expose you to risk, including adverse currency fluctuations. You acknowledge that you may suffer substantial losses as a result of such fluctuations. ASB will not be liable for these losses in any circumstance.

It is your responsibility to understand the nature of the transactions you enter into, the risks associated with those transactions and the monitoring of those transactions. The Customer acknowledges that no communication (written or oral) from ASB in relation to any foreign currency transaction is a guarantee or assurance as to the expected results of, or returns from, that transaction and no information or explanations provided by ASB in relation to any foreign currency transaction constitute investment advice or a recommendation by ASB to enter into such a transaction.

8. Solicitor and Accountant Trust Accounts

If you are a solicitor or accountant and you open and operate foreign currency accounts as trust accounts on behalf of your clients, the following additional provisions apply:

- (a) you undertake that, in relation to each foreign currency account opened on behalf of a client, you have received prior written authority from that client to open and operate such accounts;
- (b) it is your responsibility to verify the identity of each of your client account holders in accordance with the requirements of the Financial Transactions Reporting Act 1996, as amended or replaced from time to time, before opening any foreign currency account with ASB. You acknowledge and agree that ASB opens foreign currency accounts on your behalf in reliance on you having undertaken this verification;
- (c) you will provide ASB with a copy of any documentation used to verify the identity of any of your clients immediately on request of ASB;
- (d) you will at all times comply with all regulations and rules imposed by your regulatory body or society in relation to the operation of trust accounts; and
- (e) you will be liable to ASB for any loss suffered by ASB which results from your failure to comply with these Terms and Conditions.

9. Changes to these Terms and Conditions

ASB may change these Terms and Conditions at any time. ASB will give you at least 14 days notice of any change to these Terms and Conditions, except for interest rate and other variations that are subject to market fluctuations. ASB will advise you of these changes either by direct communication, by advice on display in all of ASB's branches or by press advertisements. Changes will also be noted on ASB's website, www.asb.co.nz

10. Governing Law

These Terms and Conditions are governed by New Zealand law and New Zealand courts shall have exclusive jurisdiction.

11. Confidentiality

ASB will collect information about you;

The information will be collected for the purpose of:

- (a) Enabling you to open and operate any accounts (whether existing or future, solely or with others) with ASB;
- (b) Enabling you to obtain the use of, and information about, any other ASB products and services and products and services of ASB's related companies (whether incorporated or constituted in New Zealand or elsewhere);
- (c) Administering, managing and monitoring any products and services provided to you by ASB and its related companies (whether incorporated or constituted in New Zealand or elsewhere); and
- (d) Conducting market research, data processing and statistical analysis.

You authorise us to obtain information from our related companies for the above purposes.

The intended recipients of the information are:

- (a) ASB and its related companies (whether incorporated or constituted in New Zealand or elsewhere).
- (b) ASB's agents and other third parties (whether in New Zealand or overseas) that provide services to ASB.
- (c) Research firms engaged by ASB to carry out customer surveys and conduct market research.
- (d) Other banks (including overseas banks), agents, contractors or other financial services providers assisting with international transactions and same day cleared payments.

Certain laws require us to disclose your information. Overseas banks, agents, contractors or financial services providers who assist with international transactions and same day cleared payments will be subject to the laws of that jurisdiction which may require them to disclose your information.

The information will be collected and held by ASB, ASB Centre, 135 Albert Street, Auckland.

Failure to provide the information or provision of incorrect information may result in any application for credit being declined, or your being unable to open an account with ASB.

You do have rights of access to, and correction of, personal information (as defined in the Privacy Act 1993) held by ASB.

We will endeavour to ensure that your information that we hold is accurate. Prompt advice of any changes in your personal contact details such as residential or email address, or telephone or facsimile numbers will help us do this.

2. Foreign Exchange Terms and Conditions

These terms and conditions govern the provision of ASB Bank Limited's ("ASB", "we", "us" and "our") foreign draft, international money transfer, foreign cash and travellers cheque services (each a "Service"). By using any Service, you unconditionally accept and agree to these terms and conditions as they apply to each Service.

Please read these terms and conditions together with any relevant product brochure and the conditions of any application form carefully. Please also note that any other terms and conditions which relate to your ASB account will continue to apply. To the extent that such other terms and conditions are inconsistent with these terms and conditions, these terms and conditions shall prevail (unless such other terms are expressed to apply instead of these terms).

Foreign Drafts (Purchases)

Unless ASB is purchasing a Demand Draft (a draft drawn directly on an account held with ASB) or sending an item 'on collection', we will credit your nominated ASB account with the New Zealand equivalent of the foreign draft at the exchange rate applicable at the time of presentment of the foreign draft for deposit.

We will usually place a 21 working day hold on the deposit and those funds will not be available to you until the hold is released. The period of the hold may vary from time to time without notice.

All foreign drafts presented to us by you for deposit to your ASB account are subject to the rules and regulations of the country in which they are drawn including different dishonour timeframes. You acknowledge that ASB cannot confirm at anytime whether or not the overseas bank on which the draft is drawn (the "Drawee Bank") has cleared the foreign draft and the foreign draft may be dishonoured at anytime, including after the 21 working day hold is released and after the funds are made available by ASB for withdrawal.

In the event of dishonour, the foreign currency amount of the draft, including any fees and charges imposed by ASB and the Drawee Bank will be debited to your account at the exchange rate applicable at the time of the dishonour. This may mean that the amount debited from your account is different from what was originally deposited due to exchange rate fluctuations.

Where deemed necessary by ASB, or upon your request, certain foreign drafts may be sent 'on collection' to the Drawee Bank. Where a draft is sent 'on collection' funds will be deposited to your nominated ASB account at the exchange rate applicable on the day payment is received from the Drawee Bank. If the foreign draft is not paid your account will be debited with any fees and charges imposed by ASB and the Drawee Bank. Drawee Bank fees will be converted using ASB's exchange rate applicable at the time of notification of non-payment.

Foreign Drafts (Sales)

You agree that by purchasing a foreign draft you accept the rates and commission shown on the receipt.

It is your responsibility to ensure the details of the payee you provide to us are accurate.

An ASB foreign draft is deemed 'stale' if presented after a period of 6 months (or 15 months for Australian Dollar drafts) from the date of issue depending upon applicable banking laws and regulations in the country of presentment. If not presented by the payee within 6 years from the date of issue, it will be treated by us as unclaimed money for the purposes of the Unclaimed Money Act 1971.

You acknowledge that foreign drafts are not exchangeable for cash as they are intended to be paid to the recipient's bank account.

We will make reasonable efforts to stop payment on a foreign draft when you request us to do so. However, at the time you request a stop we may not be able to establish whether the foreign draft can be stopped. You may be charged a fee to stop the foreign draft and to issue a replacement foreign draft. The Drawee Bank may also charge a stop payment fee. These charges may be debited from your ASB bank account and, where applicable, fees will be converted using ASB's exchange rate applicable at the time.

International Money Transfers

You agree that other financial service providers, including overseas and other local banks and other financial service providers,

(each a "Correspondent") may be involved in the provision of International Money Transfer ("IMT") Services to you. You agree that, to the maximum extent permitted by law, this involvement of Correspondents is entirely at your risk and ASB will not be liable for any loss whatsoever arising in connection with the involvement of a Correspondent or for any act or omission of any Correspondent in providing the Service.

In order to make payment, correct beneficiary payment instructions including a correct account number must be provided. You are responsible for and must take all reasonable care to ensure that the beneficiary payment instructions you provide ASB are correct. Your failure to provide correct beneficiary payment instructions may result in ASB being unable to recover the IMT or may result in costs or expenses being levied against ASB or any Correspondent involved in the transaction. You agree to reimburse ASB for any such costs and expenses.

The payment of funds to the beneficiary is the responsibility of the Correspondent and the beneficiary. You acknowledge that, while we can provide you with an indication of when the IMT would normally be available for collection, the timing of the payment is beyond ASB's control and ASB does not guarantee the payment will be made within any particular timeframe. All enquiries to the Correspondent in respect of the IMT will be at your cost.

We will make reasonable efforts to stop payment on an IMT when you request us to do so. However, at the time you request a stop we may not be able to establish whether the IMT can be stopped. You may be charged a fee to stop, correct or trace the IMT. The Correspondents may also charge a fee for stopping, correcting or tracing an IMT. These charges may be debited from your ASB bank account.

The IMT will be subject to any fees, commissions and charges imposed by any Correspondent which (unless ASB instructs the Correspondent otherwise) will be deducted from the foreign payment. In such cases you should assume the beneficiary of the payment will receive a lower amount. If for whatever reason the correspondent bank levies fees, commissions and charges separately against ASB you will reimburse ASB for these fees, commissions and charges and you authorise ASB to debit such fees, commissions and charges from your account. ASB may receive foreign currency rebates from Correspondents.

All payments, fees and other charges payable in a foreign currency will be converted into New Zealand dollars at ASB's current rate of exchange on the day they are processed by ASB.

Foreign Cash (Sales and Purchases)

You agree that by accepting foreign or New Zealand currency you accept the rates and commission shown on the receipt.

ASB will endeavour to provide foreign cash in the denominations of your choice, subject to availability.

You agree that should a journey be cancelled or currency no longer required, foreign cash may be repurchased by us at our discretion at ASB's current buy rate prevailing at the date of repurchase. You acknowledge that any commission or fees paid are not refundable.

Travellers Cheques (Purchases)

We may credit you with the New Zealand equivalent of the foreign currency prior to actual clearance of the travellers cheques being received by us at ASB's current buy rate prevailing at the date of purchase.

Where deemed necessary by ASB travellers cheques may be required to be deposited into an ASB account. A 21 working day hold will be placed on the deposit and those funds will not be available to you until the hold is released. The period of the hold may vary from time to time without notice.

You acknowledge and agree that if the travellers cheques are dishonoured then your ASB account may be debited with both New Zealand and international dishonour fees and that the amount in New Zealand dollars may differ due to exchange rate fluctuations between the date ASB originally credited your account and the dishonour date.

2. Foreign Exchange Terms and Conditions - continued

Where deemed necessary by ASB, or upon your request, certain travellers cheques may be sent 'on collection' to the Drawee Bank. Where a travellers cheque is sent 'on collection' funds will be deposited to your nominated ASB account at the exchange rate applicable on the day payment is received from the Drawee Bank. If the travellers cheque is not paid your account will be debited with any fees and charges imposed by ASB and the Drawee Bank. Drawee Bank fees will be converted using ASB's exchange rate applicable at the time of notification of non-payment.

Travellers Cheques (Sales)

You agree to be bound by the conditions as recorded in the Purchase Agreement contained with the Travellers Cheque pack.

ASB will endeavour to provide travellers cheques in the denominations of your choice, subject to availability.

You agree that should a journey be cancelled or the travellers cheques no longer required, travellers cheques may be repurchased by us at our discretion at ASB's current buy rate prevailing at the date of repurchase and any commission or fees paid are not refundable.

If your travellers cheques have been lost or stolen you must notify the issuing company.

Liability

You indemnify us against any loss, liability, claim or expense arising directly or indirectly as a consequence of any:

- act or omission of yours in relation to the provision of any Service;
- delay, refusal or disclaimer by the drawee of a foreign draft or a travellers cheque.

We will not be liable for:

- any loss to the extent that it is caused or contributed to by your own acts or omissions;
- any loss, liability or expense suffered or incurred as a consequence of any foreign draft, IMT or travellers cheque not being changed, stopped or cancelled by the Drawee Bank or Correspondent;
- any errors, omissions or delays in the transmission of any message, howsoever caused; or
- any consequences of the failure of any machine or system, or any strike or dispute or for any loss caused by circumstances outside our control;
- any loss or delay arising in connection with the involvement of any Correspondent or their acts or omissions, whether or not ASB appointed the Correspondent;
- any loss or delay arising directly or indirectly as a result of the laws, regulations, practices and policies of any place where the Drawee Bank or Correspondent operates or where the payment is made from or received or which apply to the currency of any payment.

Regardless of any other term or condition we acknowledge that:

- a. the Consumer Guarantees Act 1993 overrides the provisions of these Terms and Conditions and we agree to be bound by the provisions of that Act; and
- b. we will compensate you for reasonably foreseeable losses directly attributable to our negligence or wilful damage.

However, when you use a Service for the purposes of a business, the provisions of the Consumer Guarantees Act will not apply.

Fees and charges

Fees and charges apply to the Services. We may from time to time introduce or change the applicable fees and charges for use of any Service. Further information on our current fees and charges is available from any ASB branch or at www.asb.co.nz.

You agree to reimburse us for any fees and charges imposed by ASB, Drawee Banks and Correspondents for these Services, together with all courier and mail fees. You authorise ASB to debit your ASB account for any fees and charges related to the Services. ASB is authorised to overdraw your account by debiting fees and charges or debit any other account you hold with ASB.

Fees and charges payable in a foreign currency will be converted to New Zealand dollars at ASB's exchange rate applicable on the date payment of the fee or charge is made.

Alterations to these Terms and Conditions

We may alter these terms and conditions at anytime by giving at least 14 days notice to you either by:

- direct communication (e.g. by letter, by email, by fax or by telephone); or
- statements in the media (including public notices in major daily papers); or
- displaying information at our branches.

Where such information is also on our website, it will be noted there.

We reserve the right to vary, change or withdraw a Service at anytime. We may change our exchange rates at anytime without notice.

Confidentiality of your information

- ASB will collect information about you;
- The information will be collected for the purpose of:
 - a. Enabling you to open and operate any accounts (whether existing or future, solely or with others) with ASB and to use the Services;
 - b. Enabling you to obtain the use of, and information about, any other ASB products and services and products and services of ASB's related companies (whether incorporated or constituted in New Zealand or elsewhere);
 - c. Administering, managing and monitoring any products and services provided to you by ASB and its related companies (whether incorporated or constituted in New Zealand or elsewhere); and
 - d. Conducting market research, data processing and statistical analysis.
- You authorise us to obtain information from our related companies for the above purposes.
- The intended recipients of the information are:
 - a. ASB and its related companies (whether incorporated or constituted in New Zealand or elsewhere).
 - b. ASB's agents and other third parties (whether in New Zealand or overseas) that provide services to ASB.
 - c. Research firms engaged by ASB to carry out customer surveys and conduct market research.
 - d. Other banks (including overseas banks), agents, contractors or other financial services providers assisting with international transactions and same day cleared payments.

Certain laws require us to disclose your information. Overseas banks, agents, contractors or financial services providers who assist with international transactions and same day cleared payments will be subject to the laws of that jurisdiction which may require them to disclose your information.

- The information will be collected and held by ASB, ASB Centre, 135 Albert Street, Auckland.
- Failure to provide the information or provision of incorrect information may result in any application for credit being declined, or your being unable to open an account with ASB or use the Services.
- You do have rights of access to, and correction of, personal information (as defined in the Privacy Act 1993) held by ASB.
- We will endeavour to ensure that your information that we hold is accurate. Prompt advice of any changes in your personal contact details such as residential or email address, or telephone or facsimile numbers will help us do this.

Governing Law

These terms and conditions shall be governed and construed in accordance with New Zealand law and you submit to the jurisdiction of the Courts of New Zealand for all purposes.

These Services may also be directly or indirectly affected by the laws, regulations, practices and policies of any place where the Drawee Bank or Correspondent operates or where the payment is made from or received or which apply to the currency of any payment.

3. Investment Statement for ASB Treasury & Financial Markets Term Deposits

For the purposes of the Securities Act 1978 this Investment Statement for ASB Treasury & Financial Markets Term Deposits was prepared at 3 November 2010.

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.

Choosing an Investment

When deciding whether to invest, consider carefully the answers to the following questions which can be found on the pages noted below:

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In addition to the information in this document, important information can be found in the current General Disclosure Statement for ASB Bank Limited. You may obtain a copy of that General Disclosure Statement, free of charge, from any branch of ASB.

1. What sort of investment is this?

This investment statement is provided in relation to term deposit products offered to the public by ASB Bank Limited ("ASB", "we" or "us") through ASB Treasury & Financial Markets from time to time. A Term Deposit is an unsecured term deposit denominated in either New Zealand dollars or in a foreign currency with a fixed term of investment and a fixed interest rate.

2. Who is involved in providing it for me?

The issuer of this investment is ASB. The Head Office of ASB is situated at ASB Bank Centre, 135 Albert Street, Auckland, 1010. ASB is a registered bank under the Reserve Bank of New Zealand Act 1989.

As at the date of this investment statement, the directors of ASB are Donald McGillivray Elder, Jonathan Peter Hartley, Gary James Judd, Jonathan Peter Ling, Garry Lynton Mackrell, Ross Maxwell McEwan, Ian Mark Narev and Gavin Ronald Walker. The directors of ASB may change from time to time.

ASB has provided financial services to New Zealanders for over 160 years, and is one of New Zealand's leading full service banks.

3. How much do I pay?

Unless otherwise agreed with us, the minimum amount you may invest in a Term Deposit varies by currency as follows:

Australian dollars	AUD	10,000
Canadian dollars	CAD	20,000
Swiss francs	CHF	20,000
Euro	EUR	10,000
Great British pounds sterling	GBP	5,000
Hong Kong dollars	HKD	100,000
Japanese Yen	JPY	1,000,000
New Zealand dollars	NZD	250,000
Singapore dollars	SGD	20,000
United States dollars	USD	10,000

These minimum investment amounts are subject to change by ASB from time to time. ASB may also set maximum investment amounts from time to time.

Who do I pay the money to?

Investing in Term Deposits is easy. Subject to ASB's account opening requirements, your Term Deposit can be opened on the spot - you can call into any ASB branch to do this. Alternatively, existing ASB customers can telephone ASB Treasury & Financial Markets on 09 302 3055 or 0800 806 280, Monday to Friday 8:00am to 5:30pm.

How do I pay?

The amount to be invested is payable to ASB at the time the Term Deposit is made. Payment can be made by means agreed between you and ASB and may include a cheque made out to "ASB Bank Limited" (crossed "Not Transferable"), cash, or transferring money from another account with ASB or from another bank. Payment can be made in New Zealand dollars or in a foreign currency.

3. Investment Statement for ASB Treasury & Financial Markets Term Deposits - continued

4. What are the charges?

There are currently no charges payable by you to ASB when you make an investment in a Term Deposit, unless the investment is made in foreign cash/notes. In that case a handling fee will be charged of up to 1% of the value of the foreign cash/notes.

Fees are payable for foreign currency Term Deposit repayments as follows:

Conversion to New Zealand dollars cash	No charge
Repayment by Wire/Telegraphic Transfer/International Money Transfer	NZD 25.00
Repayment by foreign draft	NZD 22.00
Issue of foreign currency Travellers' Cheques	Minimum NZD 10.00, maximum 1% of value
Issue of foreign currency cash	Minimum NZD 10.00, maximum 1% of value

In addition, if ASB allows you to terminate or partially withdraw your New Zealand Dollar Term Deposit before its maturity date, the rate of interest payable to you by ASB on that Term Deposit will be adjusted to the interest rate or interest rates that would have applied for the period from the date of investment to the date of withdrawal for an ASB New Zealand Dollar on-call deposit. The amount of this adjustment can be obtained by contacting an ASB Treasury & Financial Markets staff member.

Where a partial withdrawal is made, the remaining principal balance will earn interest at the rate the Term Deposit was originally invested at. If the remaining principal amount is less than the prescribed minimum amount ASB may repay your Term Deposit early in full.

If interest is paid other than on maturity and you make an early or partial withdrawal, the interest payable by ASB on that altered Term Deposit may be less than the interest already paid to you. In this case, ASB may deduct the excess amount from the principal amount to be repaid to you.

Any tax or amount in relation to approved issuer levy ("AIL") that has already been deducted from interest earned and paid to Inland Revenue cannot normally be refunded back to you by ASB. Any tax refund may need to be claimed from Inland Revenue directly. AIL is not refundable.

If you are a non-resident investor, have elected for ASB to pay AIL and ASB is lawfully able to do so at the applicable AIL rate, currently 2% of gross interest payable to you, ASB will pay the AIL to Inland Revenue and may deduct an amount equivalent to the AIL from the returns payable to you. The current AIL rate can be obtained by contacting an ASB Treasury & Financial Markets staff member.

Fees and charges are subject to change by ASB from time to time.

5. What returns will I get?

On maturity or early repayment of your Term Deposit, ASB will pay you the principal amount invested and interest earned on that amount (less any withholding tax deductions or amounts specified under the section headed "What are the charges?").

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 taxes (or other deductions) applicable to your investment. Interest is paid on the sum invested at the agreed frequency and rate of interest for the term of your investment.

The amount of returns you may receive are not quantifiable at the date of this investment statement and therefore cannot be promised to you by ASB.

Unless you hold a current Certificate of Exemption (or other legal exemption), ASB is required by law to deduct from the gross interest payable to you as the investor, Resident Withholding Tax or Non-Resident Withholding Tax as appropriate. Alternatively, if Approved Issuer Levy applies to you, an amount in relation to AIL may be deducted instead of Non-Resident Withholding Tax, as described in the section headed "What are the charges?". Deductions are made prior to the payment of the net interest to you.

The term of a Term Deposit can range between seven days and five years for New Zealand dollar denominated investments and one, two, three and six months for foreign currency denominated investments. Interest is calculated on the basis of the actual number of days in the term and a 360 or a 365 day year (depending on the currency of the investment). Interest is currently only paid at maturity. ASB may change these time frames and interest payment options from time to time.

ASB may withhold payment of your returns, after the due date, if ASB holds the Term Deposit as security, until the date that security is discharged, or if there is a third party claim regarding the Term Deposit, or if ASB is required by law to do so.

ASB is legally liable to pay the returns on your Term Deposit (when returns are payable). Your Term Deposit is not guaranteed by any person.

6. What are my risks?

The main risks of you not recovering the money you paid for the investment or of not receiving the returns described above are:

- if ASB becomes insolvent or is placed into receivership, liquidation or statutory management or ASB is otherwise not able to meet its debts as they fall due; or
- ASB receiving a statutory deduction notice in respect of your Term Deposit; or
- ASB exercising its rights to combine your accounts or to set off funds held in credit against amounts you owe to ASB; or
- there is a change in foreign exchange rates where your Term Deposit is denominated in a foreign currency and paid to you in New Zealand dollars.

In the event ASB is put into liquidation during the term of your Term Deposit, secured creditors and those creditors preferred by statute will rank ahead of your claim. After the payment of these creditors your claim will rank equally with all other unsecured unsecured creditors of ASB.

Should a statutory manager be appointed to ASB, the ranking of your claim as a holder of a Term Deposit would be determined by the statutory manager in accordance with the relevant statutory framework.

You will not be liable to pay any more than the amount that you invested with us as a result of the insolvency of ASB.

3. Investment Statement for ASB Treasury & Financial Markets Term Deposits - continued

7. Can the investment be altered?

ASB may at any time alter its standard account terms and conditions and may alter the minimum and maximum amount payable for Term Deposits. However, once an investment is made it cannot be altered without the agreement of you and ASB. **Please note that ASB does not permit early withdrawals from foreign currency Term Deposits.**

As stated above, ASB may in certain circumstances agree to the early or partial withdrawal of your New Zealand dollar Term Deposit. Please refer to the section headed "What are the charges?" for details of charges relating to an early or partial withdrawal.

8. How do I cash in my investment?

If you need to withdraw your New Zealand dollar investment before its maturity date, you can apply to do so by contacting ASB Treasury & Financial Markets. If your application is accepted you will still be paid interest, but at a reduced rate, as described in the section headed "What are the charges?". ASB may repay your Term Deposit early if the remaining principal amount is less than the prescribed minimum amount.

ASB may terminate your Term Deposit before its maturity date if it exercises any of its rights to combine your accounts or to set off amounts you have deposited with ASB against amounts you may owe to ASB.

You may not sell, assign, mortgage or charge your Term Deposit to another person (other than ASB) without ASB's written consent. There is no established market for such sales.

9. Who do I contact with enquiries about my investment?

Inquiries about your Term Deposit may be made at any ASB branch to any Personal Banker or the Branch Manager or by telephoning ASB Treasury & Financial Markets on 09 302 3055 or toll-free on 0800 806 280 - Monday to Friday 8:00am to 5:30pm.

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

Any complaints about your Term Deposit may be made at any ASB branch to any Personal Banker or the Branch Manager or you can contact the Dealer in ASB Treasury & Financial Markets (or his/her Manager) that you dealt with initially. They will explain to you ASB's complaint procedures and should be able to resolve the problem. If the issue remains unresolved your complaint can be directed to ASB's Customer Care Department on 0800 738 930.

If resolution has still not been achieved and you are not satisfied with the outcome of ASB's consideration of the complaint, you may contact the Banking Ombudsman for an independent review of your complaint at:

The Office of the Banking Ombudsman
PO Box 10573
The Terrace
Wellington
NEW ZEALAND
Email: help@bankomb.org.nz
Phone: 0800 805 950

11. What other information can I obtain about this investment?

Other information about Term Deposits and ASB is contained in ASB's current Disclosure Statement issued pursuant to the Reserve Bank of New Zealand Act 1989 and in its financial statements. A copy of the current Disclosure Statement and ASB's most recent financial statements can be obtained, free of charge, on request from any ASB branch or ASB's Head Office or can be found online at www.asb.co.nz. ASB's most recent financial statements, together with all documents required to be registered with those financial statements, are filed on a public register at the Companies Office of the Ministry of Economic Development and are available for public inspection (including at www.companies.govt.nz).

If applicable, annual Resident Withholding Tax deduction certificates will be issued in April if gross domestic interest paid exceeds NZ\$50 and tax has been deducted. If all accounts held by the investor with ASB are closed, a final certificate will be issued at that time, instead of being issued in April.

You may request further information about your Term Deposit, such as the balance, from ASB. Copies of the following information are also available free of charge from ASB on request by telephoning ASB Treasury & Financial Markets on 0800 806 280:

- ASB's most recent Annual Report.
- ASB's most recent Key Information Summary as displayed in each ASB branch.
- The most recent Treasury & Financial Markets Term Deposits investment statement.

Money handling procedures

You can invest money in a Term Deposit by any means such as a cheque made out to ASB Bank Limited (and crossed "Not Transferable"), with cash, or by transferring money from another account, either with us or another bank. The money we receive from you is deposited directly into your account with ASB in your name and is used by ASB in the ordinary course of its business. It is not held on trust by ASB.

While ASB is externally audited, the process of receiving your money and putting it on term deposit with us is not externally audited.

ASB keeps a record of your deposit and will send you a periodic statement showing the money held in each of your ASB Treasury & Financial Markets accounts.

If you have any questions about this Investment Statement for ASB Treasury & Financial Markets Term Deposits or about your ASB Treasury & Financial Markets Term Deposit Accounts please call us on (09) 302-3055, or toll-free (0800) 806-280, Monday to Friday 8:00am to 5:30pm.

4. Fees and General Information

Repayments direct credited to an account in NZD	No Charge
Withdrawal by issue of NZD Bank Cheque	\$5.00
Withdrawal by International Money Transfer ⁽¹⁾	\$25.00
Withdrawal by issue of Foreign Draft	\$22.00
Withdrawal by issue of Travellers' Cheques:	
• Minimum charge	\$10.00
• Maximum charge	1% of value
Deposit or Withdrawal by Foreign Cash / Notes (Handling Fee):	
• Minimum charge	\$10.00
• Maximum charge ⁽²⁾	1% of value
Cheque sent on collection ⁽³⁾	\$50.00 plus courier costs
International Money Transfer Trace / Amendment / Cancellation	\$30.00
Draft Stop Payment ⁽³⁾	\$25.00
Re-issue of Historical Statements	\$5.00
Search fee (per hour)	\$60.00
• Minimum charge	\$15.00

ASB Bank Limited ("ASB") reserves the right to amend these charges at any time.

¹ Please note that for International Money Transfers in foreign currency to or from other overseas accounts, our agent banks may deduct transfer charges.

² Foreign cash deposits may be subject to a hold period.

³ May also be subject to charges imposed by overseas banks.

Cheques/drafts drawn on overseas banks, which we receive for deposit into Foreign Currency Deposit Accounts, are subject to a hold period of 21 business days. This period may vary from time to time without notice. At its discretion, ASB may pay interest on the cheque/draft prior to this hold being removed. However an exchange rate cannot be quoted on the proceeds of the cheques/drafts during this hold period. ASB customers are liable for all costs and charges incurred for a dishonoured foreign cheque/draft, including without limitation, reimbursing immediately to ASB the principal amount, interest, any exchange differences, ASB charges, overseas charges and any other reasonable costs and charges incurred by ASB. Please be advised that available funds are not necessarily cleared funds. Accordingly, ASB retains the right to claim back, for an unlimited period of time, all funds paid out on foreign cheques and drafts deposited into Foreign Currency Deposit Accounts.

At its discretion, ASB may require foreign cheques/drafts to be sent "on collection". "Collections" have a processing period of approximately 6 weeks. The processing bank may make a variable charge, which is beyond our control. These drafts do not accrue interest until the proceeds have been confirmed as credited to the nominated ASB account.

ASB's Personal Banking Terms and Conditions, Foreign Exchange Terms and Conditions, Foreign Currency Account Terms and Conditions and Financial Markets and International Master Agreement apply and are available from any ASB branch.

ASB Treasury & Financial Markets, P O Box 35, Shortland Street, Auckland 1140, Tel +64 9 302-3055, Fax +64 9 302-0992.