

Terms and Conditions

Effective 15 May 2017



BankDirect

This document also includes an ASB QFE Disclosure Statement

ASB QFE Disclosure Statement

Financial Advisers Act 2008

This Disclosure Statement relates to financial adviser services provided by ASB Bank Limited (**ASB**) and its Qualifying Financial Entity (**QFE**) advisers to retail clients in relation to the financial products set out in this document. It was prepared on 1 July 2016.

Name of QFE: **ASB Bank Limited**

Trading names: **ASB Bank Limited**
BankDirect

Main place of business:

ASB North Wharf
12 Jellicoe Street, Auckland 1010

Phone: 0800 803 804

Email: helpdesk@asb.co.nz

It's important to read this document.

This information is important. It should help you make an informed decision on which financial adviser to choose. We may also give you other information that can help with the financial decisions you make.

What sort of adviser are we?

ASB is a Qualifying Financial Entity (**QFE**) and is a member of the QFE group called **ASB Bank QFE Group**. Employees of ASB and other members of the ASB Bank QFE Group (**our advisers**) may provide you with financial adviser services relating to our products and services.

As a QFE, ASB takes responsibility for the financial adviser services you get from our advisers. We'll ensure our advisers exercise care, diligence and skill in providing financial adviser services to you.

ASB also has other obligations under the Financial Advisers Act 2008 (including regulations made under that Act) and under the general law.

What are our products and services?

This Disclosure Statement relates to financial adviser services that ASB offers to retail customers in relation to the following classes of financial products:

- term deposits issued by ASB
- transaction and savings accounts issued by ASB
- cash and term portfolio investment entity funds (also known as PIEs) issued by ASB Group Investments Limited (a member of the ASB Bank QFE Group) and promoted by ASB
- loans, including home loans, personal loans, personal overdrafts and personal credit cards provided by ASB

ASB may also from time to time provide financial adviser services in relation to financial products provided by third parties, including contracts of insurance (health, life, risk, travel, motor; home and contents) and pre-paid foreign currency products.

If your ASB adviser can't help with the advice you need, they'll refer you to another adviser who can.

What should you do if something goes wrong?

If you have a problem, concern, or complaint about our products or financial adviser services, please let us know so we can try to fix the issue. You can do this in several ways:

- call our Contact Centre on **0800 500 400**
- use our general enquiry form available from **bankdirect.co.nz**
- contact a Customer Care Manager on **0800 500 400** or **(09) 377 8930**

If we can't find a way to fix the issue, you can also contact the Banking Ombudsman, who may be able to help.

You can contact the Banking Ombudsman at:

Address: **Freeport 218002**
PO Box 25327
Featherston Street
Wellington 6146

Phone: **0800 805 950**

Email: help@bankomb.org.nz

You can also report information about ASB or any of our advisers to the Financial Markets Authority using the contact details below.

How is ASB regulated?

ASB is licensed and regulated by the Financial Markets Authority to provide financial adviser services, a discretionary investment management service and to issue derivatives to retail investors. ASB Group Investments Limited, a member of the ASB QFE Group, is licensed and regulated by the Financial Markets Authority as a manager of registered managed investment schemes. If you're interested, you can check the status of ASB as a QFE and which other entities are members of the ASB Bank QFE Group on the register of financial service providers at **fspr.govt.nz**

ASB is also a registered bank, registered with and supervised by the Reserve Bank of New Zealand.

Where can you find out more?

If you have any further questions on this Disclosure Statement, you can visit **asb.co.nz/qfe** for more information.

You can also find out more about financial advisers from the Financial Markets Authority. You can contact them at:

Web: **fma.govt.nz**

Address: **PO Box 1179**
Wellington 6140

Phone: **0800 434 567**

Customer Declaration

You agree that these terms and conditions and the fees set out on bankdirect.co.nz will form the basis of your relationship with us and will apply to all personal banking accounts, facilities and services we provide to you either in your sole capacity or with others. Additional terms and conditions may apply to specific products and services. We will provide these to you when you take the product or service.

These terms and conditions set out how we use information we collect about you and with whom we can share it.

You confirm that:

- Where you are providing information on behalf of someone else you are authorised to do so (we may require evidence of this authority).
- You are not an undischarged bankrupt; not liable under any proceedings; or have not applied for entry to or have been admitted to the no asset procedure under the Insolvency Act 2006, or its amendments; and you will advise us should this change.
- To the best of your knowledge, all information provided to us is complete and accurate and you have not withheld information on your financial position or commitments that might affect our decision in respect of any application.

Customer's full name

.....

Customer's signature

.....

If joint applicant (Customer's full name)

.....

If joint applicant (Customer's signature)

.....

Date

.....

Once completed please send to BankDirect.

Post: PO Box 35, Shortland Street, Auckland 1140

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Terms and Conditions

Introduction to this agreement

- (a) These Terms and Conditions together with any relevant product or service brochure, and the terms of any account opening form or application, form the basis of your relationship with BankDirect. It is important for you to carefully read, understand and keep these Terms and Conditions as they outline the rights, obligations and responsibilities for both you and us when opening and operating bank accounts and using the services offered by BankDirect. You agree to be bound by these Terms and Conditions by applying for or using a BankDirect account or service. Unless there is any written agreement to the contrary between you and BankDirect, these Terms and Conditions will apply to your use of BankDirect accounts and services.
- (b) While we will endeavour to provide a secure system within which you can conveniently carry out your banking transactions via the internet, it is important you know your rights and obligations as you also need to take responsibility for protecting your personal information and accounts once you are registered for BankDirect. Please be advised the internet is not a secure medium and even though information is encrypted privacy cannot be ensured.
- (c) We will not be liable for any consequences of the failure of any machine or system, or any strike or dispute, or any circumstances beyond our control.
- (d) Attention is drawn to the Code of Banking Practice, a copy of which is available on request from BankDirect.

BankDirect may change these Terms and Conditions

- (e) This condition does not apply to BankDirect Visa Cards and Overdrafts. How we change the Terms and Conditions relating to your BankDirect Visa Card and/or Overdraft is described in the 'Cards' and 'Overdrafts' sections of these Terms and Conditions.
- (f) Subject to (g) below, we may change any or all of these Terms and Conditions at any time.
- (g) We will not change the specific terms in the Specific Account and Services section that apply to your BankDirect Term Deposit unless:
 - (i) we allow you to withdraw all or part of your BankDirect Term Deposit before the maturity date;
 - (ii) we end your BankDirect Term Deposit before the maturity date in circumstances described in the section entitled 'Ending this Agreement or an Account or Service'; or
 - (iii) you and we agree.
- (h) When informing you of a change to these Terms and Conditions, we will:
 - (i) give at least 14 days notice of the change; and
 - (ii) communicate such change, either by direct communication, by display in our branches, by notice in the media (including public notice), by notice on our website, or by any other method of electronic communication used by you.
- (i) We do not have to give you advance notice if we need to make changes to immediately restore or maintain the security of a system or an individual facility, including the prevention of systemic or individual criminal activity, including fraud.

- (j) We may change our interest rates at any time without advance notice. We will communicate such changes to you in accordance with condition (h)(ii).
- (k) We may at any time add to, modify or withdraw any of the accounts or services we offer (subject to any account opening criteria). Where you have an account we are withdrawing, we will offer you another type of account instead. You can close your new account or switch to another account we offer (subject to any account opening criteria) at any time.
- (l) If you do not accept the changes we make to your account, you may close your account without fee or charge subject to any:

- (a) right we have to combine or set-off any part of your account balance; or
- (b) legal obligation we have to pay any part of your account balance to a third party.

The section entitled 'Ending this Agreement or an Account or Service' applies.

- (m) You may not change these Terms and Conditions without our written agreement.

Consumer Guarantees Act

- (n) You agree that where the products and services provided under these Terms and Conditions are supplied or acquired in trade, to the maximum extent permitted by law, we and you contract out of the provisions of the Consumer Guarantees Act 1993.

Complaints Procedure

- (o) If at anytime you are not happy with any part of your banking relationship with BankDirect and wish to make a complaint you should first contact a Banking Consultant by phoning **0800 500 400** any time. If after speaking with a Banking Consultant you are not satisfied, your complaint may be referred to a BankDirect team manager. The staff will explain BankDirect's complaint procedures to you and should be able to resolve any problems you may have. A copy of BankDirect's complaints procedures are available upon request and they are also available by visiting **bankdirect.co.nz**
- (p) We are a member of the Banking Ombudsman Dispute Resolution Scheme. You can contact the Banking Ombudsman at:

The Office of Banking Ombudsman

Freepost 218002
PO Box 25327
Featherston Street
Wellington 6146

You may also contact the Office of the Banking Ombudsman by phone on **0800 805 950**, fax on

(04) 471 0548 or email at **help@bankomb.org.nz**.

Information on the Banking Ombudsman's services are also available by visiting **bankomb.org.nz**

- (q) We are registered on the register of financial service providers as ASB Bank Limited (registration number FSP29003).

Glossary of Terms

Additional Cardholders – means an individual person nominated by a Principal Cardholder to operate a BankDirect Visa Card in the name of that nominated person linked to the Principal Cardholder's Card Account.

ASB, we, us, BankDirect – means ASB Bank Limited, ASB North Wharf, 12 Jellicoe Street, Po Box 35, Shortland Street, Auckland 1140.

ASB Branches – the network of ASB branches available nationwide for use by BankDirect customers for deposits and cash withdrawals.

Automatic Payments – arrangements by which you instruct us to make regular payments for a fixed sum from your BankDirect account for credit to another bank account.

Automatic Payment Authority – means a payment authority completed by you which instructs us to make Automatic Payments.

ATM – any ASB automatic teller machines, any other automatic teller machines in New Zealand approved by us as a device in which your BankDirect Visa Card may be used, and any automatic teller machines overseas displaying the Visa symbol.

Bank Cheques – a cheque that is purchased from, and drawn on the account of, a bank. Like any other cheque, bank cheques need to clear and the funds may not be available to you until this process is complete.

BankDirect Cash Card – a cash or debit card which enables you to access your BankDirect accounts via an ATM, or purchase goods and services using EFTPOS where funds are debited directly from your BankDirect account. Your BankDirect Cash Card will also enable you to access other BankDirect services.

BankDirect Term Deposit - is a New Zealand dollar amount deposited with ASB for a fixed term.

BankDirect Visa Card – a BankDirect Visa Card gives you both debit card and credit card functions with one card. The debit card function provides you with the same account access and EFTPOS services as the BankDirect Cash Card. The credit card function allows you to withdraw funds at an ATM or purchase goods and services up to a credit limit allocated and authorised by BankDirect.

Banking Consultant(s) – these are the people you will speak to when you call BankDirect. They can answer any questions you have about BankDirect's products or services, help you open an account, or operate your BankDirect accounts. Banking Consultants are available 24 hours a day, 7 days a week by phoning **0800 500 400** (toll free within New Zealand) or **+64 9 308 0308** (from overseas, toll charges will apply).

Bill Payments – arrangements by which you authorise payments to be made directly from your BankDirect accounts for credit to another bank account. Once a Bill Payment Authority is set up you can use the Bill Payment options to make one-off payments to any of your authorised payees. Bill Payments can be authorised by you for same day payments or payments at a future date.

Bill Payment Authority – means a payment authority completed by you (either from our list of pre-assigned payees or as a self-selected payee) which instructs us to make a

Bill Payment.

Card(s) – means a BankDirect Cash Card and/or a BankDirect Visa Card, as the case may be.

Card Account – means the credit card account debited and credited with Card Transactions, payments, interest, fees and charges in relation to Card Transactions, and accessed by using your BankDirect Visa Card.

Card Transaction(s) – means payment for goods or services (including recurring payments) charged to your Card Account, a credit of a payment for goods or services to your Card Account and Cash Advances.

Card Type – means any BankDirect credit card we issue under the Visa or any other card acceptance scheme.

Cash Advances – means cash withdrawals and advances made by a BankDirect Visa Card or a BankDirect Visa Card number and purchases of currency and cash related transactions.

Conversion Rate – means the exchange rate selected by Visa from within a range of wholesale exchange rates available or, if applicable, the government-mandated rate. The exchange rate will be selected on the date that Visa converts the currency on the Overseas Card Transaction, which may differ from the date on which the Overseas Card Transaction itself occurred.

Customer Number – we will provide you with a system-generated 8 digit Customer Number automatically when you become a BankDirect customer. This Customer Number will be unique to you and when used together with your Password will enable you to access our Internet Banking Services.

DialDirect – BankDirect's fully automated telephone banking system available by dialling 0800 22 55 66 (0800 CALL NOW).

Direct Credits – arrangements by which you receive regular payments, such as salary, by direct lodgement to your BankDirect account.

Direct Debits – arrangements by which, with your authority, automated payments can be made directly from your BankDirect accounts to a third party who has initiated the arrangement. The amounts can be fixed or variable.

Dishonoured Payment – means a payment credited to your Card Account which has not been honoured and has subsequently been debited from your Card Account.

EFTPOS – means Electronic Funds Transfer at Point of Sale which is a method of payment by which you can purchase goods and services via a BankDirect Cash or Visa Card or obtain cash by using your BankDirect Cash Card functionality. The transaction is usually debited immediately to your account.

MobileDirect – BankDirect's mobile banking service where BankDirect customers can carry out certain transactions and utilise other services on their BankDirect accounts using their mobile phone or compatible PDA. MobileDirect services currently include NetDirect on PDAs.

Mobile Phone Top-Ups – transactions carried out with your BankDirect Cash Card (credit card accounts excluded) via ASB ATMs by which you withdraw funds from your BankDirect account to top up your pre-paid mobile phone account with mobile phone service providers authorised by BankDirect.

Netcode - Netcode is a unique code generated by a NetCode token or a code that is automatically sent to your mobile phone when you submit a request to make large transaction(s) via NetDirect such as Virtual Cheque, Automatic Payments and Bill Payments.

Netcode Token(s) – Netcode Tokens are electronic devices which constantly produce unique ever changing codes. The tokens are used to validate a payment requiring a Netcode

NetDirect – BankDirect's security encrypted area where customers can carry out their banking via the internet. NetDirect can be accessed directly via BankDirect's website bankdirect.co.nz or via NetDirect on PDA at mobile.bankdirect.co.nz.

NetDirect on PDA – enables BankDirect customers to access NetDirect via a compatible PDA.

'Not Transferable' or 'Account Payee Only' Cheques – to help make cheques safer, cheques crossed with 'Account Payee Only' or 'Not Transferable' cannot be transferred to someone else or cashed. They can only be paid into a bank account in the same name as the person named on the cheque.

Offshore Service Margins – means the margin charged by us when you use your Card to perform any Overseas Card Transaction.

Overseas Card Transaction – means a transaction made with a BankDirect Visa Card or a BankDirect Cash Card made in a currency other than New Zealand dollars.

PDA – means a personal digital assistant.

PIN(s), Password(s) or Code(s) – you personally will be issued with or may be required to select your own PIN (Personal Identification Number), Password or Code to enable you to access your BankDirect products and services. Your PINs, Passwords and Codes must be kept confidential and to prevent unauthorised access to and use of your accounts and personal information you must take care to safeguard your PINs, Passwords and/or Codes. This also includes any Netcode.

Principal Cardholder – means the person in whose name a Card Account has been opened.

Virtual Cheque – enables BankDirect customers to make one-off secure payments from within NetDirect to another bank account within New Zealand.

Withholding Tax – is a Government tax on interest income which banks and other interest payers must deduct from interest payments.

bankdirect.co.nz – BankDirect's internet site which includes loan calculators for use by customers and other information on BankDirect's products and services. NetDirect, BankDirect's internet banking service can also be accessed via this site.

Accounts

Generally

We reserve the right to decide not to provide credit or a product or service to you.

To open an account, you are required to meet our account opening criteria (including providing satisfactory proof of your identity and address) and will be required to complete an account opening form. We will then carry out a credit check and we may require that you credit funds of a minimum amount to your account immediately upon opening. When using an account or service provided by us, you will be required to complete or use our standard forms, or forms approved by us, for that account or service.

We may at any time require you to provide us with further information about you and relating to the operation of your accounts.

Any person you authorise to operate your account will be required to provide proof of their identity and address.

We will provide you with a Customer Number when you first become a customer of BankDirect. This Customer Number will appear on your BankDirect Cash/Visa card.

The same Customer Number may be used with different suffixes and access codes for any other accounts opened in the same customer name/s.

We may via telephone (Banking Consultants or DialDirect), internet (NetDirect), mobile phone or PDA (MobileDirect) or ATM, accept your request to transfer funds between any of your BankDirect accounts. You may also contact a BankDirect Banking Consultant to transfer funds from a BankDirect account to accounts at other banks, provided you have authority to solely operate the accounts you are transferring funds from.

We may determine the order of priority of payments from your account.

It is your responsibility to make sure that you have available funds in your account to cover any payment. If a payment is not made due to insufficient funds, it is your responsibility to make sure the payment is subsequently made.

Payments may be declined or reversed if there are insufficient funds in your account. There may be other circumstances where we may reverse payments paid into your account, such as when we or the other bank involved have made an error. You will be charged a not sufficient funds charge in respect of such payments. Please refer to the 'Fees' section on bankdirect.co.nz for this charge. Funds paid into your account may not be available for you to withdraw until the payment is cleared. When funds become available may depend on a number of factors including the type of account, type of payment used, jurisdiction, rules covering the payment type and/or whether the payment was made on a business day and within banking hours. If we permit you to draw against uncleared funds, we are providing credit and will require to be repaid (including interest and charges) if the payments into your account are reversed out.

Where someone else pays cash into your account and the amount is over certain limits set by us, they will be required to provide proof of their identity, address and where the cash has come from. We will not allow you to use the cash or we may not accept the payment, until this proof has been provided.

We do not accept instructions with conditions attached to them.

You cannot assign, mortgage or charge any rights you may have in any BankDirect account, including credit balances, except in favour of us, or where you have obtained our written consent.

When dealing with us by telephone, your conversation with us may be recorded for verification or training purposes.

We are legally required to deduct withholding tax direct from any interest to be credited or paid to you. If your IRD number has not been supplied, we may have to make this deduction at a higher tax rate.

Unless we pay approved issuer levy, where you are a non-resident for New Zealand tax purposes, we are legally required to deduct from any interest credited or paid to you non-resident withholding tax at the relevant country rate and pay the deducted amount to the Inland Revenue Department. If we pay approved issuer levy you authorise us to deduct the amount of such levy from any interest credited or paid to you. You are required to advise us when you obtain New Zealand tax residency.

If you owe us money which is due but unpaid, whether it is owed alone or with others, we may without prior notice and in whatever order we choose, apply any credit balance you have with us or any other amount we owe you, in any currency (if applicable) towards that unpaid amount. For this purpose we may transfer funds from one account to another, or use funds in one currency to buy another currency (if applicable) or break term deposits. We may also apply funds from any joint account you operate. We will promptly inform you if we apply funds you have deposited with us to offset your debts with us.

You must pay on demand any costs associated with the collection of amounts overdue for payment on any account (including tolls, collection agents cost and legal fees on a solicitor/own client basis).

We may suspend the operation of an account or service without prior notice if:

- we learn of your death or other lack of legal capacity;
- you have been adjudicated bankrupt or bankruptcy proceedings are pending or contemplated;
- we are notified by any party to the account of a dispute over either the ownership of funds or operation of the account;
- there are insufficient funds to cover cheques or other payment instructions given;
- we need to protect one or all of the parties to the account, us or a third party who has reasonably claimed an interest in the account;
- a payment seems unusual compared with the way you normally use your account;
- we reasonably believe you or someone else has used or is using or obtaining, or may use or obtain a service or money illegally or fraudulently;
- there is a legal requirement or a court order or other authority that tells us to act in that way;
- if we reasonably believe that you or payments into or out of your account are subject to a New Zealand or international sanction regime;
- if you, any person you authorise to operate your account or any individual who has effective control of your trust or company does not meet our identification requirements at any time;
- we consider there are other reasonable grounds to do so.

When operation of an account or service is suspended, we will advise all account holders as soon as possible.

If we hold any property, items or documents for you for any purpose and you owe us money, we may at our discretion exercise a lien over the property, item or document as security.

We may from time to time choose not to enforce our contractual rights against you. If we choose not to enforce rights against you, we can still do so later.

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

Ending this Agreement or an Account or Service

This agreement will continue until you or we end it.

You may close an account (other than a BankDirect Term Deposit), end a service and, where all accounts are closed and services ended, end this agreement, by advising us at any ASB Branch or by phone.

You can ask to withdraw all or part of your BankDirect Term Deposit before its maturity date by coming into an ASB Branch or by phoning 0800 500 400. We may agree to or refuse your request for any reason. If we agree to your request the returns on your BankDirect Term Deposit will be adjusted as described in the 'Term Deposits' section of the 'Specific Accounts and Services' section.

We may close any account (other than a BankDirect Term Deposit), end any service, and where all accounts are closed and services ended, end this agreement, by writing to you and giving you 14 days notice.

We may close an account (other than a BankDirect Term Deposit) or end any service and, where all accounts are closed and services ended, end this agreement, immediately if:

- you are, or we reasonably consider you may be, using or obtaining or allowing someone else to use or obtain, a service or money illegally, acting fraudulently or unlawfully, or behaving improperly (for example, in a threatening or abusive manner); or
- we reasonably consider that by continuing the agreement we may breach a court order or other legal requirement; or
- you have broken this agreement in any other way.

We may end your BankDirect Term Deposit before its maturity date in the following circumstances:

- if we allow you to withdraw a part of your BankDirect Term Deposit early and the remaining principal amount is less than the Global Markets Term Deposit minimum at that time;
- if we exercise any of our rights to combine your accounts or to set-off amounts you have deposited with us against amounts you owe us and the remaining principal amount is less than the BankDirect Term Deposit minimum at that time;
- if we have reasonable grounds to do so, including if you are or we consider you may be using or obtaining an account, service or money illegally, acting fraudulently or unlawfully, or behaving improperly; or
- if we reasonably consider that by allowing the BankDirect Term Deposit to continue we may breach a court order or other legal requirement.

If we end your BankDirect Term Deposit before its maturity date, the returns on your BankDirect Term Deposit will be adjusted as described in the 'Term Deposits' section of the 'Specific Accounts and Services' section.

When an account is closed, we will request that you return or

destroy all unused cheques and any card relating to that account. If you have been issued a Netcode Token, we will also request that you return this to us immediately.

You will be required to reimburse us for any expense we incur in connection with any of these matters.

Any funds remaining in your account at the time of closure will be returned to you, subject to any terms and conditions, fees or interest applying to those funds. Further, if there is a dispute over these funds we may not be able to return them to you.

Interest and fees for transactional and savings accounts

This condition does not apply to BankDirect Term Deposits. How we calculate and pay interest, and what fees and charges are payable, on BankDirect Term Deposits is described in the Term Deposits section of the Specific Accounts and Services section.

We will calculate any interest we pay or charge on a daily basis. You can find out our current interest rates at bankdirect.co.nz. We pay interest, if any, monthly by crediting it to your account.

We may deduct from your account, bank fees, government charges, and any amounts owing to us, including:

- fees and services charges that relate to any of your accounts - details of these can be found in the 'Fees' section of www.bankdirect.co.nz or by phoning a Banking Consultant;
- any expenses we reasonably incur in connection with your accounts;
- interest when you exceed your agreed borrowing limit or when your accounts become overdrawn, with or without prior arrangement with us; and
- interest on any unpaid interest.

We may take any interest and fees you owe us from the same account, or from any of your accounts with us including any joint account.

Internet Security

You are responsible for protecting your own computers and/ or network from being affected by viruses or anything else likely to corrupt or compromise your data ("Virus") while using our website. BankDirect is not responsible if you are unable to access or use the internet site due to any Virus, or for loss or damage you may suffer as a result of a Virus affecting your computer(s) and/or network.

Trust Accounts

If you are opening an account in your capacity as trustee of a trust, you will be required to meet our account opening criteria for trusts. All individuals who have effective control of the trust will be required to provide us with proof of their identity and address. Upon request, you will also be required to provide us with a copy of the Trustees Certificate and evidence of any trust authorisation approving the operation of the account by you or any other person.

You may be required to provide certain information from time to time. For example, we may ask you for information on the beneficiaries of the trust and evidence of existence of the trust.

Where the Deed of Trust requires the trustees to act together rather than alone, the trust will only be offered limited BankDirect accounts and services.

Unless the terms and conditions relating to a particular BankDirect product provide otherwise, a customer borrowing as a trustee shall

be liable both in his/her capacity as trustee and personally.

If you are a customer of BankDirect both as a trustee of a trust and in your personal capacity you will be able to access the accounts and services in the name of the trust by using your personal Customer Number and PIN/Password. If you are able to use the account facilities of a trust you warrant that you are authorised to act in this capacity. The trust will be issued with a separate Customer Number unique to the trust.

Joint Accounts

Two or more customers may open a joint account with us so long as you and the other joint account holders agree that any one of you is authorised to operate the account.

Payments out of a joint account may be authorised by any one of the joint account holders.

We are authorised to accept for credit to a joint account any cheque (except a Not Transferable or Account Payee Only Cheque), or other payment in favour of any one or more of the joint account customers. Cheques payable to more than one account holder cannot generally be paid into an account held by only one of the persons named on the cheque.

If you and another joint account holder give us contradictory instructions, we may take steps to prevent any of you giving instructions or using the account individually until you give us consistent instructions.

Unless otherwise agreed in writing, all customers on a joint account are liable both individually and together in respect of any amount owing to us on that account. This means that any one customer may be required to pay all the money that is owed on any joint account.

If one customer of a joint account should die, we will pay to the other joint account holder(s) all money and other property whatsoever standing to the credit of the joint account and the account will be transferred to the remaining joint account holder(s). Any liability of a joint account holder to BankDirect will not be discharged on the death of that account holder.

We may, but are under no obligation to, accept instructions from any one joint account holder to close a joint account. We may then open a new account for any other account holder for any subsequent transactions. Alternatively, we may require authority from all account holders on a joint account before acting on instructions to close the account.

If a party to a joint account advises us that that party wishes to withdraw from that joint account, we will either stop the account or remove that party from the account. In both cases, all parties to the account will be advised as soon as possible. However, the joint liability for all debt (including payments made but not processed) at the date of stopping the account or that party's withdrawal will continue until full repayment is made.

All other changes requested affecting the general operation of a joint account may be actioned upon the authority of any one of the joint account holders.

You appoint each other joint account holder as agent to receive Credit Contracts and Consumer Finance Act 2003 disclosures, notices, and other communications on your behalf. The joint account holder receiving the disclosures, notices, and other communications acknowledges that it is receiving these on behalf of the other joint account holders. A joint account holder may, by notifying us, terminate the appointment of another joint account

holder as their agent for receiving these disclosures, notices, and other communications.

Deposits

There are a number of different ways for you to conveniently deposit funds to your BankDirect account, such as:

- **By POST:** Send a cheque (preferably crossed "Not Transferable" for security purposes) made payable to the account holder, together with a deposit slip detailing the account number the cheque is to be deposited to, and post directly to BankDirect.
- **ELECTRONICALLY:** Set up an Automatic Payment, a Direct Credit or a Bill Payment to deduct funds from another BankDirect account or an account with another bank and deposit them to your BankDirect account.
- **ATM:** Use your BankDirect Visa or BankDirect Cash Card to deposit funds to your BankDirect account through an ASB ATM with the deposit option.
- **OVER THE COUNTER:** Visit an ASB Branch or other bank branch and deposit funds together with a deposit slip detailing the account number. A fee may be charged by a non-ASB branch for this service. We may require you to provide proof of your identity, address and where the cash has come from, where the amount is over certain limits set by us.
- **TRANSFER:** Phone BankDirect or become a registered user of DialDirect, our automated telephone banking service, or alternatively use MobileDirect, our mobile banking service or NetDirect, our internet banking service and transfer funds from one BankDirect account to another.

Wherever possible when making a deposit to a BankDirect account you should use a pre-printed deposit slip.

There may be some delay in the processing of postal deposits and deposits made through ATMs, but BankDirect will endeavour to ensure you are not disadvantaged by this. Should you require a deposit to be processed immediately contact a BankDirect Banking Consultant for assistance.

Withdrawals

You can withdraw funds from your BankDirect account (other than your BankDirect Term Deposit) using an ATM, EFTPOS, direct debit, automatic payment, bill payment, by writing a cheque or by phoning BankDirect and speaking with a Banking Consultant. If you require more than \$2,000 cash you may also visit any ASB branch and a charge will be payable for over the counter withdrawals. Please refer to the 'Fees' section on bankdirect.co.nz for this charge. You must have sufficient available funds in your account to cover the amount of the withdrawal.

- **ATM:** Use your BankDirect Visa Card or BankDirect Cash Card to withdraw cash from your BankDirect account at any ASB ATM or most other banks' ATMs throughout New Zealand. While overseas, use Commonwealth Bank of Australia ("CBA") ATMs or those ATMs displaying the 'Plus' logo. You will be charged a cash withdrawal charge at a non-ASB ATM. Please refer to the 'Fees' section on bankdirect.co.nz for this charge.
- **EFTPOS:** Use your BankDirect Visa Card or BankDirect Cash Card to purchase goods and services and obtain cash wherever the EFTPOS sign is displayed.
- **ELECTRONICALLY:** Set up a Direct Debit, Automatic Payment, Virtual Cheque or Bill Payment authority to electronically withdraw funds from your BankDirect account. Payments made

by Virtual Cheque, Automatic Payment and Bill Payments are subject to a daily cumulative limit. If you select pre assigned payees for bill payments, these payments will be exempt from your daily limit. You will be charged a fee to set up a direct Debit, Automatic Payment, Virtual Cheque or Bill Payment authority via a Banking Consultant. You can also transfer funds electronically from one BankDirect account to another by using DialDirect, NetDirect or by simply phoning a BankDirect Banking Consultant.

- **MOBILE PHONE TOP-UPS:** Use your BankDirect Cash Card to top up your pre-paid mobile phone account at any ASB ATM (other bank's ATMs are excluded). Mobile Phone Top-Ups are only available with mobile phone service providers authorised by BankDirect. BankDirect and/or ASB will receive a rebate from your mobile phone service provider for Top-Ups provided through ASB ATMs.
- **CALL BankDirect:** You can simply phone BankDirect and speak with a Banking Consultant to request a Bank Cheque for the amount you require. The cheque will be posted out to you. There is a charge for this. Please refer to the Fees section on bankdirect.co.nz for this charge.
- **TRANSFER:** Phone BankDirect or become a registered user of DialDirect, our automated telephone banking service, or alternatively use MobileDirect, or NetDirect, and transfer funds from one BankDirect account to another.

There are limits to how much you may withdraw or pay out of your accounts using your card. These are set out in the Cards section of these Terms and Conditions.

Electronic Communication

- You consent to us giving to you documents, notices and communications in relation to your products and services in electronic form by electronic communication through, for example:
 - (a) NetDirect (for example via your messaging inbox and/or document storage function); or
 - (b) Any other internet banking system provided by us; or
 - (c) Any application available through your mobile device approved by us for this purpose.
- You agree that any such electronic communication is taken to be dispatched by us and received by you at the time it is uploaded to the relevant system.
- You consent to any such documents, notices and communications being in a commonly used format (for example, PDF) and being accessible by commonly used software (for example Internet Explorer).

Statements

We will make a statement available each month there are payments on the account and at least every six months unless otherwise agreed with you. Where a formalised credit limit is in place, we will make a statement available at least every 45 business days.

We do not make statements available for term deposits. We will provide you with a term deposit confirmation at the time you make your term deposit.

You should keep your statements in a safe place for reference. You should check all your entries on all your account statements supplied by us and must report to us any apparent errors or transactions you

have not authorised to us as soon as possible. There may be a fee charged for any investigations. We will investigate any discrepancies referred to us and advise you of the outcome.

Cheques

Generally

You should keep your chequebook safe at all times. You should never sign cheques in advance, or leave any details blank after a cheque has been signed. The loss of your chequebook, any cheques or any unauthorised withdrawals from your account should be reported to us immediately. The Police may also need to be notified.

Cheque books are only available on BankDirect transaction accounts, Revolving Credit Accounts and FlexiLoan Accounts. You may request a chequebook with cheque forms crossed 'Not Transferable' or with no crossing.

Writing a Cheque

When writing out a cheque, use ink or ballpoint to reduce the chances of alteration by someone else. Always write your cheque so the words and figures cannot be altered or added to. Don't forget to date your cheque and you should avoid post-dating a cheque (this means dating a cheque for some time in the future) as this means the cheque can only be deposited on or after the date on the cheque. If you write a cheque made out to cash, don't sign it until you are ready to cash the cheque. Take care to sign any alteration you make to your cheque. If you are paying someone by cheque who does not have a bank account, you should not cross the cheque 'Not Transferable'. We suggest you cross the cheque 'Not Transferable' whenever you are posting a cheque, such as sending in a deposit to your BankDirect account, or paying your BankDirect Visa Card.

Cheques deposited to an account generally have a hold placed over them and you will not have access to the funds until the cheque is "cleared".

Unless we agree otherwise, you must only use our BankDirect pre-printed cheque forms to write cheques drawn on your account. Cheques drawn against your account that are not on our pre-printed forms are "Non-Standard Cheques" for the purposes of these Terms and Conditions.

We may refuse to pay out on a cheque which has been incorrectly or partially completed, is a Non-Standard Cheque, is post-dated or where there are insufficient funds in the account. We will look at available balances in your other BankDirect accounts (with the same Customer Number) and may, but will not necessarily, choose to pay out on a cheque where there are insufficient funds in the BankDirect account the cheque is drawn on, regardless of any formal written agreement to do so.

We may ask for identification when you cash a cheque and we will explain our reasons for doing so on request.

Unless otherwise requested by you, we will automatically mail a new cheque book to your last notified postal address, once you have used a predetermined number of cheques in your current cheque book.

You agree to take all reasonable care to ensure that cheques are not stolen, forged or altered in any way and to prevent any other fraudulent use of the account. You agree to promptly report to us on any fraudulently used, lost or stolen cheques.

Bank Cheques

Bank Cheques are available from BankDirect by calling a Banking Consultant on **0800 500 400**.

In some limited circumstances, the bank which issued the Bank Cheque may refuse payment on the cheque.

Like any other cheque, Bank Cheques need to clear and the funds may not be available to you until this process is complete.

Stopping Cheques

We will make reasonable efforts, after receiving a request from you, to stop payment on any cheque (other than a Bank Cheque) issued on your account. At the time you request a stop we may not be able to establish whether or not the cheque can be stopped. In some cases, a cheque may be incapable of being stopped perhaps because it has already been cashed, it is a Non-Standard Cheque or the cheque has already been presented and it is too late to stop payment. We will not be liable in these circumstances.

We are not obliged to stop a Bank Cheque issued to you upon your request. However, we may do so if the Bank Cheque has been lost, stolen or returned to us by you. However, Bank Cheques cannot be stopped for example because you have changed your mind about a transaction after handing the cheque over to another person or a transaction between the parties has broken down through the supply of faulty goods and services.

We will not be liable for any damages suffered by you as a result of our stopping payment on a cheque or dishonouring a cheque unless we have acted fraudulently or negligently.

Where any cheque, including a Bank Cheque, is credited to your account and a stop payment is placed on the cheque by the payer, we shall debit your account for the value of such a cheque without reference to you.

Electronic Payments

Generally

This section refers to all payments made by or via DialDirect, NetDirect, Automatic Payment, Virtual Cheque, Direct Debit and Direct Credit.

You are responsible for checking the details of any payment are correct. We will not be liable if your payment is delayed, not made or sent to the wrong person because you gave us the wrong details or due to any other circumstances beyond our reasonable control.

It is your responsibility to ensure sufficient funds are available in your account, at all times, during the required payment date. If the payment is missed, for any reason, then it is your responsibility to make sure the payment is subsequently made.

Should the required payment date be a non-business day, payment will be made on the next business day following the payment date, provided there are sufficient funds available.

It may not be possible to stop or reverse electronic payments once they have been made. Payments you have made in error can only be recovered from the account they have been paid into with the consent of the account holder. We will co-operate with you or another bank involved in the transaction to try to recover payments made in error. If you receive any payments made in error to your account you consent to us reversing that payment made to or received from an account at another bank. There may

be circumstances where we can reverse payments paid into your account, such as when we, or the other bank involved have made an error.

Netcode

When you submit a request to make a large transaction(s) via NetDirect such as, Virtual Cheque, Automatic Payments and Bill Payments, a Netcode will be automatically sent to your mobile phone or may be validated by entering your Netcode Token code. You can use one Netcode for each NetDirect session, subject to you not exceeding your daily transaction limit. You will need to enter the Netcode into NetDirect to complete the transaction(s). The value of the transactions that require a Netcode may change from time to time, and will be available on our website. To receive a Netcode you must have a Netcode Token or a SMS-capable phone (your mobile phone number must be registered with us).

If you are having any problems with this service, please call us on **0800 500 400** (toll free within New Zealand) 7 days a week (or +64 9 308 0308 from overseas, toll charges will apply).

Automatic Payments

An Automatic Payment Authority may be reduced or terminated by us for any reason, acting reasonably. We will contact you when we do so. In all other cases, the Automatic Payment Authority will remain in effect in respect of all payments made in good faith, until we receive notice of your death, bankruptcy or cancellation of the Automatic Payment Authority is received by us.

You may cancel or alter an Automatic Payment Authority by contacting a Banking Consultant or using NetDirect. You must request the cancellation or alteration at least two full business days before the payment is due.

Bill Payment

When setting up a Bill Payment Authority, you may choose from our list of pre-assigned payees, or nominate the accounts of other people or organisations you may wish to pay from time to time. Your personal Bill Payment list may be changed at any time simply by contacting a Banking Consultant.

When you set up a Bill Payment, you authorise us to debit your nominated BankDirect account with the amounts you request to be paid to a specific person from time to time.

Subject to compliance with these Terms and Conditions, payments can be requested to be made on the same day or on a future date when you enter the payment details. When a future date is chosen, the payment will be automatically debited from your account on the date requested in accordance with your instructions.

All Bill Payment instructions received from you will be subject to any other arrangements you may have with us in relation to your accounts.

Any Bill Payment Authority given by you will remain in effect for all Bill Payments, until we receive notice of your death, bankruptcy or cancellation of any Bill Payment Authority.

We are authorised to advise your nominated payees of your full name and address if requested by them in respect of a Bill Payment authorised by you.

Virtual Cheque

When you complete your Virtual Cheque payment you authorise us to debit your nominated BankDirect account with the amounts

you request to be paid to a specific person from time to time. We accept no responsibility or liability for the accuracy of the information you supply to us when issuing or processing Virtual Cheque payment instructions.

In particular, we accept no responsibility if you, by mistake, make a Virtual Cheque payment into an account if you enter the wrong account number.

A Virtual Cheque payment is irrevocable and cannot be stopped, cancelled or altered once actioned. Your nominated BankDirect account will be debited with the Virtual Cheque payment immediately when you confirm your Virtual Cheque payment on the "Are you sure?" screen. Virtual Cheque payments made after 8.00pm or on a non-business day to non-BankDirect or non-ASB accounts will be deposited on the following business day.

Direct Debits

We allow direct debit payments to be collected from your account on the date specified in the direct debit instruction we receive from the business or other organisation you have authorised to collect payments from your account.

If you change your account details you will need to notify the business or other organisation collecting payments from your account of the changes.

If you have any queries or a dispute about a direct debit payment that has been collected from your account, you will need to contact or resolve the dispute with the business or other organisation directly.

You can cancel a direct debit by notifying us at any one of our branches as long as you tell us at least four days before the payment is due to be made. You must also tell the business or other organisation so they can cancel the direct debit.

A direct debit instruction will remain in effect until:

- (a) We learn of your death, bankruptcy or other lack of legal capacity;
- (b) Your account is closed;
- (c) You cancel the direct debit instruction; or
- (d) The business or other organisation authorised to collect the payments cancels the direct debit instruction.

We may refuse to carry out a payment instruction in any of the circumstances set out in the general accounts section of these terms and conditions.

Direct Credits

It is your responsibility and not BankDirect's responsibility, to inform the payer (person making the payment to you), of any changes to your account details or payment requirements.

Automated Payment Authorities

Automated payment authorities may be put in place by BankDirect at your request. For example, you may request us to electronically debit your account with your insurance premiums and pay this amount over to an insurance underwriter.

Liability

Our liability

If we break this agreement we will not be liable for losses or costs caused by abnormal and unforeseeable circumstances outside our reasonable control, which would have been unavoidable despite all efforts to the contrary, for example delays or failures caused by industrial action, problems with any system or network and mechanical breakdown.

Nothing in these Terms and Conditions limits our liability for acting fraudulently or negligently or otherwise excludes or limits our liability to the extent we are unable to exclude or limit it by law.

Your liability

You are responsible for all liabilities relating to your accounts and your relationship with us and indemnify us against these liabilities unless the liability results directly from our fraudulent or negligent acts or omissions.

Liability for losses resulting from lost or stolen cards, Netcode Tokens, PINs, passwords or codes.

Safeguarding your Card or Netcode Token

This section applies to all products and services which use a Card or Netcode Token. You must safeguard your Card and/ or Netcode Token. For example you must:

- take care of your Card and/or Netcode Token. Do not leave your Card and/or Netcode Token in an unattended wallet, purse or vehicle or anywhere where a thief could remove a Card or Netcode Token without being noticed;
- sign your Card as soon as you receive it;
- do not let anyone else use your Card and/or NetcodeToken;
- never email your Card number;
- always remember to take your Card back after using it;
- tell us if you change your address so a replacement Card and/or Netcode Token can be sent to the correct place; and
- report the loss or theft of your Card and/or Netcode Token as soon as you are aware of it.

PIN Numbers, Passwords and Codes - Safeguarding and Selection

This section applies to all products and services which require a PIN, Password or Code. You must safeguard your PIN, Password or Code. For instance you must:

- not write your PIN or Password down anywhere. Memorise it instead;
- not disclose your PIN, Password or Code to anyone (including the Police, bank staff or your family);
- make sure no-one can see you enter your Code when validating a payment or your PIN at ATM's or when using EFTPOS or utilising a computer to shop online; and
- report the disclosure or possible disclosure of your PIN, Password or Code as soon as you are aware or suspect your PIN, Password or Code has been disclosed.

In addition, you should consider using a different PIN or Password for different Cards or equipment.

You will be required to have a PIN on your Card. BankDirect recommends PIN usage as a preferred method of verification. You will need a PIN to use your Card to access an ATM and for most Card Transactions made with a chip Card. You will also be required to have a Password for NetDirect. You must not choose unsuitable PINs or Passwords such as:

- birth dates, months or years;
- sequential numbers (e.g. 3456);
- number combinations that may be easily guessed (e.g. 1111);
- parts of your telephone number;
- parts of numbers in the order in which they are printed on your Cards; and
- other easily accessible personal data (e.g. drivers licence or other numbers easily connected with you).

Notification of Loss of Card or Netcode Token and PIN, Password or Code Disclosure

You must contact us urgently if your Card or Netcode Token is lost or stolen, if your Card or Netcode Token is in the possession of another person, or your Card, Netcode Token, PIN, Password or Code is misused (or you think it may be):

- If you are in New Zealand, phone the BankDirect Contact Centre on 0800 500 400.
- If you are overseas, phone the BankDirect contact Centre in New Zealand on +64 9 308 0308 collect. If you're unable to call the BankDirect Contact Centre, you must notify the nearest office of Visa.

You must give us any information and help we reasonably ask for to deal with misuse or unauthorised access to your Card Account, or in relation to any other Card Transaction we, the police or other authorities are investigating. We may pass on related information to other banks, the police, Visa or those involved in processing Card payments.

At your request, we will send you a replacement Card. A replacement fee will apply. Please see the Fees section of bankdirect.co.nz for this fee.

Your Liability

You are liable to us for any losses arising from the unauthorised use of a card Netcode token, PIN, Password or code which results from your fraud or negligence.

You will be liable for any loss suffered by us from unauthorised transactions on your accounts which you have contributed to by your failure to comply with these Terms and Conditions. This includes if you:

- select unsuitable PINs or Passwords;
- fail to reasonably safeguard your Card or Netcode Token or Code;
- keep written or electronic records of your PIN, Password or Code;
- part with your Card and/or Netcode Token, or allow someone else to use your Card and/or Netcode Token, and/or disclose your PIN, Password or Code to any other person;
- fail to take all reasonable care to prevent others from identifying your PIN or Password or Code, for example, when keying in your PIN;
- unreasonably delay notification to us of the loss or theft of your Card and/or Netcode Token, or of the actual or possible disclosure to any other person of your PIN, Password or Code

or unauthorised access of NetDirect;

- leave your computer unattended when logged on to NetDirect.

If any loss arises from unauthorised transactions on your accounts which you have contributed to by your failure to comply with these Terms and Conditions, your liability will be the lesser of:

- the actual loss at time when we were notified, and
- the maximum amount that you would have been entitled to withdraw from your account between the time your Card and/or Netcode Token was lost or stolen or the time we were notified.

If your Card or Netcode Token gives you access to an account with a credit facility (for example a BankDirect Visa Card or a revolving credit facility), failure to look after your Card or Netcode Token or any associated PIN, Password or Code could result in a substantial loss for which you could be held responsible.

Limitation of Liability

You will not be liable to us for any loss suffered by us caused by:

- fraudulent or negligent acts or omissions of our employees, our agents, or parties involved in the provision of electronic banking services;
- faults that occur in the machines, Cards or systems used, unless the faults are obvious or advised by message or notice on display;
- unauthorised transactions occurring before you have received your Card, Netcode Token, PIN, Password or Code; or
- any other unauthorised transactions where it is clear that you could not have contributed to the loss.

Notwithstanding the above, if you have used or allowed your account to be used to process fraudulent or unauthorised transactions you may be liable for some or all of the loss suffered by the party who has been defrauded, regardless of the balance in your accounts.

Cards

Generally

To use the products and services of BankDirect and access your accounts, you will need either a BankDirect Cash Card or BankDirect Visa Card with a confidential PIN number.

Additional Cards/Cardholders – As a Principal Cardholder, if you would like someone else to have access to your Card Account with a BankDirect Visa Card, we can (at our discretion) issue an additional BankDirect Visa Card to that person. The Principal Cardholder must make sure that person is aware of, and keeps to, all conditions relating to the use and safety of BankDirect Visa Cards.

Card Transactions made by an Additional Cardholder will be treated as Card Transactions made by the Principal Cardholder. The Principal Cardholder is responsible for all use of the additional BankDirect Visa Card and must pay us for any amounts, including any Card Transactions made by the Additional Cardholder. The Principal Cardholder will also be liable for any charges payable as a result of use of a BankDirect Visa Card by an Additional Cardholder. The BankDirect Cash Card functions are not available to Additional Cardholders, unless the Additional Cardholder has an existing BankDirect account in their name.

Cardholder personal information and Card Account information will be available to all cardholders on the Card Account.

The Card – BankDirect must be satisfied with your identity before it issues you with a Card. We will only provide you with a BankDirect Visa Card where the information made available to BankDirect leads us to believe you will be able to meet the terms of the Card facility.

Cards remain our property and we may request these are returned to us.

We may issue a different Card Type from the one you applied for to be used instead of an existing Card. If we change to another Card Type we will give you a new Card Account number and Card.

Use of Card – You may use your BankDirect Visa Card to make Card Transactions in New Zealand and overseas with any merchant or bank displaying your Card symbol and to make cash withdrawals at any ATM. You may use your Card to check your Card Account balance and other nominated BankDirect account balances, and to transfer funds between your BankDirect accounts at ASB ATMs.

A merchant may charge you a fee for using your BankDirect Visa Card. The merchant determines the amount of the fee.

You may use your BankDirect Cash Card to purchase goods or services by EFTPOS, and to withdraw cash from ASB and other bank ATMs.

Once you have made a transaction, you cannot cancel it.

The Principal Cardholder must tell BankDirect if any name or contact details change.

Using your card overseas – You can use your Card to make Overseas Card Transactions. Overseas Card Transactions will either:

- first be converted into US dollars and then into New Zealand dollars; or
- be converted directly from the transaction currency into New Zealand dollars, at the applicable Conversion Rate.

ATM cash withdrawals made internationally using your Card through ATMs displaying the PLUS logo are charged a fee referred to as an "Overseas ATM Fee". Please refer to the 'Fees' section of bankdirect.co.nz for this fee. The Overseas ATM Fee is subject to change on 14 days notice.

Overseas Card Transactions will incur Offshore Service Margins. The Offshore Service Margins are subject to change on 14 days notice. Please refer to www.bankdirect.co.nz/section80.asp for the current Offshore Service Margins. The total converted amount and the Offshore Service Margin, will either be deducted from your nominated bank account or charged to your BankDirect Visa Card Account. In either case the Offshore Service Margin will be detailed on your Card Account statement.

You may be offered the opportunity to choose to pay for goods or services at a merchant in a country other than New Zealand, in New Zealand dollars, at the time of the purchase. Or obtain cash from an ATM in a country other than New Zealand, where the currency conversion is performed at the time of the cash withdrawal and sent to BankDirect in New Zealand dollars. This is referred to as called Dynamic Currency Conversion and can be applied only by agreement between you and the merchant or overseas bank. The conversion rate and any fee charged by the merchant or overseas bank is applied at the time the transaction or cash withdrawal is made and is determined by the merchant and the merchant's bank or overseas bank. We have no control over the conversion rate used or fees charged.

Overseas Card Transactions may be subject to exchange controls or other government requirements, customs duties and taxes. All such charges are your responsibility.

Cash Advances – If you use your BankDirect Visa Card to obtain Cash Advances in New Zealand, the following limits apply:

- a minimum advance of \$20.00;
- a maximum daily amount of NZ \$2,000 for BankDirect Gold Cards; and
- a maximum daily amount of NZ\$1,000 for all other BankDirect Visa Cards.

We will charge you a Cash Advance fee, unless the opening balance on your Card Account is a credit balance of at least the same value as the Cash Advance (i.e. for the withdrawal of your own funds) on the day the Cash Advance is processed to the account.

If you use your Card to obtain Cash Advances from an overseas ATM displaying your Card symbol or an overseas merchant, different advance and daily limits may apply and you may be charged an access fee. We have no control over these limits or the access fee charged.

If you use your Card to make a cash withdrawal from an ATM not displaying the ASB logo you may be charged an access fee. We have no control over the access fee charged.

If you transfer funds from your Card Account to another BankDirect account, we may charge a Cash Advance fee. Please refer to the 'Fees' section of bankdirect.co.nz for this fee.

Disputes with Merchants – BankDirect has no liability to you for:

- any refusal by a merchant to accept your Card; or
- any defect or deficiency in the provision of goods or services acquired through the use of your Card; or
- where you decide you no longer want the goods or services acquired through the use of your Card.

Any such dispute is to be resolved between you and the merchant.

You should exercise some care and be aware of the risks of using your Card to pay for goods or services in advance of receiving them. You should consider the standing of the company or entity you are doing business with including when purchasing goods or services non face-to-face.

Where you have such a dispute with a merchant, you must still pay all amounts due to us.

Credit Limit Facility – We will only provide you with credit or increase your credit limit when the information made available to us leads us to believe that you will be able to meet the terms of credit. We have the right to decide not to provide credit to you. If BankDirect decides to provide you credit it will allocate a credit limit to apply on the Card Account and will advise the Principal Cardholder of this limit.

BankDirect can decline Card Transactions that are over your credit limit. If you try to make a Transaction over your Credit Limit, we will treat this as a request to go over limit.

You can tell us if you want a lower credit limit on your Card Account or if you do not want your credit limit to be increased. We may require minimum limits.

An Additional Cardholder cannot request changes to the credit limit.

We may decrease your credit limit from time to time.

If you exceed your credit limit we can:

- decline further Card Transactions; and
- demand that you pay the amount over limit immediately.

A bank or merchant may obtain an authorisation to complete a Card Transaction. The purpose of an authorisation is to establish that there are no restrictions on the Card and that there are sufficient funds in your Card Account for the Card Transaction.

If the actual value of a Card Transaction is not known (e.g. petrol at a pump, hotel/motel accommodation) a bank or a merchant may obtain an authorisation for an estimated value of the Card Transaction.

Once authorisation is obtained, the available funds on your Card Account will be reduced by the value of the authorised amount. This authorised amount will remain on your Card Account until a Card Transaction that matches the authorisation is processed, or if no matching Card Transaction is processed, for up to four days. This means that in some instances your available funds will be reduced by the amount of both the authorised amount and the actual Card Transaction amount for a short period of time.

Restrictions to Card Access – There are separate daily withdrawal limits for ATM and EFTPOS transactions within New Zealand, which are subject to change. You may pay out a maximum of \$5,000 in purchases per BankDirect Cash Card, per day. You may withdraw a maximum of \$2,000 cash per BankDirect Cash Card, per day. ATM and EFTPOS daily withdrawal limits are at the discretion of the bank or institution operating the ATM or EFTPOS network.

BankDirect will not be liable if you are unable to:

- Complete a purchase using your Card; or
- Access ATMs in New Zealand or overseas; or
- Withdraw funds.

If you encounter difficulties with another bank's ATM and cannot resolve them, we will provide assistance.

BankDirect may refuse to carry out a transaction if:

- You have exceeded a limit BankDirect has applied to your account (such as daily limits);
- It seems unusual compared with the way you normally use your Card and BankDirect suspects misuse;
- BankDirect reasonably considers it necessary to protect the security of your accounts; or
- Any other reason set out separately in these Terms and Conditions.

Fees – BankDirect may debit your Card Account with fees and charges. Please refer to the 'Fees' section of bankdirect.co.nz for these fees and charges.

Liability for Payment of Card Transactions, fees, interest and costs – You are responsible for and must repay all credit we extend to you. You must also pay any:

- interest;
- late payment fee, and any other fees and costs arising from the issue or use of any Card or Card Account;
- annual, half yearly or quarterly account charge for providing your Card Account;
- costs we reasonably incur associated with the collection of amounts overdue for payment on the Card Account (including

tolls, collection agent's costs and legal fees on a solicitor/client basis);

- statutory duty, levy or charge incurred in relation to Transactions;
- direct costs incurred by us in investigating an unauthorised or disputed Transaction where that unauthorised or disputed Transaction is determined by us to be an authorised Transaction.

The Principal Cardholder is liable for all amounts debited to the Card Account.

BankDirect may:

- make payments due to us under these Terms and Conditions if you don't pay them on time yourself; or
- if your Card Account has been closed pay off the balance owing on the Card Account;

from other accounts you have with us (including accounts you hold with other people). BankDirect will promptly tell you when we have done this.

Minimum Monthly Payment – You must make a minimum payment by the payment date every month as shown on your monthly statement. The minimum payment is the greater of:

- 5% of the closing balance shown on your monthly statement; or
- \$10,

except where your closing balance is less than \$10, then the minimum payment you must make by the payment date is the closing balance as shown on your monthly statement.

Where you have exceeded your credit limit or your account is overdue, the minimum payment is the amount determined in accordance with this condition, plus the greater of:

- the amount of your closing balance that exceeds your credit limit; or
- any overdue amount.

Where your minimum payment, determined in accordance with this condition, is greater than the closing balance shown on your monthly statement the minimum payment you must make by the payment date is the closing balance as shown on your monthly statement.

If you have not received your monthly statement for any reason please contact us as you are still required to meet your minimum payment obligation. If the full closing balance shown on the monthly statement is not paid by the payment due date, interest will be payable.

You can always pay more if you want to. However if you do, you will still need to pay the minimum payment on your next monthly statement.

Changes on grounds of unforeseen hardship – If you are unable to keep up your payments because of illness, injury, loss of employment, the end of a relationship, or other reasonable cause, you can apply to us to postpone during a specific period, the dates on which payments are due under your agreement with us.

To apply for this change you need to:

- Make a request to us in writing which explains your situation and requests the change; and
- Reasonably expect to be able to keep up your payments if the change is made.

You should apply to us as soon as possible. If you leave it too long, we may not have to consider your application.

Interest rate – BankDirect will tell you your interest rate when

your BankDirect Visa Card is first issued to you. The interest rate is subject to change by us at any time. The applicable rate will be shown on your monthly statement.

Interest on Cash Advances and Dishonoured Payments

Interest will be charged at the applicable rate on Cash Advances and Dishonoured Payments on a daily basis from the date the Cash Advance or Dishonoured Payment is processed by us until the date the Cash Advance or Dishonoured Payment is repaid in full. Your monthly statement will only include interest charged on a Cash Advance or Dishonoured Payment until the date of the statement or until the date the date the Cash Advance or Dishonoured Payment is paid in full, whichever is the earliest. For interest to cease on the Cash Advance or Dishonoured Payment you will need to pay more than the closing balance of your statement to cover interest charged for the period from the date of the statement to the actual date of payment of the Cash Advance or Dishonoured Payment.

Interest on Cash Advances and Dishonoured Payments will be calculated and charged separately from interest on other Card Transactions and will appear as a separate charge on your monthly statement.

Interest on Transactions other than Cash Advances and Dishonoured Payments

– If you do not pay the full amount of your statement closing balance by the payment due date, interest will be charged at the applicable rate on the daily balance (excluding fees, charges and interest but including Overseas Card Transaction margins) from the date of the opening balance of your next statement until the closing date of that statement. Interest will be applied to your Card Account on the closing date of this next monthly statement. For the purpose of calculating interest, the daily balance comprises the outstanding balance carried forward from the previous day excluding Cash Advances, Dishonoured Payments, fees and charges, plus any new purchases and margins, less any payments and credits.

If you pay the full amount of your statement closing balance by the payment date due but your statement closing balance includes Card Transactions (excluding Cash Advances and Dishonoured Payments) processed by us two or more months ago, interest will be charged at the applicable rate on these Card Transactions (less any payments and credits) from the date of the opening balance of your next statement until the date these Card Transactions are paid in full. Interest will be applied to your Card Account on the closing date of this next monthly statement.

Application of Payments – Payments made to your Card Account are applied against the amount you owe in the following order:

- Interest and charges showing on any previous statements and your current statement;
- Cash Advances and Dishonoured Payments showing on any previous statements and your current statement;
- Transactions other than Cash Advances and Dishonoured Payments showing on any previous statements and your current statement;
- Interest and charges yet to be stated;
- Cash Advances and Dishonoured Payments yet to be stated;
- Transactions other than Cash Advances and Dishonoured Payments yet to be stated.

Late Payment Fee – A late payment fee will apply if you do not make at least the minimum payment due by the date shown on your

statement. Please refer to the 'Fees' section of bankdirect.co.nz for this fee.

Card cancellation and account closure – There may be occasions where we cancel or replace your Card with or without prior notice. Where we do this without prior notice we will promptly tell you. Cancellation of the Principal Cardholder's Card or all Cards issued on a Card Account may result in the closure of the Card Account. The Principal Cardholder must destroy the Card and remains liable for all Card Transactions debited to the Card Account and all related interest, fees and charges.

The Principal Cardholder may cancel a Card at any time. To do this the Principal Cardholder must notify us in writing or by phone of the cancellation and destroy the Card. Cancellation of the Principal Cardholder's Card or all Cards issued on a Card Account may result in the closure of the Card Account. The Principal Cardholder remains liable for all Card Transactions debited to the Card Account and all related interest, fees and charges.

An Additional Cardholder can only cancel their own Card.

BankDirect may close your Card Account in accordance with the "Account Generally" section of these Terms and Conditions.

The Principal Cardholder may close the Card Account at any time. To do this the Principal cardholder must notify us in writing or by phone of the closure and destroy all Cards issued on the Card Account.

The closure of your Card Account will have the effect of cancelling all BankDirect Visa Cards issued on your Card Account.

Following closure of the card Account the Principal Cardholder has a continuing liability to pay us all of the following:

- the amount outstanding on the Card Account. BankDirect may require you to pay the amount outstanding immediately;
- any recurring Card Transactions subsequently debited to the Card Account. It is your responsibility to contact the initiator of any Card Transactions that are regularly billed to your Card Account and advise that your Card Account is closed;
- when notified, any amount debited to the Card Account in respect of any Card Transaction incurred which had not been charged to the Card Account at the date of closure; and
- any fees, interest, collection charges and costs payable until all moneys due to us have been paid in full.

Disputed Transactions – If you think that a transaction on your statement is incorrect you must notify us in writing within 30 days of the closing date of the statement to enable us to investigate the transaction. If we are not notified we may be unable to reverse the transaction and you will be liable to pay for it.

BankDirect will acknowledge your notice of a disputed Card Transaction within 30 days of receipt and report back to you with the result of BankDirect's investigation as soon as practicable. If BankDirect establishes that a mistake did occur, it will be corrected and BankDirect will reimburse any related fee or charges.

If the Principal Cardholder is not satisfied with the outcome of BankDirect's investigation, the Principal Cardholder should contact us on 0800 500 400 and request that the matter be reviewed. If the Principal Cardholder is not satisfied with the outcome of that review the matter may be referred to the Banking Ombudsman. The details of the Banking Ombudsman are provided in the section headed "Complaints Procedure".

Security Interests – Any all obligations mortgage that BankDirect

holds, whether now or in the future, in respect of your property provides security for all indebtedness you incur with your Card and any indebtedness BankDirect incurs on your behalf.

If we exercise our rights of involvement under the security to sell the property and the proceeds of that sale are insufficient to repay the balance owing on the Card Account at that time, you will remain indebted to us for any unpaid amount on the Card Account.

Changes to Terms and Conditions relating to BankDirect Visa Card

Changes we agree with you

If we agree with you to change the terms and conditions relating to your BankDirect Visa Card and the change is one that:

- reduces your obligations to us;
- extends the time for any payment to be made by you;
- releases any security interest relating to these terms and conditions; or
- increases your credit limit,

we may communicate the change to you within 5 working days of the day the change takes effect, or at the time of your next statement. Otherwise, we'll advise you of the change before it takes effect. We will communicate such change by direct communication with you.

Changes we make

We may change any or all of these terms and conditions at any time. If we change:

- an interest rate;
- how interest is calculated or applied;
- the amount, frequency, time for payment, or method of calculation of any payment, fee or charge;
- your credit limit,

we will communicate such changes by direct communication with you within 5 working days of the day the change takes effect.

Where we change an interest rate, charge or fee, we may choose to communicate this to you by display in our branches, by notice in newspapers and on our website, rather than by direct communication.

If we make changes to any matters and the change is one that:

- reduces your obligations to us; or
- extends the time for any payment to be made by you,

we may communicate the change to you at the time of your next statement.

Where we change any other term or condition other than those set out above, we will:

- give at least 14 days notice of such change; and
- communicate such change either by direct communication, by display in our branches, by notice in the media (such as a public notice) or by notice on our website, or by any other method of electronic communication used by you.

Overdrafts

Generally

For any BankDirect overdraft the creditor is ASB Bank Limited (trading as BankDirect) and our full address is 12 Jellicoe Street, PO Box 35, Shortland Street, Auckland 1140.

Overdrafts are always repayable on demand. This means that we can ask you to repay all or part of your overdraft (and any interest and charges) at any time. We can also reduce your overdraft limit at any time.

Interest rates on overdrafts and other amounts owed to us are subject to market fluctuations and may be varied by us at any time. This is subject to any other agreement you make with us.

A communication from us setting out the amount you owe us is proof that you owe the amount stated in the communication unless you prove otherwise.

If we have agreed with you that you will make monthly repayments of your overdraft and you are unable to keep up your payments because of illness, injury, loss of employment, the end of a relationship, or other reasonable cause, you can apply to us to postpone, during a specified period, the dates on which payments are due under your agreement with us. To apply for this change you need to:

- make a request to us in writing which explains your situation and requests the change; and
- reasonably expect to be able to keep up your payments if the change is made.

You should apply to us as soon as possible. If you leave it too long, we may not have to consider your application.

You may cancel your overdraft at any time by advising us by phone or at any ASB branch. Where you cancel your overdraft you must repay the debit balance of your account immediately. We may charge you, and you must pay:

- the amount of any reasonable charges we have to pay in connection with the cancellation of the overdraft, for example, legal fees and fees for credit reports; and
- interest and fees on the debit balance of your account for the period from the day of your first draw down under the overdraft until the day you repay the debit balance on your account in full.

Changes to terms and conditions relating to Overdrafts

Changes we agree with you

If we agree with you to change the terms and conditions relating to your overdraft and the change is one that:

- reduces your obligations to us;
- extends the time for payment to be made by you;
- releases any security interest relating to these terms and conditions or;
- increases your credit limit,

we may communicate the change to you within 5 working days of the day the change takes effect, or at the time of your next statement. Otherwise, we'll advise you of the change before it takes effect. We will communicate such change by direct communication with you.

We may change any or all of these terms and conditions at any time. If we change:

- an interest rate;
- how interest is calculated or applied;
- the amount, frequency, time for payment, or method of calculation of any payment, fee or charge;
- your credit limit,

we will communicate such changes by direct communication with you within 5 working days of the day the change takes effect.

Changes we make

Where we change an interest rate, charge or fee, we may choose to communicate this to you by display in our branches, by notice in newspapers and on our website, rather than by direct communication.

If we make changes to any matters and the change is one that:

- reduces your obligations to us; or
- extends the time for any payment to be made by you,

we may communicate the change to you at the time of your next statement.

Where we change any other term or condition other than those set out above, we will:

- give at least 14 days' notice of such change; and
- communicate such change either by direct communication, by display in our branches, by notice in the media (such as a public notice) or by notice on our website, or by any other method of electronic communication used by you.

Arranged overdrafts

An arranged overdraft is an overdraft up to a limit we agree, taking into account your personal circumstances, and which you arrange with us in advance so as to increase the available funds in your account. We will provide you with the terms specific to your arranged overdraft before we give you the overdraft.

If there is any amount overdrawn on your account on the date we give you an arranged overdraft that overdrawn amount will be deemed to be repaid in full and re-advanced under your arranged overdraft.

You may draw and pay within your overdraft limit more than once and redraw amounts paid. If you exceed your overdraft limit at any time you must pay the amount over limit immediately.

You will pay interest at the annual interest rate on the daily overdrawn balance. We calculate interest on the basis of the number of days elapsed and a 365 day year. Interest will be debited to your account on the 2nd of each month or, on the last day of the month if you have a BankDirect High Interest Transaction account, and when your account is closed. Annual interest rates are available at bankdirect.co.nz or from any ASB Branch.

You will be charged an establishment fee at the establishment of your overdraft limit, and a monthly overdraft facility fee. These will be debited to your account on the 2nd of each month or, on the last day of the month if you have a BankDirect High Interest Transaction account, and when your account is closed. Overdraft fees are available at bankdirect.co.nz or from any ASB branch.

If you exceed your overdraft limit this will be treated as an unarranged overdraft and you will be charged default interest at our unarranged overdraft interest rate (see below under unarranged overdrafts for a description of how this is charged) and you may

be charged a monthly unarranged overdraft fee until the amount in excess of your arranged overdraft limit is repaid in full. You will be required to pay this interest and fee without notice or demand from us. Overdraft fees and interest rates are available at bankdirect.co.nz or from any ASB branch.

If we require you to provide us with security for your overdraft or if in the future you provide us with a security interest over any property, then that security will also secure any money you owe us under this agreement. This is subject to any other agreement you make with us. If you fail to meet your commitments to us, then to the extent of that security interest we may be entitled to repossess and sell that secured property. If we exercise our rights of enforcement under the security to sell the property and the proceeds of that sale are insufficient to repay any money you owe us at that time, you will remain indebted to us for the balance of money owing.

Unless otherwise agreed with us, you must not give someone else a security interest over the same property. If you do we may require you to repay your overdraft or, we may exercise our rights of enforcement under the security.

If we hold any property, items or documents for you for any purpose, and you owe us money, we may at our sole discretion exercise a lien over the property, item or document as security.

Unarranged overdrafts

If you try to make a payment out of your account for which you do not have available funds (for example, you do not have an arranged overdraft or you exceed your arranged overdraft limit), we will treat this as a request for an unarranged overdraft. We will consider whether we agree to your request taking into account your personal circumstances. We will not be liable to you if we do not agree to give you an unarranged overdraft.

Where we agree to give you an unarranged overdraft, you will be charged interest at our unarranged overdraft interest rate and charged a monthly unarranged overdraft fee. Overdraft fees and interest rates are available at bankdirect.co.nz or from any ASB branch.

We will charge you interest on the daily unarranged overdraft balance. Interest will be calculated daily and charged to your account on a monthly basis. We calculate interest on the basis of the number of days elapsed and a 365 day year. Interest and the monthly unarranged overdraft fee will be debited to your account on the 2nd of each month or, on the last day of the month if you have a BankDirect High Interest Transaction account, and when your account is closed.

Delivery Channels

DialDirect – Automated Phone Banking

Your authority for BankDirect to provide you with access to DialDirect and process instructions received via DialDirect will continue to operate until we are notified otherwise.

Access to DialDirect is through use of your BankDirect Customer Number together with your confidential DialDirect PIN number.

The DialDirect PIN number selected must not be unsuitable. Please refer to the section headed "PIN Numbers, Passwords and Codes – Safeguarding and Selection".

We are irrevocably authorised to act on all instructions received by using your BankDirect Customer Number and DialDirect PIN number, without taking any further steps to authenticate the

instructions. Please refer to the section headed "Your Liability – Cards, PINs and Passwords" for details regarding responsibilities for losses.

You can cancel your access to DialDirect by contacting a BankDirect Banking Consultant. The cancellation is effective immediately.

NetDirect

How does NetDirect work?

NetDirect is an internet-based banking service accessed via a personal computer ("PC") through the use of a confidential Customer Number and Password. It enables existing BankDirect customers to carry out certain transactions on their own BankDirect accounts and to obtain current information on BankDirect products and services. You can also access limited NetDirect services via a PDA through the use of a confidential Customer Number and Password. Before you register for NetDirect you will need to be a current internet user or have access to the internet, and knowledge of how the internet works.

BankDirect endeavours to provide a secure internet banking system by taking appropriate measures to ensure our systems is as secure as possible including the use of 128 bit encryption, for you to carry out your banking transactions. We will also review and update our systems from time to time to ensure that the security of our systems is maintained. You will need to take responsibility for your own PC anti-virus measures and security precautions. This will help prevent unauthorised use of and access to NetDirect's banking services and protect your personal information and accounts. You will also need to ensure you have taken the necessary security measures to prevent the unauthorised use and access to NetDirect's banking services via your PDA. For further information about securing your system see the "About Security" section of www.bankdirect.co.nz.

In order to access NetDirect you must have the appropriate browser on your PC or PDA (see our website or contact BankDirect for details of the current browsers).

If you do not have one of these browsers you will find instructions for downloading one at BankDirect's website www.bankdirect.co.nz. Follow the simple instructions to download your browser.

NetDirect Password

Initially the NetDirect Password you receive will be systems generated but after receiving this Password, you can then change it to a Password of your choice.

The Password you select must not be unsuitable. Please refer to the section headed "PIN Numbers, Passwords and Codes – Safeguarding and Selection".

Use

You may not use or permit the use of NetDirect in whole or in part for any purpose, whether legal or illegal, other than as specifically intended to carry out your banking transactions and banking enquiries via NetDirect.

Transactions carried out via NetDirect are subject to all BankDirect authorities, conditions, fees and charges applying at the time of the transaction.

NetDirect can be accessed via the internet or your PDA using your unique Customer Number and Password. Your use of NetDirect with your Customer Number and NetDirect Password to carry out banking transactions is your authority to us to carry out such

transactions on your nominated accounts.

We will have no obligation to verify any instruction made through NetDirect.

Account Access

You will only be able to use NetDirect to access those accounts where you are:

- The account holder and sole signatory; or
- Authorised to act alone where there is more than one signatory; and
- On accounts where you are the owner of the account, either alone or together with another person and you are authorised to operate the account alone.

Accuracy of Information – Mistakes

You are responsible for and must take all reasonable care to ensure the information you supply via NetDirect is accurate.

We accept no responsibility or liability for the accuracy of the information you supply. You must let us know as soon as you think there has been an error or mistake and we will endeavour to rectify the error wherever possible.

Who pays for transactions?

If there is unauthorised use of your Customer Number together with your NetDirect Password on your account, please refer to the section headed "Your Liability – Cards, PINs and Passwords" for details regarding responsibilities for losses.

Withdrawal of NetDirect Service

You may request that we withdraw your NetDirect access. You will remain responsible for any transactions made on your accounts via NetDirect up until the time of cancellation. Please refer to section headed "Accounts – Generally" for information on suspension and closure of accounts and services by BankDirect.

Customer Acknowledgement

You agree to follow the instructions supplied to you in relation to the use of NetDirect and agree not to use or permit NetDirect or any part of it, to be used for any illegal or improper purpose.

What is MobileDirect?

BankDirect's MobileDirect is a mobile telecommunication network-based banking service using the network of a participating mobile telephone network operator using your mobile phone or PDA. Details of participating mobile operators are published on BankDirect's website or may be obtained by calling BankDirect on **0800 500 400**. BankDirect's MobileDirect currently includes NetDirect on PDAs.

NetDirect on PDAs

NetDirect on PDA is an internet-based banking service available at <https://mobile.bankdirect.co.nz> accessed via a compatible PDA through the use of a confidential Customer Number and Password. It enables existing BankDirect customers to carry out certain transactions on their own BankDirect accounts and to obtain current information on BankDirect products and services via their PDA. You must be registered for NetDirect.

Use

By using MobileDirect you agree to be bound by these Terms and Conditions.

You can use MobileDirect provided that you:

- are a resident in New Zealand;
- 18 years of age or older;
- have an eligible mobile phone or PDA;
- have a transaction account with BankDirect of which you are the owner of the account, either alone or together with another person and you are authorised to operate the account alone.

You can only access your nominated bank account using your registered mobile phone or PDA.

The participating network provider may charge for MobileDirect services accessed via your mobile phone or PDA. You should contact the participating network provider for more information on their fees and charges.

We will have no obligation to verify any instruction made through MobileDirect.

Once transactions are completed, transactions are irreversible and BankDirect will not alter, adjust or suspend any appropriately authorised transaction.

Inappropriate Use

You will not use or permit the use of MobileDirect in whole or in part for any purpose, whether legal or illegal, other than as specifically intended.

Fees

Transactions carried out via MobileDirect are subject to all BankDirect authorities, conditions, fees and charges applying at the time of the transaction.

We may from time to time upon giving you notice, introduce or change fees and charges for your use of MobileDirect.

The participating network provider may charge for MobileDirect accessed by your mobile phone or PDA. You should contact the participating network provider for more information on their fees and charges.

General Security Precautions

Certain use of MobileDirect will require the use of an access Code and/or Password whether issued by BankDirect or selected by you. Please refer to the section headed "Your Liability – Cards, PINs and Passwords" for details regarding your responsibilities for PINs, Passwords or Codes.

NetDirect on PDAs Security Requirements

You will need to enter in your Customer Number and NetDirect Password before you can use the NetDirect on PDAs functionality. For security reasons, you will be unable to receive Netcode by TXT when using the NetDirect on PDA service. If a Netcode is required you will need a Netcode Token. Please refer to the section headed "Your Liability – Cards, PINs and Passwords" for detail regarding safeguarding and selection of your password.

Withdrawal of MobileDirect

You may request that we withdraw your access to MobileDirect. Such request must be in writing and you will remain responsible for any transactions made on your account/s via MobileDirect up until the time of cancellation. Please refer to the section headed "Accounts – Generally" for information on suspension and closure of accounts and services by BankDirect.

Notification Requirements

You must notify BankDirect immediately upon becoming aware:

- that your mobile phone or PDA has been lost or stolen;
- that your Code and/or Password have become known or may be known by another person; and/or
- there has been unauthorised access to your accounts.

You must also take any action which is necessary, or that BankDirect may reasonably require, to prevent any further use by an unauthorised person of any MobileDirect service.

Customer Acknowledgement

You agree to follow the instructions supplied to you in relation to the use of NetDirect and agree not to use or permit NetDirect or any part of it, to be used for any illegal or improper purpose.

Please refer to the section headed "Your Liability – Cards, PINs and Passwords" for further details regarding responsibilities for losses.

Miscellaneous Provisions

You acknowledge that we will be able to suspend the operation of the MobileDirect services and online systems at regular intervals for periodic maintenance and administration tasks. If our online system is unavailable through a technical fault you can phone our Banking Consultants on **0800 500 400**.

BankDirect owns (or has licence for) all copyrights, database rights and similar rights for MobileDirect and other materials used in conjunction with MobileDirect. You may use information and reproduce it for your personal reference only. The information may not be reproduced, distributed or transmitted to any person or incorporated into any other document without BankDirect's prior written consent. You shall not in any circumstances obtain any rights over or in respect of MobileDirect services (other than rights to use MobileDirect pursuant to these Terms and Conditions) or hold yourself out as having any such rights over or in respect of MobileDirect.

Specific Accounts and Services

Term deposits

BankDirect Term Deposits are covered by these Terms and Conditions.

A BankDirect Term Deposit is a New Zealand dollar deposit that earns a fixed rate of interest for a fixed term. By investing in a BankDirect Term Deposit you are agreeing to invest your money for a fixed period of time.

To invest in a BankDirect Term Deposit, you must either be an existing customer or first comply with our account opening terms and conditions.

You can make a deposit in any manner agreed with us, including cheque, cash, or transferring money from another account with us. The amount you invest is payable to us at the time your BankDirect Term Deposit is made.

We will pay interest at the frequency and rate agreed with you at the time you make your BankDirect Term Deposit.

You can invest in a BankDirect Term Deposit for a term of between 7 days and five years. Other terms may be available from time to time.

You can elect for interest to be payable as set out in the table

below:

Term	Minimum investment	Interest frequency options	Interest payment options	Interest calculation method
Less than 6 months	\$10,000	On maturity	Paid to your nominated BankDirect or other bank account in New Zealand, or invested together with the principal amount into a new term deposit.	Interest is calculated based on the annual interest rate and the number of days in the term.
6 months or greater	\$10,000	Monthly	Paid to your nominated BankDirect or other bank account in New Zealand.	Interest is calculated based on the annual interest rate and the number of days in the month.
		Quarterly; six-monthly; annually	Paid to your nominated BankDirect or other bank account in New Zealand, or compounded (i.e. reinvested in the same term deposit).	Interest is calculated based on the annual interest rate and the number of days in the interest period.
		On maturity	Paid to your nominated BankDirect or other bank account in New Zealand, or invested together with the principal amount into a new term deposit	Interest is calculated based on the annual interest rate for each full year, and where applicable, as though there was an annual compound of interest on the anniversary of the initial investment. Interest for a part year is calculated based on the annual interest rate and the number of days in the part year.
Term deposits advertised as special				
As advertised for the special.	As specified in the conditions of the special.	As specified in the conditions of the special.	As above, depending on the interest frequency option or options specified in the conditions of the special.	As above, depending on the interest frequency option or options specified in the conditions of the special.

The maximum amount you may have invested, either solely or with any other person, in one or more BankDirect Term Deposits at any one time is \$10,000,000. For a BankDirect Term Deposit advertised as a special, the minimum and maximum amounts you may invest may differ. We may change the minimum and maximum amounts you may invest from time to time.

No charges are payable in connection with a term deposit, except:

- if we allow you to make an early withdrawal;
- where your term deposit is ended by us before its maturity date;
- if we exercise any of our rights to combine your accounts or to set-off part of your term deposit against amounts you owe us; or
- if you are a non-resident investor and you elect for ASB to pay Approved Issuer Levy (AIL).

It is at our discretion whether we agree to you making an early withdrawal of your term deposit prior to the maturity date. Information on BankDirect's process for making an early withdrawal

from term deposit is available at bankdirect.co.nz. If we allow you to make an early withdrawal we will apply a reduced rate of interest to the amount that is withdrawn early. The reduced rate of interest will be the reference rate less 2% per annum. The reference rate is the standard interest rate for term deposits offered to the public by us on the date you made your term deposit:

- for an amount equal to the amount of your term deposit;
- for the period from the date you made your term deposit to the date of early withdrawal (the completed term).

If you have reinvested your term deposit at any time the date you made your term deposit is the date of reinvestment. The adjusted interest payable on the amount withdrawn early will be interest at the reduced rate for the completed term, using the interest calculation method for the 'on maturity' interest option set out in the table above.

We will deduct any gross interest already paid on the amount that is withdrawn early from the interest payable. If this is more than the interest at the reduced rate for the completed term we will deduct from the amount that is withdrawn early an amount equal to the difference.

In the event that the interest payable on your term deposit is adjusted due to early withdrawal, then this may result in an over-payment of any withholding tax previously deducted from interest paid on the term deposit. You can generally apply for a refund of overpaid withholding tax (if any) by filing a tax return or other relevant form with the Inland Revenue Department.

If we end your term deposit before its maturity date, or we exercise any of our rights to combine your accounts or to set-off part of your term deposit against amounts you owe us, the returns on your term deposit will be adjusted in the same way as set out above for early withdrawals. The circumstances in which we can end your BankDirect Term Deposit before its maturity date are set out in the "Ending this Agreement or an Account or Service" section.

You can find out the amount of adjusted interest as at the date you contact us by phoning 0800 500 400.

We may use your BankDirect Term Deposit to reduce or repay any money you owe us that is overdue for payment.

We may withhold payment of your returns after the due date if we:

- hold your term deposit as security;
- have reasonable grounds to do so, including if there is a third party claim affecting your term deposit; or
- are required by law to do so.

Mobile Phone Top-Ups

Mobile Phone Top-Ups allow you to purchase and make payment for pre-paid air time by accessing funds in your BankDirect account via an ATM.

Each use of the Mobile Phone Top-Up service to purchase air time for your pre-paid mobile phone shall constitute your instruction to and authorisation for BankDirect to carry out such transaction on your nominated BankDirect account. You acknowledge that, upon receipt of such instruction and authorisation, BankDirect shall have no obligation to further verify the authenticity of the instruction received from you or purporting to have been sent by you via your registered mobile phone, and that BankDirect may, without further enquiry, act on any directions contained in an instruction which purports to be genuine.

Each Mobile Phone Top-Up transaction is complete once you have received a text message confirming the transaction is accepted or has been declined. Once completed, the transaction is irreversible and BankDirect will not alter, adjust or suspend any appropriately authorised transaction. Purchases may be declined if there are insufficient funds in your account or you have reached your daily transaction limit. Mobile Phone Top-Up transactions are subject to transaction and daily limits, please refer to our website for the current limits on this service.

The participating network provider may charge for Mobile Phone Top-Ups accessed by your mobile phone and may provide rebates to BankDirect and/or ASB for Mobile Phone Top-Ups provided through their service. You should contact the participating network provider for more information on their fees and charges.

If you believe funds have been lost or there is a bank error in any Mobile Phone Top-Up transaction, you should contact BankDirect immediately by calling a BankDirect Banking Consultant on 0800 500 400 and provide the following information:

- name;
- date and time of transaction;
- nominated account number (registered for the Mobile Phone Top-Up service); and
- mobile phone number (registered for the Mobile Phone

Top-Up service). If it is established a bank error did occur, BankDirect will promptly correct the error and adjust any fees or charges that may have charged as a result.

BankDirect is not responsible for the management of your mobile phone account.

You acknowledge that BankDirect has no authority to act for, or to incur any obligation on behalf of any participating network provider and that BankDirect is at no time acting as an agent or partner of any participating network provider in providing Mobile Phone Top-Ups and no representation is made or given by BankDirect that any such relationship exists.

Share Trading Services

Please contact BankDirect for a copy of the applicable Terms and Conditions.

Confidentiality Authorities

Collecting and using information

We will collect, hold and use information about you for the purposes of:

- Opening, operating, administering and maintaining any products or services provided to you by us or our related companies (whether incorporated in New Zealand or elsewhere).
- Confirming your identity and address, for example, electronically matching your information with identification information in third party databases.
- Providing you with the use of, and information about, any other BankDirect products and services and products and services of BankDirect's related companies (whether incorporated or constituted in New Zealand or elsewhere).
- Both us and our related companies (whether incorporated in New Zealand or elsewhere) complying with regulatory and other requirements, for example, liquidity requirements.

- Managing your relationship with us so, for example, we can respond to your queries.
- Monitoring and screening your accounts, products and services for anti-money laundering and countering financing of terrorism purposes and for fraud and crime detection purposes.
- Determining your suitability as a holder of a BankDirect Visa Card or to increase the limit of your BankDirect Visa Card.
- Conducting market research, data processing and statistical analysis.
- Both of us and our related companies (whether incorporated in New Zealand or elsewhere) monitoring whether information must be disclosed to the Government or foreign governments for taxation purposes.

You authorise us to obtain information from our related companies (whether incorporated or constituted in New Zealand or elsewhere) for the above purposes.

Your information may be held on behalf of ASB by data storage providers, including cloud-based storage providers, in New Zealand or elsewhere.

Releasing information

Your agree your information may be given to:

- BankDirect's related companies (whether incorporated or constituted in New Zealand or elsewhere).
- BankDirect's agents and other third parties (whether in New Zealand or overseas) that provide services to, or for, BankDirect.
- Research firms engaged by BankDirect to carry out customer surveys and conduct market research.
- Other banks (including overseas banks), agents, contractors or other financial services providers assisting with international transactions and same day cleared payments.
- The police, certain governmental agencies or other financial institutions where we reasonably believe that disclosure will assist the investigation, detection and/or prevention of fraud or other criminal offences.
- A regulator for the purpose of carrying out its functions in connection with our business.
- Credit reporting agencies, other credit providers and debt collection agencies.
- Guarantors and proposed guarantors.
- Any previous or current employer, if we need to confirm your employment history and income.
- Any other party authorised by you.
- The Government and foreign governments where we believe disclosure is required to comply with regulatory and other requirements.

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.

You authorise us to:

- Confirm your employment history and income with any previous or current employer.

- Make enquiries relating to your credit record or other information relevant to your account or the provision of credit to you (now or in the future), from credit reporting agencies and other credit providers. You also authorise those parties to provide such information to us.
- Disclose your information (including default information and ongoing credit account information) to credit reporting agencies who will hold and use that information to provide their credit reporting services. This will mean that they may disclose any information they hold about you to eligible customers of their credit reporting services.

Accuracy of information

It's important you give us complete and accurate information. If you don't, we may decline your application for a BankDirect account or service.

We will do our best to ensure that the information we hold about you 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.

Access to information

Your information will be collected and held by us, at ASB North Wharf, 12 Jellicoe Street, Auckland 1010. You have rights of access to, and correction of, personal information (as defined in the Privacy Act 1993) held by us.