

April 2018

1. Introduction to these Terms and Conditions

- 1.1 These are the terms and conditions between us, ASB Bank Limited ("ASB", "our", "us" or "we"), and you, the Customer, which govern the opening and operation of foreign currency accounts, Global Markets New Zealand dollar accounts and Global Markets Term Deposits held with ASB (these "Terms and Conditions").
 - 1.2 These Terms and Conditions are in addition to:
 - (a) ASB's Personal Banking Terms and Conditions if you are a personal customer;
 - (b) ASB's Business, Rural and Corporate Banking Terms and Conditions if you are an organisation or acting as a director, partner or sole trader;
 - (c) ASB's Foreign Exchange Terms and Conditions, which govern the provision of certain foreign currency services; and
 - (d) any product specific terms and conditions contained in application forms, letters, leaflets, on our website or in our guide to fees brochures.
- Terms and conditions are available from any ASB branch and at asb.co.nz.
- 1.3 If there is any conflict between these Terms and Conditions and ASB's Personal Banking Terms and Conditions or Business, Rural and Corporate Terms and Conditions, these Terms and Conditions will apply.
 - 1.4 If there is any conflict between these Terms and Conditions and ASB's Foreign Exchange Terms and Conditions or any product specific terms and conditions, those other terms and conditions will apply.

Foreign Currency Account

2. Deposits

- 2.1 We accept foreign currency deposits in most major currencies. Minimum balances may be required. Details of currencies accepted and any minimum balances required are available at any ASB branch and at asb.co.nz.
- 2.2 Where funds are deposited to your foreign currency account other than by way of foreign cheque, travellers cheque or draft, they will be available for withdrawal on the day we receive the cleared funds so long as that day is a business day in New Zealand and in the country of the relevant currency being deposited.
- 2.3 Where funds are deposited to your foreign currency account by way of foreign cheque, travellers cheque or draft drawn on overseas banks, they are subject to a hold period of 21 business days and those funds will not be available to you until the hold is released.
- 2.4 If you deposit funds into your foreign currency account in a different currency to that of your foreign currency account or we are required to effect any dishonour or return of funds in a currency other than that of your foreign currency account, the relevant funds will be converted at our prevailing rate of exchange on the day of the transaction or subsequent dishonour or return.
- 2.5 For terms and conditions applicable to deposits by way of foreign cheque or draft refer to ASB's Foreign Exchange Terms and Conditions.
- 2.6 Foreign currency deposits may be subject to laws in any country which may be applicable from time to time to the currency being deposited.

3. Withdrawals

You must use the relevant ASB form when giving us any written instructions for withdrawals from your foreign currency account.

4. Interest

- 4.1 Interest may not be payable by us on foreign currency accounts. Negative interest may be charged by us on some foreign currency accounts. Interest will not be payable by us on balances below any minimum balance specified by us from time to time. We may also specify interest rate tiers above any minimum balance in respect of which different interest rates may apply. Details of interest payable or charged, minimum balances, and interest rate tiers, are available at any ASB branch and at asb.co.nz.
 - 4.2 Where payable or charged, interest is calculated daily and paid or charged monthly to your foreign currency account. Interest is calculated based on a 360 or 365-day year, depending on the currency of the account.
- ## 5. Fees and Transfers
- 5.1 We will charge fees and charges for services provided in connection with any foreign currency account. Details of applicable fees and charges can be found in our Guide to Fees brochure available from any ASB branch or at asb.co.nz. Our fees and charges will be deducted from your nominated account.
 - 5.2 Unless otherwise agreed by us, all transfers from a foreign currency account to a New Zealand dollar account must be made to an account in the same name.

Global Markets Term Deposits

6. Term deposits

- 6.1 Term deposits offered to the public by ASB through its Global Markets division are covered by these Terms and Conditions.
- 6.2 A Global Markets Term Deposit is a deposit with ASB that is denominated in New Zealand Dollars or in a foreign currency and for a fixed term. By investing in a term deposit you are agreeing to invest your money for a fixed period of time.
- 6.3 To invest in a Global Markets Term Deposit, you must either be an existing customer or first comply with our account opening terms and conditions.
- 6.4 You must fund a Global Markets Term Deposit from an ASB foreign currency account in the same name and currency. The amount you invest is payable to us at the time your Global Markets Term Deposit is made.
- 6.5 We will pay interest at the rate agreed with you at the time you make your Global Markets Term Deposit. Interest is payable upon maturity of your Global Markets Term Deposit. The agreed rate of interest may be determined by application of a formula or other methodology. Interest is calculated based on the annual interest rate for each full year and calculated daily on the basis of a 360 or 365-day year, depending on the currency of the investment. If you require further information in relation to the calculation basis, you can phone ASB Global Markets on 0800 806 280.
- 6.6 Unless otherwise agreed with us, you can invest in a Global Markets Term Deposit for a term of between seven days and five years for New Zealand dollar dominated Global Markets Term Deposits, or one, two, three and six months for foreign currency denominated Global Markets Term Deposits. We may change these timeframes from time to time.
- 6.7 Minimum and maximum amounts may apply and the currencies in which you may invest in a Global Markets Term Deposit can vary from time to time.
- 6.8 In the case of a Global Markets Term Deposit advertised as a special, the minimum and maximum amounts you may invest may differ. Minimum and maximum amounts are subject to change by ASB from time to time.

- 6.9 No charges are payable when you make a Global Markets Term Deposit, unless the Global Markets Term Deposit is made in foreign currency cash. In that case, a fee of up to 1% of the value of the foreign currency cash will be charged with a minimum fee of NZD10.00.
- 6.10 No charges are payable in connection with a Global Markets Term Deposit, except:
- if we allow you to make an early withdrawal;
 - where your Global Markets Term Deposit is ended by us before its maturity date;
 - if we exercise any of our rights to combine your accounts or set-off part of your Global Markets Term Deposit against other amounts you owe us; or
 - if you are a non-resident investor and you elect for ASB to pay Approved Issuer Levy (AIL). Details of how AIL is deducted and paid are set out in the Personal Banking Terms and Conditions and the Business, Rural and Corporate Banking Terms and Conditions.
- 6.11 It is at our discretion whether we allow you to make an early withdrawal or not. If we allow you to withdraw all or part of your Global Markets Term Deposit before its maturity date, the interest payable on the amount that is withdrawn early may be reduced by up to 50%. This reduced rate of interest will apply for the period from the date you made your Global Markets Term Deposit to the date of the early withdrawal.
- 6.12 If we end your Global Markets Term Deposit before its maturity date, or we exercise any of our rights to combine your accounts or to set-off part of your Global Markets Term Deposit against amounts you owe us, the returns on your Global Markets Term Deposit will be adjusted in the same way as set out above for early withdrawals. The circumstances in which we can end your Global Markets Term Deposit before its maturity are set out in condition 11.6
- 6.13 You can find out the amount of adjusted interest as at the date you contact us from any ASB branch or by phoning ASB Global Markets on 0800 806 280.
- 6.14 We may use your Global Markets Term Deposit to reduce or repay (by way of set-off or otherwise) any money you owe us that is overdue for payment.
- 6.15 On maturity, unless reinvested, the proceeds of your Global Markets Term Deposit will be paid to your ASB foreign currency account in the same name and currency.
- 6.16 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.

General Terms and Conditions

7. Consumer Guarantees Act

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.

8. Authority to operate

Unless otherwise agreed by us, the persons authorised to operate your nominated New Zealand dollar account are authorised to operate your Global Markets foreign currency accounts, in accordance with the account operating instructions applicable to your nominated New Zealand dollar account.

9. Foreign Currency Transactions

- 9.1 If you decide to buy or sell foreign currency we accept no responsibility whatever for your decision. Foreign currency

transactions can be complicated and expose you to risk, including adverse currency fluctuations. You may suffer substantial losses as a result of such fluctuations. We will not be liable for these losses in any circumstance.

- 9.2 It is your responsibility to understand the nature of the transactions you enter into, the risks associated with those transactions and the monitoring of those transactions. No communication (written or oral) from us in relation to any foreign currency transaction is a guarantee or assurance as to the expected results of, or returns from, that transaction and no information or explanations provided by us in relation to any foreign currency transaction constitute investment advice or a recommendation by us to enter into such a transaction.
- 9.3 We may be required in certain circumstances to open an ASB foreign currency account on your behalf without your express instruction. For example, when a foreign currency transaction is required to be settled to a certain type of ASB foreign currency account and you do not have that type of account open.
- 10. Changes to these Terms and Conditions and other specific terms and conditions**
- 10.1 Subject to condition 10.2, we may change any or all of these Terms and Conditions at any time.
- 10.2 We will not change the specific terms contained in condition 6 that apply to your Global Markets Term Deposit unless:
- we allow you to withdraw all or part of your Global Markets Term Deposit before the maturity date;
 - we end your Global Markets Term Deposit before the maturity date in circumstances described in condition 11.6; or
 - you and we agree.
- 10.3 When informing you of a change to these Terms and Conditions, we will:
- give at least 14 days notice of the change; and
 - 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.
- 10.4 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.
- 10.5 We may change our interest rates, minimum balances required and interest rate tiers for foreign currency accounts at any time without advance notice. We will communicate such changes to you in accordance with condition 10.3(ii).
- 10.6 We may at any time add to, modify or withdraw any of the accounts or services we offer. 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.
- 10.7 If you do not accept the changes we make to your foreign currency account, you may close your account without fee or charge subject to any:
- right we have to combine or set-off any part of your account balance; or
 - legal obligation we have to pay any part of your account balance to a third party.
- Condition 11 'Ending this agreement or an account or service' applies.
- 10.8 You may not change these Terms and Conditions without our written agreement.
- 11. Ending this agreement or an account or service**
- 11.1 This agreement will continue until you or we end it.

- 11.2 You may close an account (other than a Global Markets 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.
- 11.3 You can ask to withdraw all or part of your Global Markets Term Deposit before its maturity date by coming into a branch or by phoning 0800 806 280. We may agree to or refuse your request for any reason.
- 11.4 We may close any account (other than a Global Markets 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.
- 11.5 We may close an account (other than a Global Markets Term Deposit) or end any service and, where all accounts are closed and services ended, end this agreement, immediately if:
- (i) 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
 - (ii) we reasonably consider that by continuing the agreement we may breach a court order or other legal requirement; or
 - (iii) you have broken this agreement in any other way.
- 11.6 We may end your Global Markets Term Deposit before its maturity date in the following circumstances:
- (i) if we allow you to withdraw a part of your Global Markets Term Deposit early and the remaining principal amount is less than the Global Markets Term Deposit minimum at that time;
 - (ii) 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 Global Markets Term Deposit minimum at that time;
 - (iii) 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
 - (iv) if we reasonably consider that by allowing the Global Markets Term Deposit to continue we may breach a court order or other legal requirement.
- If we end your Global Markets Term Deposit before its maturity date, the returns on your Global Markets Term Deposit will be adjusted as described in condition 6.11.
- 12. Governing Law**
- These Terms and Conditions are governed by New Zealand law and the courts of New Zealand shall have exclusive jurisdiction.