

Personal Financial
Services
Terms & Conditions

with effect from 1 May 2011

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1 Introduction and HSBC Premier

Please read these Terms and Conditions carefully together with our **Personal Financial Services Fees and Charges brochure**, any relevant product brochure, and the conditions of any application form as they form the basis of your relationship with us and will apply to all accounts and facilities you may open, operate or register for with our Personal Financial Services division (whether existing or future, solely or with others).

These Terms and Conditions are important as they outline both your and our rights, obligations and responsibilities that may arise when you operate a bank account with HSBC and/or use services offered by us. No one else apart from you will have any rights to enforce these Terms and Conditions.

Other specific terms and conditions may also apply to other products and services offered through our Personal Financial Services division like for example HSBC Premier, HSBC Cards, Internet Banking, insurance products, collection of foreign currency cheques, Telegraphic Transfers or unit trusts.

Eligibility criteria applies to HSBC Premier which is set at our discretion. HSBC Premier entitles you to preferential pricing and associated benefits not available to other customers of our Personal Financial Services division including access to our HSBC Premier and Wealth Centres for HSBC Premier banking facilities.

If you have an overdraft facility or other type of revolving credit agreement additional terms and conditions contained in your loan agreement will also apply to the operation of these loan accounts and facilities. All additional or specific written terms and conditions will be made available to you on application or at the time you take up that product or service. In the event of any inconsistency between these Terms and Conditions and other specific terms and conditions applying to an HSBC product or service then the specific terms and conditions will prevail.

Any account or transaction conducted with our Treasury, Corporate or Trade divisions will be subject to separate terms and conditions (including fees and charges).

You may also wish to read the Code of Banking Practice, which is available from us on request. The Code of Banking Practice sets out the minimum standards of good banking practice to be observed by member banks when dealing with their customers. We will comply with the Code of Banking Practice where it applies.

If you have any questions about these Terms and Conditions or any product or service offered by us please contact us on 0800 80 23 80. If you continue to have queries or do not

understand any of these or other terms and conditions we recommend that you obtain independent professional or legal advice.

Unless the context otherwise requires the capitalised terms or words referred to in the Terms and Conditions have the meanings set out in section 6 (Glossary of Definitions).

2 Opening and Operation of Accounts

2.1 Opening an Account

To open or operate a bank account with us you should be at least 18 years old unless we agree otherwise.

If you wish to open an account, we will ask you to complete an account application form and to provide us with other account opening documentation and information upon request. We may elect not to approve your application and we do not need to provide a reason should your application be declined.

We may require you to deposit a minimum amount of funds when opening an account with us.

We will ask you and each signatory to your account to provide proof of identity to our satisfaction (including verification or proof of residential addresses) and such other information or documentation required by HSBC in accordance with its current account opening requirements and as otherwise required to satisfy our obligations under the Financial Transactions Reporting Act 1996 (or any other relevant law). We will require a specimen of your signature. The specimen signature must be the same as the one you provided us for proof of your identity.

If you open a joint account with another person or persons (such as your spouse or partner), we will require a specimen signature and proof of identity to our satisfaction from all signatories to the account (together with any other documentation required for account opening).

If you open a Business account we will require a specimen signature and proof of identification to our satisfaction from you and each Authorised Person. We may also require proof of identification from each director, trustee, shareholder or other owner or controlling entity and require additional information including information about the nature of the Business in order to satisfy our current account opening requirements for Business customers with our Personal Financial Services division.

You must tell us if you open an account as trustee and give us the full name of the trust. If required you must also provide us with a copy of the document creating the trust. If you are a trustee of a trust the Terms and Conditions will bind you both

personally and as trustee(s) unless otherwise agreed with us. You promise that you are the only trustee(s) of the trust, the trust is validly constituted and you as trustee(s) have the power to enter into the Terms and Conditions and have complied with your duties as trustee(s).

You can authorise another person to operate your account(s). If you wish to do so we will ask you to sign an authority to operate form in respect of the account(s) you want the third party to be able to operate. You can also do this by signing a power of attorney but you should take advice from a solicitor before doing so.

You should ensure that all signatories to your accounts (including Authorised Persons) have read these Terms and Conditions. If they do not comply with any of these Terms and Conditions, the result will be the same as if you had not complied. You must tell us in writing if you want to cancel the authority of a signatory or an Authorised Person on any account. You remain responsible for all transactions made by a signatory or an Authorised Person until you have cancelled the authority in writing.

If you change your name (for example through marriage or by deed poll), and as a consequence change your signature, you will be required to produce proof of the change.

2.2 Account Operating Authority

Sole Account

Unless you advise us otherwise in writing you authorise us to pay all cheques and accept other instructions for payment or to stop such payments, subject to any relevant account limits, that have been signed by you. This may happen whether the account is in debit or credit.

Upon us receiving notification of your death or an Insolvency Event, your account will be frozen until we receive instructions about what to do with the balance of your account from your executor(s) or trustee(s) or person authorised to deal with your account in respect of an Insolvency Event. We may need to see the legal document before we act. Your death or an Insolvency Event does not discharge any liability owed by you to us.

Joint Account

Unless you advise us otherwise in writing each of you authorise us to pay all cheques, accept other instructions for payment or to stop such payments, subject to any relevant account limits, which have been signed by any one of you. This may happen whether the account is in debit or credit.

If you specify in writing that more than one signature is required to operate the joint account then the account cannot be accessed or operated by a HSBC Card or through our telephone banking service (including Automated PhoneBanking) or Internet Banking.

Any cancellation or other amendments to this authority must be in writing and be signed by all of you.

If one of you tells us of a dispute between any of you, we may treat this as notice to cancel the authority. You must let us know immediately and seek independent legal advice if this happens. If we do cancel this authority, any further transactions will need to be authorised by everyone and additional services including our telephone banking service (including Automated PhoneBanking), use of HSBC Cards and Internet Banking services may be stopped or suspended. We may also ask you to return any unused cheques and cards. You will all continue to be liable jointly and severally for all transactions until the HSBC Cards and unused cheques are returned to us.

Upon the death of one party, ownership and liability in respect of the account automatically transfers to the remaining survivor(s) unless notified in writing by a third party claiming an interest. The death of an account holder does not discharge any debt owed to us by you as the surviving account holder(s).

Joint account holders are liable jointly and severally for any debt incurred unless otherwise agreed in writing with us.

We can send notices, statements and other documents (including any notifying changes to these Terms and Conditions) by mailing them to any one of you and they will be taken to have been given to all of you.

Business Account

If you are a Business, then unless you advise us otherwise in writing, you authorise us to pay all cheques, accept other instructions for payment or to stop such payments, subject to any relevant account limits, that have been signed by an Authorised Person. This may happen whether the account is in debit or credit.

Upon us receiving notification of an Insolvency Event your account will be frozen until we receive instructions about what to do with the balance of your account from a person authorised to deal with your account in connection with the Insolvency Event. An Insolvency Event does not discharge any liability owed by you to us.

You must notify us immediately and confirm in writing within five business days upon the occurrence of any of the following events:

- the death, insanity, resignation or termination of employment of an Authorised Person;
- if an act of bankruptcy is committed by an Authorised Person or an Authorised Person is adjudicated bankrupt or upon the commencement of other execution proceedings against an Authorised Person; or

- revocation by you of an Authorised Person's authority to operate on your account.

If we receive contradictory instructions from more than one Authorised Person we may refuse to act on any or all such instructions.

If you amend or cancel the above authority so that more than one Authorised Person is required to provide confirmation of any instruction then we may not be able to provide you with certain services including our telephone banking services (including Automated PhoneBanking) and Internet Banking.

If you are a partnership, the partners are liable jointly and severally for any debt incurred with us.

We reserve the right to decline any transaction on any account (whether sole, joint or for a Business) where you do not have sufficient cleared funds to effect the transaction. We may impose a charge if this occurs, such fee being set out in our **Personal Financial Services Fees and Charges brochure**.

2.3 Accounts with Cheque Access

These Terms and Conditions apply to Call Accounts where cheque access is available (that is you write cheques against the account). As at the date of issue of these Terms and Conditions, cheque books will not be issued on Call Accounts unless you are a HSBC Premier customer.

Issue and Safeguarding of Cheque books

Cheque books are only available on certain New Zealand Dollar Call Accounts with HSBC and are issued to you at our sole discretion. Cheque forms and deposit slips remain the property of HSBC after you have received them, and they must be returned to us on request.

Your cheque book will be mailed to your last postal address recorded with us, unless you request otherwise. Government cheque duty is payable on cheques and will be deducted from your account following the issue of your cheque book.

Once you receive your cheque book, always keep it in a secure place to help reduce the risk of fraud or forgery. You should also verify that the cheque serial numbers run sequentially and that the account number and the name of the account printed on the cheque book are correct. Any errors should be reported to us as soon as possible. To reduce the risk of forgery, do not give anyone blank cheque forms, unsigned cheque forms or the reorder form. Deposit forms are in the back of your cheque book. These forms will have your account number printed on them and may only be used to make deposits to that account.

Your cheque book should only be used by you and can only be used to make drawings on the account specified on the cheque form. You should always ensure that your account has

sufficient funds before issuing any cheques from that account. Subsequent cheque books are issued automatically.

If you lose a cheque or cheque book or have your cheque book stolen, you must report the loss to us immediately. We will need the details of the number of cheques lost and stolen and the serial numbers. The Police may also need to be notified.

Collection of Cheques

We may transmit cheques or other documents to other locations for collection or processing by us or our authorised agent in accordance with normal banking practice. We will not be liable for any loss or destruction as a result of that transmission unless that loss or destruction is caused by us or our agents' negligence.

Completing Cheques

When you complete a cheque please ensure that you:

- use a permanent ink or ball-point pen to reduce the chances of alteration by someone else and never leave any details blank after a cheque has been signed;
- always write your cheque so the words and figures cannot be changed and always add the words "only" after the amount stated in words;
- always date the cheque but avoid dating a cheque for a future date as this means the cheque can only be deposited on or after that date;
- leave the space along the bottom edge of the cheque blank because this is for our use; and
- take all reasonable precautions to prevent anyone else altering it or making a forgery.

You acknowledge that we are not responsible or liable for losses arising from changes, which cannot be easily detected.

To help protect against fraud all cheques printed by us are marked "Not Transferable" unless you otherwise request. "Not Transferable" means that the cheque can only be paid into the bank account of the person or organisation named on the cheque.

We may refuse to pay out a cheque which has been incorrectly completed or where there are insufficient cleared funds in your account. We may impose a charge if this occurs, such fee being set out in our **Personal Financial Services Fees and Charges brochure**.

Altering Cheques

If you wish to alter a cheque after completing it, you must do so in accordance with the relevant account operating authority. If you wish to increase the amount payable on a cheque,

your full signature and that of anyone else who must co-sign the cheque must be placed next to the alteration. All other alterations must be initialed by you and anyone who must co-sign the cheque.

Crossed Cheques

You may receive cheques from people that are crossed with two parallel lines and any one or more of the following phrases:

- non-transferable or not-transferable;
- account payee or A/C only;

Cheques you receive that are crossed in the above ways and made payable to you can only be deposited into your account and cannot be transferred or endorsed to someone else. The cheque cannot be cashed.

Cancelling or Stopping Cheques

We will make reasonable efforts to cancel or stop the payment of a cheque issued by you, as long as you provide us with a request by facsimile, telephone or instruct us using our Internet Banking service. We cannot guarantee that we will be able to cancel or stop the payment. We will need full details of the cheque, e.g. the serial number, who it was made out to, amount and the date of the cheque.

If your cheque has not been presented, we will make every effort to ensure non-payment of your cheque. However, we will not be liable if payment is made before we receive your request to stop payment of the cheque. In some cases a cheque may not be able to be stopped, for example where a "special answer" or a cheque guarantee service has been obtained by the person or organisation who presents the cheque to us for clearing.

We have the sole right to stop payment on a Bank Cheque and we are not obliged to stop a Bank Cheque on your request. However, we may do so if the cheque has been lost, stolen or returned to us by you. 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 due to a dispute or through the supply of faulty goods and services.

We may charge you a fee for cancelling or stopping a cheque or a Bank Cheque. The current fees are detailed in our **Personal Financial Services Fees and Charges brochure**.

Dishonoured Cheques

There are a number of reasons why a cheque you issue may not be paid, and may be dishonoured or "bounced" by us. These include:

- you did not have enough cleared funds in your account at the time the cheque was presented;

- the cheque is a Stale Cheque;
- a Post-Dated Cheque is presented early;
- the cheque was incorrectly completed (e.g. wrong date or no signature or the amount written in words is different from the amount written in numbers); or
- the cheque has been stopped or is not signed correctly in terms of the account operating authority.

If you write a cheque that is dishonoured, you may be charged a fee which will be debited from your account. This fee is outlined in our **Personal Financial Services Fees and Charges brochure**.

We strongly recommend that you do not issue or write out Post-Dated Cheques on your account(s).

2.4 Deposits and Clearing Your Funds

There are a number of different ways that you can make a deposit to a Call Account with HSBC including:

- visiting an HSBC Premier or Wealth Centre if you are an HSBC Premier customer;
- using the "deposit only" box located inside for depositing cheques issued by New Zealand registered banks only (do not deposit cash);
- sending your deposit slip and your cheques issued by New Zealand registered banks (do not send cash or foreign cheques) in the mail to HSBC;
- using our agency deposit facility with any Westpac Branch;
- by periodic payment from another account using Internet Banking or Automated PhoneBanking; and
- electronic payment from an account with another bank.

Cash handling fees may apply if depositing or withdrawing cash over a certain limit as set out in our **Personal Financial Services Fees and Charges brochure**.

All deposits sent to us or deposited in a "deposit only" box or otherwise not receipted by a Westpac or HSBC staff member are subject to verification and correction by us, which is final, conclusive and binding on you. We will not be liable to you for any discrepancy between the verified amount and the amount shown on any deposit slip. Discrepancies will be debited/credited to your account.

We may set restrictions from time to time of how deposits are able to be made to an account. Any current restrictions that apply to an account will be published in our product brochures, website, or disclosed to you on account opening or at the time you make your deposit. We may impose restrictions on the minimum and maximum amounts that we accept as a deposit.

Any cheques or electronic deposits or other documents which are lodged for deposit to your account are, unless otherwise agreed with us, received on a “for collection basis” only. This means that the deposit is being “cleared” for payment. Unless otherwise agreed with us, you cannot make withdrawals against the amount until it has been cleared by us. A clearance fee per item will apply for clearing cheques as set out in our **Personal Financial Services Fees and Charges brochure**.

When funds credited to your account become available may depend on the type of deposit or payment used to credit funds to your account. We will inform you on request when different forms of payment are cleared and therefore available for you to use.

In the case of cheques issued by New Zealand registered banks this clearing process usually takes five business days. We will notify you of any changes to the normal cheque clearing cycle for New Zealand registered banks in accordance with section 4.17. It will take longer for a cheque issued by a foreign bank in a foreign currency to clear if sent on collection. Funds will be deposited to your account when received in cleared funds from the foreign bank on which the cheque is drawn.

If a foreign cheque is subsequently found to be fraudulent we reserve the right to seek recourse from you or debit your account for the amount paid to you by us on the fraudulent item.

If you are depositing a foreign cheque to your account you will be asked to complete and sign a foreign currency cheque(s) form for collection or purchase which contains additional terms, conditions and an indemnity relating to sending foreign cheques for collection or where we agree to purchase or negotiate foreign currency cheques.

We may agree to negotiate or purchase a foreign cheque although we are not obliged to do so. This means that we will add to your account immediately the full amount or the converted amount (refer section 4.7) but if the cheque is returned unpaid, we will have ‘recourse’ against you and we are entitled to deduct from your account either the amount we added or, if we converted the cheque into another currency, the amount reconverted at the exchange rate applicable on the date we make the deduction. This means that if the exchange rate has changed the amount we deduct could be greater than the amount we originally added.

If we permit you to draw against uncleared funds, we will require to be repaid (including interest and any applicable charges) if the payment or deposit to your account is dishonoured for any reason.

If for any reason we do not receive payment for the cheque or deposit (it is not cleared) by the paying bank, your account will be debited by the amount of the deposit. The deposit will

be dishonoured and a dishonour fee as set out in our **Personal Financial Services Fees and Charges brochure** will apply.

You can speed the process up of clearing a New Zealand Dollar cheque issued by a New Zealand registered bank by asking for a special answer. A special answer means that we can make a special enquiry for you to determine if there are enough funds in the cheque issuer's account to cover the cheque. If payment is confirmed, the cheque amount will be deposited into your account the next business day, allowing you to make withdrawals against the amount deposited. A fee is charged for this service and is set out in our **Personal Financial Services Fees and Charges brochure**.

2.5 Credit Interest on Call Accounts

You will receive interest on credit balances, if applicable, at the rate(s) relevant to your Call Account. Interest is calculated on the daily closing credit balance in the account and unless otherwise agreed with us will be paid to your account monthly in arrears. We calculate interest daily by dividing the current annual percentage rate of interest by 365 and multiplying each day's closing balance by that daily percentage rate.

The rate of credit interest payable on account balances in your accounts (other than Term Deposits) may be altered at any time by us without the need for prior notice.

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

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 either a non-resident approved issuer levy (AIL), or a non-resident withholding tax at the relevant country rate and pay the deducted amount to the Inland Revenue Department. You agree that AIL rather than relevant non resident withholding tax will apply to credit interest payable unless you advise us otherwise. You are required to advise us if you obtain residency for New Zealand tax purposes.

2.6 Term Deposits

The Terms and Conditions in this section apply to Term Deposits.

Term Deposits are for a fixed term and at a fixed interest rate. The principal sum invested is repayable by us to you on maturity of the investment and interest is paid either at agreed intervals or on maturity. Interest will accrue to the day prior to maturity of the deposit(s). Resident or non resident withholding tax will be deducted from interest payments as noted in section 2.5

above. Details of interest paid and the amount of tax deducted will be advised each time a deposit is withdrawn or renewed.

You may make an investment of any sum as long as the investment is above the minimum levels of investment for Term Deposits published by us from time to time. Interest is paid or credited on the sum invested at the agreed frequency and rate of interest for the term you have agreed with us. On maturity of the Term Deposit you will have the following options:

- re-invest the principal and interest for a further term decided by you;
- re-invest the principal for a term decided by you; or
- withdraw the entire Term Deposit.

On maturity of a Term Deposit we will act in accordance with your instructions for dealing with the principal and interest as recorded when you opened the Term Deposit. If you have not specified or instructed us as to how to deal with principal and interest then we will renew the deposit (that is, principal and any interest that has not already been paid) for the same or similar term and amount and at the interest rate and on the terms and conditions applying at that time to Term Deposits.

You cannot invest in a Term Deposit unless you have been provided with a copy of our investment statement for Term Deposits published in accordance with the Securities Act 1978. The investment statement contains important information and other terms relating to your investment. You cannot make withdrawals or process payments from a Term Deposit except on maturity without our consent. A break cost fee or charge may be payable if you wish to terminate or withdraw your Term Deposit before its maturity date, or alter the terms of the investment. An administration fee will also be payable for processing this request. For more information about fees and charges applying to Term Deposits including a working example of how the break cost fee or charge is applied please refer to our HSBC investment statement for Term Investments.

You agree that a statement of account need not be provided for a Term Deposit. You will however receive a statement of advice at maturity or a consolidated account if you hold other Call Accounts with us.

HSBC's Term Deposits or term investments are not guaranteed by HSBC Holdings plc or any other member of the HSBC Group.

2.7 Change of Address and Telephone Number

You must promptly notify us of any change in your address and telephone number (and facsimile number if you have made this available to us). This will enable us to ensure that correspondence and important documents are sent to the correct address.

We may communicate with you by post to the address last notified to us for that purpose by you and any correspondence or notice sent to you at that address will be deemed to have been given and received by you three days after posting.

2.8 Foreign Currency Accounts

All interest accruing on a foreign currency Call or Term Deposit Account (including our Multi Currency Account) will usually accrue and be paid or payable in the currency in which the account is denominated. We are only obliged to perform our other obligations in relation to an account in the currency in which those obligations are denominated. However we reserve our right to perform any obligation in any currency, at any rate and in any manner in each case as we determine, and such performance will constitute a good and valid discharge of those obligations.

Fees and charges and any other amount payable by you under the Terms and Conditions which are payable or expressed in New Zealand Dollars may, in relation to an account in a currency other than New Zealand Dollars, be converted to the currency of the account by us before being debited to the account.

We may set restrictions on how withdrawals are able to be made from accounts in a foreign currency including restrictions on the amounts that can be withdrawn in a particular currency.

We note that the acknowledgements and indemnity set out in section 5.3 of these Terms and Conditions apply to foreign currency accounts. Fees and charges for foreign currency accounts (including minimum opening deposits for different currencies) are contained in our **Personal Financial Services Fees and Charges brochure**.

3 Banking Electronically with HSBC

These Terms and Conditions apply to your account if that account can be accessed using one or more of the following services:

- an HSBC Card
- telephone banking services (including Automated PhoneBanking)
- Internet Banking
- electronic or telegraphic payments

3.1 Personal Identification Number (PIN), Personal Banking Number (PBN) and your Password (for Internet Banking only)

The PIN issued to you for any electronic service, and any number(s) substituted by you (where such substitution is available) for your issued PIN together with any Password you select for Internet Banking are confidential.

PINs and PBNs may be sent to you by post at your last recorded postal address and may be deemed by HSBC to have been received by you in good order.

PINs and/or Passwords must be random and must not be easily determined. You should not select a PIN or Password which represents your birth date as a numeric code, or an alphabetical code which is a recognisable part of your name, your telephone number or anything else that could be associated with you or can easily be guessed (for example number combinations like 1111 or parts of numbers in the order that they are printed on any of your cards).

You must not disclose, tell or show your PINs or Passwords to anyone else under any circumstances. This includes HSBC staff, the Police, family members or any other person. You may only disclose your PBN to HSBC staff.

You must not use the same numbers and passwords for your PIN or Password that you use for other equipment such as lockers, security systems, or mobile phones.

You must memorise your PINs and Passwords. You must not keep a written record of your PINs or Passwords where someone else could use the relevant service. In particular, you must not write your PIN or Password on the HSBC Card. You must destroy the original printed copy of any PIN we send you. You must disable any password automation facility on your internet browser in respect of your Password.

You must not let others view you enter your PIN when carrying out a transaction using an HSBC Card.

You must not let others view your PBN and/or Password when using Internet Banking.

You must report to HSBC the disclosure or possible disclosure of a PIN or Password as soon as you are aware or suspect the PIN or Password has been disclosed to someone else. If you fail to do so you may be held responsible for some or all unauthorised transactions.

We shall not be liable for any loss, damage or expenses incurred by you if a PBN or PIN is not in fact received by you or if a PBN or PIN should be made known to unauthorised persons in the course of delivery, dispatch or collection.

3.2 HSBC Cards

If you are issued an HSBC Card you agree to be bound by the following Terms and Conditions (in addition to any conditions contained with the HSBC Card when it is sent to you for use).

3.2.1 The HSBC Card

You may apply for an HSBC Card at any time on a Call Account which permits HSBC Card access. Your HSBC Card allows you to electronically access these Call Accounts through:

- HSBC and Westpac ATM's throughout New Zealand for cash withdrawals;
- other banks ATM's throughout New Zealand although additional network charges will apply;
- EFTPOS terminals throughout New Zealand and selected overseas locations for EFTPOS payments to merchants (cirrus maestro cards only);
- HSBC ATM's located overseas for cash withdrawals;
- Visa Plus ATM's located overseas for cash withdrawals; and
- other services as available and notified by us from time to time.

You will be posted a PIN for use with your HSBC Card. This will be in a specifically sealed envelope to ensure that it is secure. Soon after receipt of your PIN each HSBC Card will be sent to you by mail or it can be collected at one of our nominated HSBC Premier or Wealth Centres with acceptable identification if you are an HSBC Premier customer.

The HSBC Card remains the property of HSBC and you will return the HSBC Card to us immediately if we ask you to. You accept that we may withdraw the HSBC Card and/or any of the services offered at any time without prior notice. If you return the HSBC Card to us, your agreement with HSBC in relation to the operation of that card ends. However, whether the agreement is ended by you or us, you will still be responsible for any transactions made and any charges incurred up to that time.

You understand that the HSBC Card is issued for your use only and cannot be given to another person. It cannot be pledged or used as security in any manner. We may issue replacement HSBC Cards at any time which will also be subject to these Terms and Conditions.

You may be liable for any losses occurring before you receive your HSBC Card if you fail to advise us that your address has changed and this leads to unauthorised use of the HSBC Card.

If your HSBC Card can access more than one of your accounts, and one of them is a credit facility (for example a transaction account with an overdraft or other revolving credit loan account) negligence in the care of your HSBC Card and any associated PIN may result in a substantial debt for which you could be held responsible (for example your normal credit limit may not apply).

Replacement cards will be issued to you in the event that you notify us that your HSBC Card has been lost, stolen or damaged, or if your current card expires. A lost card replacement fee may apply.

Our liability to you will not be changed by our participation in a shared electronic funds transfer system.

You are responsible for safeguarding your HSBC Card. For example you should:

- not be negligent in the care of your HSBC Card, for example, leaving a wallet or purse containing your HSBC Card in view in an unattended vehicle or anywhere where a thief could remove your HSBC Card without being noticed (particularly in night clubs, hotels and restaurants);
- sign the HSBC Card as soon as you receive it;
- not allow other people to use or have access to your HSBC Card or your HSBC Card information;
- recover the HSBC Card immediately after using it; and
- advise us if you change your address.

3.2.2 HSBC Card Transactions

Our record of transactions from your use of the HSBC Card will be conclusive and binding for all purposes.

You are not permitted to overdraw your account with us or withdraw/transfer funds using your HSBC Card by more than your authorised overdraft limit.

Any transactions that are made using your HSBC Card will be deducted from your account normally within five business days of you making the transaction. We reserve the right to debit your account(s) at a later date if there is a delay in processing your transaction for any reason. You must keep sufficient funds in your account to pay for all your transactions made using your HSBC Card.

When you use your HSBC Card to withdraw cash or purchase goods and services the total value of all your transactions on a single day cannot be more than \$3,000 (or the New Zealand Dollar equivalent on that day if you use your HSBC Card overseas) when using either an ATM or EFTPOS.

Merchants or other financial institutions may also impose their own restriction on the amount of funds that may be withdrawn or paid.

3.2.3 Loss or Damage to your HSBC Card

You will take all care to prevent your HSBC Card from being lost or stolen and details of the PIN from being disclosed.

Loss or theft of your HSBC Card or disclosure of the PIN to any other person must be reported to us immediately and confirmed in writing within five business days in accordance with section 3.2.8 of these Terms and Conditions.

If an HSBC Card that has been lost or stolen is used before we are notified, we will not be responsible for any loss or damage. However we will be liable if you are unable to notify us in accordance with 3.2.8 of the Terms and Conditions because there is a failure in our telephone facilities and you notify us within a reasonable time of the facilities becoming available again.

Once you have informed us that the HSBC Card has been lost or stolen, or the PIN disclosed, you will not be responsible for any unauthorised use of the HSBC Card. You will be liable for no more than \$50 of any loss that happens before you notify us. This \$50 limit will not apply:

- if you keep a written record of your PIN, keep a copy of the PIN with your HSBC Card or you keep your PIN in a form that can be easily identified as a PIN;
- if you disclose your PIN to anyone, including family or HSBC staff, or let someone else use your HSBC Card;
- if you have unreasonably delayed notifying us that your HSBC Card has been misplaced, lost or stolen, or that the PIN has been disclosed;
- if you have acted fraudulently; or
- if you have breached these Terms and Conditions.

If any of the above occurs, you shall be liable for the lesser of the actual loss at the time of notification and the maximum amount you would have been entitled to access.

We will not be responsible or liable for any loss or damage (including inconsequential loss or indirect damage). By way of example, we will not be responsible for loss or damage arising from:

- any malfunction or failure of your HSBC Card, the ATM or the point of sale terminal if the malfunction or failure was obvious or you were advised by a message or notice;
- the temporary insufficiency of funds in any ATMs; or
- any failure by us to provide any service or to perform any obligation under the Terms and Conditions, where it is due to a dispute or a circumstance beyond our control.

We accept no responsibility for the refusal of any store to honour your HSBC Card, as this is at the merchant's discretion. We will not be responsible for any goods or services supplied to you. Complaints against the merchant should be resolved between you and the merchant.

No claim by you against a merchant will remove your obligations to us under these Terms and Conditions.

You must report the loss or theft of cards or disputed transactions, both in New Zealand or when you are travelling overseas as soon as possible. If you do not report a disputed transaction within a reasonable time you may be liable to pay for that transaction.

Upon receipt by us of notification that the HSBC Card has been lost or stolen or that the PIN has been disclosed to any other person we shall be entitled to cancel the PIN and/or issue a new PIN at your request or to terminate the use of the HSBC Card.

3.2.4 Additional HSBC Cards

If you have applied for an additional card to enable someone else to access your accounts and we have issued a card to that person, for the purposes of these Terms and Conditions, we deem that card to have been used by you. You authorise us to debit your accounts in relation to any transactions made by the additional card in the usual manner.

You consent to us giving an additional cardholder information about your account which can be obtained from an ATM.

3.2.5 HSBC Cards – Business

If you are a Business, you may apply for an HSBC Card to be issued to one or more of your Authorised Persons. If we agree to issue an HSBC Card to an Authorised Person you agree that the Terms and Conditions in this section 3.2 apply to both you and your Authorised Person and you agree to ensure that the Authorised Person complies with those terms and conditions. Where appropriate in sections 3.1 and 3.2 of this booklet

references to “you” and “your” will be deemed to include a reference to each Authorised Person as well as to you. Notice given to any Authorised Person will be deemed effective notification to you.

Any person collecting an HSBC Card or a PIN on behalf of the Business and purporting to be duly authorised by the Business shall be deemed by HSBC to be so authorised.

3.2.6 HSBC Card Fees and Charges

Fees and charges may be imposed in respect of transactions made using the HSBC Card and may vary depending on what HSBC account you are accessing with your HSBC Card. These charges will be deducted directly from your nominated account. ATM/EFTPOS network services fees will apply in certain circumstances (for example when using other banks’ ATMs in New Zealand and overseas).

For a summary of these fees and charges please refer to our **Personal Financial Services Fees and Charges brochure**.

3.2.7 Using your HSBC Card Overseas and Foreign Currency Conversion Margins

Cash withdrawals performed outside New Zealand may be subject to a cash withdrawal fee as stipulated by the overseas bank which owns the ATM. The availability of ATM services outside New Zealand is governed by the local regulations of the country. We will not be liable if these services are withdrawn without notice to HSBC.

If the transaction is carried out at an ATM operated by the HSBC Group then we shall debit your account with the amount of any withdrawal or transfer after converting the foreign currency into the domestic currency of issuance at the prevailing exchange rate as determined by us on the day of conversion.

If the transaction is effected at an ATM operated by another bank other than the HSBC Group and it accepts your HSBC Card then we shall debit your account with the amount of any withdrawal or transfer after converting the foreign currency into the domestic currency at the prevailing exchange rate as determined by that other bank on the day of conversion.

Currency conversion margins will be included in the applicable conversion rate on overseas ATM and EFTPOS transactions. For details of foreign currency conversion margins, please refer to our **Personal Financial Services Fees and Charges brochure**.

3.2.8 Notices

To report a lost or stolen HSBC Card or to notify us that a PIN, PBN or password has been accidentally disclosed, you must contact the nearest HSBC Premier Centre, Wealth Centre or

our Call Centre on 0800 80 23 80 (24 hours a day, seven days a week). You must confirm the incident in writing within five business days after your telephone call or notification. You must give full details of the incident as we may need to inform the police.

3.3 Telephone Banking Services and Automated PhoneBanking

These Terms and Conditions apply when instructing us to process transactions over the phone or through our Automated PhoneBanking service.

When you are dealing with us by telephone, your conversation with us may be recorded for verification, authentication, training, quality control or evidential purposes. Our record of any telephone transactions shall be conclusive and binding for all purposes.

The Automated PhoneBanking services provided by us include:

- transfer of funds between any of your accounts (with the exception of non-transactional loan accounts or Term Deposits);
- enquiry on account balances and recent transactions;
- exchange rate information for certain currencies and interest rate enquiries on New Zealand Dollar Term Deposits only;
- pay bills and transfer funds to previously specified third parties, and
- such other types of banking or investment services as we may from time to time introduce.

Enquiries on exchange rates for other currencies, current interest rates applying to foreign currency Term Deposits, statement requests, cheque book orders, stop payments of cheques and other services are available via a Customer Service Representative.

We will not be responsible or liable for any loss or damage (including inconsequential loss or indirect damage). By way of example, we will not be responsible for loss or damage arising from:

- any malfunction or failure of the Automated PhoneBanking service if the malfunction or failure was obvious or you were advised by a message or notice; or
- any failure by us to provide any service or to perform any obligation under the Terms and Conditions, where it is due to a dispute or a circumstance beyond our control.

3.3.1 Operation of Automated PhoneBanking

If you elect to use our Automated PhoneBanking service you authorise us to act on your instructions when using the service. This includes, at our sole discretion, any telephone instructions, which we believe come from you by the use of the PIN assigned to you in relation to this service (or any number substituted by you for that purpose). We will not be responsible or liable for acting in good faith from telephone instructions, which come from unauthorised individuals and you waive all rights and remedies against HSBC in respect of any loss arising from unauthorised use of Automated PhoneBanking and/or the PIN. We are not under a duty to verify the identity of the person(s) giving telephone instructions in your name.

You must co-operate fully with us in the event of any investigation or litigation relating to Automated PhoneBanking or its use.

You will be issued with a PIN which you may change using the Automated PhoneBanking service. Section 3.1 of these Terms and Conditions contains a summary of the treatment of the PIN.

You must ensure that there are sufficient funds (or prearranged credit facilities) in your accounts for the purpose of conducting Automated PhoneBanking. We shall not be liable for anything arising out of our failure to carry out any instruction due to insufficiency of funds and/or credit facilities. If we, in our sole discretion, decide to carry out the instructions regardless of an insufficiency of funds, we may do so without seeking your prior approval or giving notice to you. You will be solely responsible for the resulting overdraft, advance or credit thereby created and for all related charges which will be payable on demand.

You will be responsible for notifying the third person receiving any funds and/or any other person involved of the details of the transactions performed by us arising from the telephone instructions given by you. We will not be responsible to you for giving any such notice.

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

Any exchange rate or interest rate quoted by us in response to a telephone instruction is indicative only and shall not be binding on us unless subsequently confirmed by us for the purposes of a transaction.

Such confirmed exchange rate or interest rate shall be binding on you notwithstanding that a different exchange rate or interest rate might have been quoted by us.

3.3.2 Unauthorised Use or Disclosure of PIN

Use of the Automated PhoneBanking by any unauthorised person or disclosure of the PIN to any other person must be reported to us immediately and confirmed in writing within five business days in accordance with section 3.2.8 of this booklet.

Upon receipt by us of notification that the Automated PhoneBanking service has been used by an unauthorised person or that the PIN has been disclosed to another person we shall be entitled to cancel the PIN and/or issue a new PIN at your request or to terminate the Automated PhoneBanking service to your account.

We are entitled to terminate Automated PhoneBanking or to vary the services available through the use of the Automated PhoneBanking service at any time without notice and at our sole discretion. You may terminate the use of Automated PhoneBanking by notifying us in writing and you shall be liable for all transactions until we have terminated the use of Automated PhoneBanking.

3.3.3 Automated PhoneBanking for Business

If you are a Business, you may apply to use the Automated PhoneBanking service. If we agree to your use of Automated PhoneBanking you agree that the Terms and Conditions in this section 3.3 apply to both you and your Authorised Person(s) and you agree to ensure that your Authorised Person(s) comply with those terms and conditions. Where appropriate in sections 3.1 and 3.3 of this booklet references to “you” and “your” will be deemed to include a reference to each Authorised Person as well as to you. Notice given to any Authorised Person will be deemed effective notification to you. Any person collecting a PBN or PIN on behalf of the Business and purporting to be duly authorised by the Business shall be deemed by HSBC to be so authorised.

3.4 Internet Banking

We also offer access to your account(s) through our Internet Banking service. To use our Internet Banking service you will need a unique Personal Banking Number (PBN), an Internet Banking Password and if we have issued you a security device, a security code. Customers other than Business customers who wish to register for Internet Banking for the first time, will require a PBN, an Internet Banking personal identification number or PIN and a security device. Upon registering, customers (other than Business customers) will be required to choose a new password.

Authorised Persons of a Business account will be issued with a PBN, a PIN and a security device in order to access the service for that Business account(s).

The terms and conditions applying to our Internet Banking service will be displayed during registration for the service on our website and again when you or an Authorised Person first log on to the service. By using our Internet Banking service you and each Authorised Person acknowledge that you have read and understood the terms and conditions and agree to be bound by them.

We reserve the right to decline your application for Internet Banking service without the need to give a reason.

3.5 Electronic and Telegraphic Payments

This section applies to all electronic or telegraphic payments made through our Internet Banking service and Automated PhoneBanking or by Direct Debit, Automated Payments, Telegraphic Transfers (including same day cleared payments) or other electronic services introduced by us from time to time.

We will endeavour to make electronic or telegraphic payments as instructed but accept no liability for any inaccuracy or delay in payment, or refusal or omission to make any payment due to circumstances beyond our reasonable control or as otherwise specified in these Terms and Conditions. We may stop or alter a payment without notice if circumstances reasonably require us to do so.

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

It may not be possible to stop or reverse electronic or telegraphic 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.

Fees and charges associated with inward and outward electronic or telegraphic payments are set out in our **Personal Financial Services Fees and Charges brochure**.

Automated Payments

To set up an Automated Payment you may contact us on 0800 80 23 80 or set up your Automated Payment by using our Internet Banking service. Automated Payments will also be subject to any conditions applying on the form or authority when you apply.

We accept no responsibility or liability for the accuracy of the information provided by you and contained in the payment information fields on the Automated Payment authority or form, or for the failure to transmit such information in the manner requested due to circumstances beyond our reasonable control.

We may make Automated Payments in any order we wish but at all times payments will be subject to you having cleared funds to transfer.

We will use reasonable care and skill to give effect to the directions you give us in relation to an Automated Payment. Where the directions you give us are for the purpose of a Business, we accept those directions without responsibility or liability for any refusal or omission to make all or any of the Automated Payments, or for late payment or for any omission to follow such directions.

An Automated Payment authority may be reduced or terminated by us. Reasonable notice will be given to you provided the alteration has not occurred because of insufficient funds in your account, although we reserve the right to waive prior notice to you where circumstances dictate that it is impractical or imprudent to do so. In all other cases, the Automated Payment authority will remain in effect in respect of all payments made in good faith, until notice of death, bankruptcy, an Insolvency Event or cancellation received by us.

Automated Payments can be cancelled by completing the appropriate form at any HSBC Premier Centre, Wealth Centre or by phoning us at 0800 80 23 80 or through our Internet Banking Service. The cancellation must be presented to us at least one business day before the payment is due.

Direct Debits

If a company gives you the option to pay by Direct Debit the company or initiator will give you a form called an "authority to accept Direct Debits" which authorises the initiator to debit your nominated accounts with us periodically. Direct Debit amounts and payment dates will vary depending on your agreement with the initiator of the Direct Debit. Direct Debits are not initiated by us but by the company or business receiving the payment.

You must notify the company or business receiving the payment of any change to your account details.

Direct Debits can be cancelled by completing the appropriate form at any HSBC Branch or by contacting us at 0800 80 23 80. This form must be completed and presented to us at least four business days before the payment is due to be debited.

You should also inform the company or business receiving the payment that the Direct Debit has been cancelled. Any queries regarding a Direct Debit payment should be made to the company or business receiving the payment and not to us.

Reversal of Electronic Payments

Any electronic payment credits (including but not limited to Automated Payments, direct credits and bill payments) received by you may be reversed by the paying bank after the payment

date. The Interchange and Settlement Rules agreed to by members of the New Zealand Bankers' Association will apply to the reversal of such electronic payment credits. Should an electronic payment credit be reversed in accordance with these rules, your account will be debited with the amount of the reversal.

Telegraphic Transfers and Same Day Cleared Payment (SCP)

To establish a Telegraphic Transfer or SCP you will be required to complete an application form which will be subject to specific terms and conditions which you will need to read carefully and agree to before instructing us to process your Telegraphic Transfer. In addition you will need to sign specific customer terms and conditions of use to initiate an SCP from your account.

Telegraphic Transfer payment requests delivered to us are subject to cut off times. These cut off times vary depending on the geographical location of the destination and are subject to change from time to time without the need for notice. A list of cut off times is available from us on request.

Any requests received by us within the cut off time for the relevant currency will be processed on the requested value date. However while we will remit your funds on the value date, we cannot confirm the actions of the beneficiary or receiving bank or guarantee that the funds will be received by the beneficiary bank within 48 hours from the time the Telegraphic Transfer is processed. We will not consequently be held liable for any delays in processing by the beneficiary bank.

4 Terms and Conditions – General

The following general Terms and Condition are applicable to all accounts you may operate with us.

4.1 Reasonable Care

We will use all endeavours to provide our services with reasonable care and expertise.

4.2 Responsibility

It is your responsibility, unless we notify you in writing otherwise, to:

- act quickly to inform us about any financial problems you may be having;
- act fairly and reasonably towards us in a consistent and ethical way;
- make sure that you get enough information to choose the products or services that meet your needs by asking us to clarify anything you do not understand and seeking independent professional advice where you think it is necessary;
- ensure you understand the product or service information that we provide before you make a decision to act on it;
- ensure you understand your contractual rights and obligations when you open an account or select any other product;
- inform us promptly if you change your address and you should make sure that we have acted on the change;
- ensure that any information you provide to us at any time is up to date, true, complete, correct and not misleading;
- advise us if any proceedings under the Insolvency Act 1967, or its amendments, are brought against you and advise us if you are adjudicated bankrupt;
- inform us (if applicable) if an Insolvency Event occurs;
- notify us of any changes in your personal information, e.g. name, address details, residency status, payment authority;
- ensure that you have sufficient cleared funds in your account(s) to meet debit transactions including fees and charges; and
- check your statements to ensure their accuracy and advise us immediately you become aware of any error or discrepancy as covered in section 4.9. If you do not notify us in writing within 60 days of the date of the statement that contained the discrepancy/error you waive any rights of remedy against us.

What may be fair or reasonable in any situation will depend on the circumstances, including our conduct and yours. Subject to acting with reasonable care and subject to any other obligations that we may owe you under the Consumer Guarantees Act 1993, we:

- will accept no responsibility for the loss, destruction or delay in processing of cheques and other documents;
- may decline to act or delay acting on any instruction given where we consider that we have good reason to do so;
- will not be responsible or liable for any loss suffered by you or any other person due to matters outside our control; and
- will not be responsible or liable for any claim that arises where we have acted reasonably in accordance with your instructions.

We have the right to decide not to provide you with credit.

Where you wish to obtain credit from us the following will apply:

- you should seek independent professional or legal advice;
- you should contact us immediately if you find yourself in financial difficulty so that we can consider your particular situation;
- if you do not comply with the terms and conditions of the credit facility, we will contact you at your last recorded address with us to try to resolve the problem. If the problem cannot be mutually resolved we may take action to recover the debt and refer the debt to a third party for collection which may include any member of the HSBC Group; and
- we may disclose information about you to third parties including any member of the HSBC Group for recording and/or collecting the debt if your debts are not repaid. This may make it difficult for you to get credit in the future.

You must tell us without delay if we offer you credit facilities or an increase in credit facilities which you believe is inappropriate to your financial circumstances and which may lead to financial difficulties.

4.3 Applicable Law / Transfer Rights

These Terms and Conditions shall be governed by New Zealand law and you agree to submit to the non-exclusive jurisdiction of the New Zealand Courts (unless otherwise agreed by us in writing).

If there is a change in any law that would mean that we could not provide the service or product as it was originally offered to you then, we will invoke that change. For example, if there was a change in the law that set a maximum percentage interest

rate on overdrafts or a maximum fee or charge on any type of account, you would not be required to pay more than the maximum. Alternatively, if there were a change in the law prohibiting a fee or charge, you would not be required to pay that fee or charge.

We may transfer or assign any of our rights in relation to your account(s). We may also transfer or assign any of our obligations but only to someone we reasonably consider capable of performing them. References to "HSBC", "we", "us" and "our" in these Terms and Conditions would then be read as references to the person to whom the right or obligation was transferred to. You may not transfer any of your rights or obligations in relation to your account(s).

4.4 Closure or Combining of Accounts

You may at any time request us to close your account(s) by giving us written notice. Please contact your nearest HSBC Branch should you wish to close your account(s). A fee will apply if you close your account less than three months since account opening.

We reserve the right to close your account(s) for any reason upon giving you reasonable notice without the need to give you a reason for the closure. If we elect to close your account(s) you will be given at least 14 days notice setting out the relevant details, which will be sent to your last recorded address with us.

We may close your account without prior notice if:

- we are complying with a court order;
- you have acted unlawfully;
- you have breached our Terms and Conditions;
- you have acted abusively to our staff; or
- your account balance is zero for more than 3 months.

We may suspend the operation of an account or account related service if:

- we are complying with a court order;
- we are notified by any party of a dispute over either the ownership of funds or the operation of the account;
- we learn of your death, bankruptcy or other lack of legal capacity;
- we learn that a petition for bankruptcy has been filed against you;
- any third party claims an interest in any of your accounts;
- you are a Business and there is an Insolvency Event;

- there is not enough money to cover your cheques, payment instructions, our fees and charges or other obligations (including obligations which will or may arise later); or
- we consider that your account(s) is not being conducted in a satisfactory manner or we have other reasonable grounds to do so.

We will not be responsible or liable to you for any loss resulting from a suspension or closure of your accounts with us as set out above. You are required to pay us for any expenses we may incur in closing or suspending any of your accounts.

If you owe us money whether alone or with others, which is due but unpaid, we may without prior notice and prior consent from you, apply all or any part of any credit balance in your accounts in any currency that you have in New Zealand or elsewhere, towards the unpaid amount. For this purpose we may transfer funds from one account to another, use funds in one currency to buy another currency (if applicable) and may break your Term Deposit(s). We may also apply funds from any joint account to which you are a party, so long as you have authority to give instructions on that account without any other signatory.

If any amount is contingently due or not quantified, we can withhold repayment of any credit balance until the amount becomes due or quantified. We may set off the maximum liability, which may at any time be or become owing. These rights are in addition to any rights of set-off, combination of accounts, lien or other rights which we are entitled to, by way of operation of law, contract or otherwise.

If your account is closed, whether by you, or us you must return all unused cheque forms and any HSBC Card(s) issued to you or Authorised Person(s) (if you are a Business). We reserve the right to return any cheques presented for payment after the account has been closed. We may then refund any government cheque duty that you have paid on the unused cheques you return. If you have any direct debits, standing instructions or third party payments you should advise the parties concerned that your accounts with us have been closed.

4.5 Inactive Accounts

Your account will be regarded by us as inactive if no deposits or withdrawals are made during a continuous 12 month period (this period is subject to change by us without notice). Under these conditions we reserve the right to close your inactive account or cancel access to your account through your HSBC Card, or any other service provided by HSBC without notice to you.

Credit balances on inactive accounts may be treated by the law as unclaimed moneys after a period of time and we are required to deal with these credit balances in accordance with our obligations under the Unclaimed Moneys Act 1971 (including sending unclaimed moneys in a Term Deposit or account with cheque access to the Inland Revenue Department if unclaimed after a period of time specified in the Unclaimed Moneys Act 1971). Before sending monies to the Inland Revenue we will write to you at your last recorded address with us.

4.6 Consumer Guarantees Act 1993

Regardless of any other Term and Condition we acknowledge that:

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

However:

- if you are a Business or your account or any other financial service(s) is used for business purposes, then the provisions of the Consumer Guarantees Act 1993 will not apply; and
- we will not be liable for any loss that our acts or omissions contributed to or any loss caused by circumstances beyond our control or contributed by your own acts or omissions.

4.7 Currency Conversion

For the purposes of these Terms and Conditions, if any sum must be converted into another currency, then the conversion shall be made using our prevailing rate of exchange for the currency.

4.8 Disclosure Statement

You may obtain a copy of our current disclosure statement under section 81 of the Reserve Bank Act of New Zealand 1989 free of charge from any HSBC Branch or our Call Centre on 0800 80 23 80.

4.9 Discrepancies / Errors, Questions or Complaints

Please contact your Relationship Manager or our Call Centre on 0800 80 23 80 immediately if:

- you think there is a discrepancy/error on your statement;
- money has been lost due to an ATM or EFTPOS malfunction; or
- you have any questions or complaints.

If any of the above occur you will need to give us:

- your name;
- your account number;
- your HSBC Card number (if applicable); and
- any details you can about the suspected error or malfunction or the nature of your question or complaint, including the amount of money involved.

We may request further information from you to assist us with our inquiries. We will make every effort to answer and resolve your questions or complaints quickly and fairly.

Where we establish that an error has occurred and it was caused by us, we will promptly correct the error (to the extent possible) and reimburse any interest or fees charged to you as a result of the error.

Please raise any complaint with your Relationship Manager in the first instance. Alternatively you can obtain information on our customer complaint procedure by sending an email to customerrelations@hsbc.co.nz or call 0800 80 23 80. Please note that telephone conversations with us may be monitored and recorded for authentication, training, quality control or evidential purposes.

If you remain dissatisfied with the way your complaint has been handled by us and are unable to gain a satisfactory result, then you can refer the matter to the Banking Ombudsman. The domestic toll free number of the Banking Ombudsman is 0800 805 950 and e-mail address is help@bankombudsman.org.nz.

The postal address is:

Office of the Banking Ombudsman
Level 11
109 - 111 Featherston Street
P O Box 10-573
The Terrace
Wellington

The Banking Ombudsman Scheme Terms of Reference govern the handling of complaints referred for consideration.

4.10 Fees and Charges

We may at any time impose fees and charges for any services provided pursuant to the Terms and Conditions and for services we provide in connection with any account. A summary of these fees and charges are set out in our **Personal Financial Services Fees and Charges brochure**, which is available on request.

We are entitled to debit your account for these fees and charges whenever they are payable and for any other amounts owed to us by you. In particular we will deduct from your account any interest, including any default interest, when you exceed your agreed borrowing/overdraft limit or when your account(s) become overdrawn (with or without an overdraft facility in place). We may also debit government fees and charges from your account.

These include government cheque duty on cheques, resident withholding tax, non-resident withholding tax or approved issuer levy.

Wherever possible we will inform you of non-standard fees before payment is due. There may be charges from other parties (including overseas banks) of which we have no knowledge or control.

You are liable for all expenses (including our legal costs) regarding the preservation of our rights or the enforcement or attempted enforcement of your obligations under these Terms and Conditions, and these may be debited to an account you hold with us.

4.11 Confirmation of Transactions / Statements

We will send you a statement regularly (at least once every six months) for every account you have with us showing the transactions that have taken place. A statement may not be issued if:

- the balance of your account is zero;
- you have not made any transactions since your last statement; or
- you have not made any transactions from the date your account was opened.

You should check all entries on the statement and report to us any apparent errors or transactions you have not authorised as soon as possible. We will investigate any discrepancies referred to us and advise you of the outcome within a reasonable time. We reserve the right to charge a reasonable fee for this service.

When you use your HSBC Card, and transaction records are printed, the transaction records will show the details of your transaction (eg amount, date, etc). Please keep the printed records and check them with your statements.

4.12 Imaging of Documents

We reserve the right, subject to applicable laws, to destroy any original documents relating to your accounts after microfilming or imaging of them.

4.13 Restriction on HSBC's Liability

We will compensate you for any losses directly attributable to our negligence or wilful default, but we will not be liable for any indirect or consequential loss of any kind, any loss contributed by you or as a result of your own acts or omissions, or any loss caused by circumstances outside our control.

4.14 Privacy Act 1993 / Personal Information / Exchange of Customer Information

4.14.1 Privacy Act 1993 and your Confidential and Personal Information

In order for us to provide or to consider providing banking and other financial services to you and in compliance with the Privacy Act 1993 and our duty of confidentiality as a bank we wish to point out to you that:

- we will collect and process personal information and other confidential financial or credit information about you and any Authorised Person or signatory to your account(s) (together referred to as "Customer Information");
- Customer Information will be collected by and held or stored by us in New Zealand, Hong Kong, the United Kingdom and elsewhere in the world as set out in this section 4.14.1. The intended recipients of Customer Information are also set out in this section 4.14.1.
- the Privacy Act 1993 gives you the right to view and correct personal information we hold about you. A fee may be payable by you for access to, or correction of your personal information;
- failure by you or an Authorised Person or signatory to provide the information or provision of incorrect or updated information may result in your application for any service or credit being declined, or you being unable to open an account with us or otherwise affect our ability to continue to provide a service or product to you; and
- you can notify us that you do not want to receive marketing material about other products and services offered by HSBC, any other member of the HSBC Group or any other service provider we have a relationship with.

Once collected, we will (within or outside New Zealand, the United Kingdom or Hong Kong) use, store, disclose, transfer, obtain and/or exchange such Customer Information and such other details and information to, from or with all such persons as we may consider necessary to provide a service or product (including without limitation any member of the HSBC Group

or any third party, whether in or outside New Zealand, the United Kingdom or Hong Kong) including any and all of the following purposes:

- the provision, and daily operation of any service or product (including assessing any application for a service or product or the provision of bank statements);
- the processing or maintenance of any data, records or payments;
- the provision of call centre or telephone banking services by us or a member of the HSBC Group or authorised third party;
- promoting, improving and furthering the provision of other services or products by us, any member of the HSBC Group or other service provider we have a relationship with to you, an Authorised Person or any signatory to an account unless you notify us otherwise;
- financial and credit reporting by us or the HSBC Group to a regulator or any relevant third party;
- compliance by us, or a member of the HSBC Group, with anti money laundering and terrorist financing laws or disclosure requirements binding on us or any member of the HSBC Group (whether in or outside New Zealand, Hong Kong, the United Kingdom or elsewhere) including without limitation the Financial Transactions Reporting Act 1996, the Proceeds of Crime Act 1991 and the Terrorism Suppression Act 2002;
- matching, for whatever purpose (whether or not with a view to taking any adverse action against you) any information collected with other data in our or the HSBC Group's possession including matching or screening of your information against domestic and international terrorist or suspected or convicted criminal lists;
- collating Customer Information for statistical gathering purposes and disclosing to the HSBC Group or to third party contractors on a confidential basis for the purpose of mailing, market research or marketing (direct or otherwise), improving or developing existing other products and services to you;
- exchanging Customer Information with other members of the HSBC Group and other financial institutions to assist in verifying your identity and help in preventing fraud, financial crime and money laundering;
- a third party or service provider who has agreed to provide certain service or products to you on our behalf;
- facilitating a member of the HSBC Group to take any action we deem necessary to recover or assist in recovering debts you owe to us;

- compliance by us or by an international or domestic payment intermediary used by us (like SWIFT) with any order or directive to supply Customer Information to an overseas or local regulator or prosecuting body or authority for the purpose of countering money laundering, terrorist financing or any other crime; and
- make any enquiries at any time to any credit reporting agency, any other member of the HSBC Group, other financial institutions or any other person or company concerning your credit standing or employment or otherwise for the purpose of verifying any Customer Information.

As part of our application and review processes for opening an account or for applying or continuing to maintain credit you acknowledge that personal information will be disclosed to credit reporting agencies for the purpose of obtaining credit checks at any time and that:

- credit reporting agencies will provide us with information about you or an Authorised Person as requested;
- we will give your personal information to the credit reporting agencies and that the credit reporting agencies will hold that information on their systems and use it to provide their credit reporting service to other customers or users of that service;
- when other customers of the credit reporting agencies use the same credit reporting service the credit reporting agencies may give your personal information to those customers;
- if you are in default of any payment obligation to us, information about that default may be given to credit reporting agencies and credit reporting agencies may give that information about your default to other customers or users of that credit reporting service;
- we may use credit reporting services in the future for purposes related to the provision of credit or account maintenance. This may include using a credit providers monitoring services to receive updates if any of the information held about you changes; and
- the Privacy Act 1993 and Credit Reporting Privacy Code 2004 gives you the right to access and correct personal information held by a credit reporting agency. Contact details for credit reporting agencies we use are available on request.

If you are a Business we will also collect information about your Authorised Person(s) and references to “you” and “your” in this section 4.14 will be deemed to include reference to your Authorised Person(s) as appropriate.

Whether it is used, stored or processed in New Zealand, Hong Kong, the United Kingdom or elsewhere in the world, the Customer Information will be protected by strict confidentiality and security, which all members of the HSBC Group, their staff and any third parties are subject to and will be used in accordance with our instructions unless otherwise required or allowed:

- by law or any governmental or regulatory agency or authority; or
- for the purpose of preventing or detecting fraud, terrorist financing, money laundering or any other crime.

4.15 Anti Money Laundering, Terrorist Financing and Sanctions

You acknowledge that we, and other members of the HSBC Group, are required to act in accordance with the laws, regulations and requests of public and regulatory authorities operating in various countries which relate to amongst other things the prevention of money laundering, terrorist financing and the provision of financial and other services to any persons or entities which may be subject to sanctions.

These laws, regulations and requests may prohibit us from entering or concluding transactions involving certain persons or entities or may require us to report suspect transactions to a regulatory authority.

We may take, and may instruct (or be instructed by) any other member of the HSBC Group to take any action which it or such other member, in its sole and absolute discretion, considers appropriate to take in accordance with all such laws, regulations and requests. Such action may include (but is not limited to) the interception and investigation of any payment messages and other information or instructions sent to or by you via our systems or any other HSBC Group's or intermediary systems and making further enquiries as to whether a name which may refer to a sanctioned person or entity actually refers to that person or entity.

Transactions impacted include those that may:

- involve the provision of finance or services to any person or entity involved or suspected of involvement in terrorism or any terrorist act or persons or entities subject to sanctions; or
- be relevant to investigation of an actual or attempted evasion of a taxation law, investigation or prosecution of a person for an offence against a law or regulation.

You agree and acknowledge that:

- we, and other members of the HSBC Group, may intercept and investigate any payment messages and other information or communications sent to or by you or on your behalf via HSBC's systems and may delay, block or refuse to make any payment;
- we may make further enquiries as to whether a name which might refer to a sanctioned person or entity actually refers to that person or entity;
- payment screening or matching may cause delay in processing certain information.

Neither we nor any member of the HSBC Group will be liable for loss (whether direct or consequential and including, without limitation, loss of profit or interest) or damage suffered by any party, arising out of the exercise of any of our rights under this section 4.15 or any delay or failure by us, or any member of the HSBC Group, in processing any payment instructions or messages or other information or in performing any of its duties or obligations which we in our sole and absolute discretion consider are appropriate to take in accordance with all such laws, regulations and requests. Therefore, neither we nor any member of the HSBC Group warrants that any information on our systems relating to any payment messages and your instructions which are the subject of any action taken pursuant to this clause is accurate, current or up-to-date at the time it is accessed, whilst such action is being taken.

4.16 Overdrawn Accounts

Unless a Call Account has an approved overdraft facility you must maintain a positive balance in all your Call Accounts at all times. We are under no obligation to honour cheques, or to pay other transactions which would overdraw a Call Account or exceed any agreed credit limit. Should we exercise our discretion to honour a cheque or to pay a transaction where no such overdraft facility exists the Call Account must be returned to a positive balance or a balance within the agreed overdraft limit immediately. If we do allow the Call Account to become overdrawn or to exceed any agreed overdraft limit, any resulting debit balance does not constitute the offering of, or increase to, an overdraft facility for that Call Account.

If a Call Account has no approved overdraft facility and it becomes overdrawn, debit interest will be charged to the Call Account. It will be charged on the daily closing debit balance using our current unauthorised overdraft interest rate and debited monthly or at such other times as we may require.

4.17 Variation of Products / Terms and Conditions

We reserve the right to vary, change or withdraw a product or service or product brochure at any time. We may alter any of these Terms and Conditions at any time. We will give you at least 14 days notice of any change to our Terms and Conditions including our fees and charges before it takes effect by:

- direct communication with you (e.g. by letter, email, facsimile or notice on your account statement); or
- display in our HSBC Premier, or Wealth Centres and by notice in the media (including public notices in major daily newspapers).

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

We may also change our interest rates at any time with immediate effect by giving notice in any of the above ways. Prior notice of the change of interest rate is not required.

If you use your accounts after the date upon which the change to the Terms and Conditions are said to be effective (as specified in our notice) this will constitute acceptance by you of the change provided that you have been notified beforehand. You understand and agree that if you do not accept any proposed change, you will return your HSBC Card and/or cheque book to us before the date on which the change comes into effect. If you are not sure what a communication from us means you should contact us and ask for an explanation.

Any notice or statement sent to you by post under the Terms and Conditions will be deemed to have been received by you within three days of posting to the address you last recorded with us.

5 Facsimile, Multi Currency and Foreign Currency Account Indemnities / Declaration of Non-Residence

When you open an account with us you may:

- wish to send instructions to us by facsimile;
- be a non-resident of New Zealand; and/or
- want to and are eligible to use our Multi Currency Account product or other foreign currency account.

If any or all of the above apply then the following in sections 5.1 to 5.3 will apply as applicable.

5.1 Facsimile Instructions and Indemnity

If you elect to provide us with instructions by facsimile you agree, so far as permissible at law:

- that all risks of unauthorised facsimile instructions due to fraud lie with you and are not borne by us;
- that we are authorised to act on facsimile instructions which we, in our discretion, believe came from you or a person authorised by you (without requiring written confirmation);
- to indemnify us and hold us harmless against any and all claims which you or any third party may have against us for any damage, loss, cost or expense which you or a third party may suffer or incur (whether directly or indirectly and whether foreseeable or not) as a result of or in connection with;
- us acting upon any instruction sent by facsimile purporting to be from you or persons authorised by you from time to time;
- us not acting upon any instructions sent by facsimile purporting to be from you and where we in our sole discretion consider or suspect that such instructions may have been fraudulently communicated to us, mistakenly or without authority or contain material omissions or errors; and
- that nothing in these paragraphs will be construed as requiring us to make enquiries as to the genuineness or validity of a facsimile instruction.

5.2 Declaration of Non-Residence and Undertaking

If you are a non-resident of New Zealand for New Zealand tax purposes:

- you declare that any person beneficially entitled to a deposit(s) (and any interest) held by us in your name is not ordinarily resident in New Zealand at the time an account is opened with us;
- you agree that AIL (Approved Issuer Levy) will apply to all interest payments to your account (whether a Call Account or Term Deposit) unless you advise us otherwise;
- you agree if you become ordinarily resident in New Zealand, or if a person ordinarily resident in New Zealand becomes the beneficial owner of such deposit(s) (and/or any interest) you will notify us immediately;
- you agree to notify us immediately if any related party (as applicable) becomes resident or ordinarily resident in New Zealand; and
- you agree to indemnify us for any losses, costs, penalties and other expenses, which we might incur or suffer arising directly or indirectly out of your failure to comply with the terms of this section 5.2.

5.3 Multi Currency Account and Foreign Currency Account Indemnity

Unless you are a Business you may apply to open a Multi Currency Account by completing the appropriate section of the personal account application form. If you open and operate a Multi Currency Account or other foreign currency account you acknowledge that:

- you are aware of the potential risks of investing in a currency which is not your base currency and that the risk of loss in entering into and performing such transactions can be substantial. Fluctuations in exchange rates may also adversely impact your funds in the account when converting currencies within your Multi Currency Account or other foreign currency account or Term Deposit;
- you recognise that past performance of a currency is not necessarily an indication of its future performance and that advice, opinions or other data relating to the future performance of a currency are only speculative. You will use your own independent judgment or professional advice in respect of the entry into or performance of any transactions and will not rely on any advice, opinions or other data supplied by us;

- you realise that currency exchange rates may fluctuate during the day and, as a result, the rate of exchange on enquiry may be different to the rate of exchange that you may obtain when carrying out the transaction;
- you are aware that the rates of exchange read out to you during an Automated PhoneBanking rate enquiry are indicative only and, as a result, the rate of exchange on enquiry may be different to the rate that you obtain when carrying out the transaction;
- you acknowledge that you may carry out cash withdrawals and/or cash deposits in currencies available which may change from time to time without notice; and
- you undertake to fully indemnify us against all actions, proceedings, claims, loss, damage, costs, and expenses which might be brought against us, suffered or incurred by us. This includes those claims which may have arisen directly or indirectly out of any of the above actions on our part, or which shall have arisen directly or indirectly out of any delay or inability on our part to enter into or determine the terms of any transaction, (unless caused solely by our negligence or wilful default).

6 Glossary of Definitions

ATMs

means automated teller machines which HSBC customers can use to access their accounts.

Authorised Person

means any individual person nominated and authorised by a Business to operate the account(s) including via an electronic banking service like Internet Banking or Automated PhoneBanking.

Automated PhoneBanking

means our automated electronic service that enables you to perform various banking services over the telephone.

Automated Payments

means arrangements where you instruct us to make a regular or one off fixed sum payment from your Call Account for the credit of another person's bank account. This can also be used to make transfers between your accounts.

Business

means any non personal customer who is a firm, trust, company, corporation, statutory body, government body, partnership, society, sole proprietorship, club, association or other incorporated body of persons or other person that we designate a "Business".

Business Day

means a day when we are open for business, but does not include Saturday, Sunday or any nationwide public holiday.

Call Account

means an account where you can withdraw funds at any time and includes any savings, current or transactional account with HSBC (does not include a Term Deposit).

Direct Debits

means an arrangement where you authorise a company or other organisation (called an "initiator") to deduct an amount directly from your account. These amounts can be fixed or variable eg payment of a gas or electricity bill.

EFTPOS

means Electronic Funds Transfer at Point of Sale. This allows you to purchase goods and services and/or withdraw cash using your HSBC Card at a point of sale terminal.

HSBC or “we”, “our” or “us”

means the New Zealand branch of The Hongkong and Shanghai Banking Corporation Limited incorporated in the Hong Kong SAR with limited liability.

HSBC Card

means an EFTPOS, ATM or any other electronic card, which may be used to carry out banking transactions electronically.

HSBC Group

means HSBC Holdings plc, its subsidiaries and associated companies.

HSBC Premier or Wealth Centres

means centres or branches maintained for use by our HSBC Premier customers.

Insolvency Event

means an event where:

- the Business is a company or incorporated body and an application or order is made, or a resolution is passed or proposed for the liquidation or winding up of the Business or removal of the Business from the relevant register;
- a receiver, manager, statutory manager, trustee, administrator, inspector or similar official is appointed in respect of the Business or any of its assets whether by a court, by the Business, by its creditors or otherwise or the Business is declared to be at risk in accordance with section 30 of the Corporations (Investigations and Management) Act 1989;
- an assignment, arrangement or composition for the benefit of or with creditors of the Business is proposed or made, or a moratorium or administration is proposed, ordered or arranged;
- the Business is unable or deemed or presumed by law to be unable to pay its debts as they fall due;
- the Business suspends, stops or threatens to suspend or stop payment of its indebtedness;
- the Business ceases or threatens to cease to carry on all or a material part of its business;
- any holder of a security interest for the purpose of the Personal Property Securities Act 1999 in any asset of the Business enters into or takes possession of that asset or takes any other step to realise or enforce that security interest; or
- a distress, execution, attachment or other legal process claimed or issued against any of the assets of the Business remains unsatisfied for more than seven days.

Internet Banking

means our Internet Banking service, online@hsbc, which is available through HSBC's website www.hsbc.co.nz upon registration.

Multi Currency Account

means our multi foreign currency Call Account product the details of which are further set out in our relevant product brochure.

Password

is the password you may be issued with to enable you to access our Internet Banking service.

PBN

is the Personal Banking Number you may be issued with to enable you to access our Internet Banking service.

PIN

is the Personal Identification Number you may be issued with to enable you to access certain HSBC products and services.

Post-Dated Cheque

means a cheque, which has been dated sometime in the future.

Stale Cheque

means a cheque which has not been presented six months after the cheque was dated. A stale cheque should not be deposited and must be returned to the person who wrote it or gave it to you, so it can be reissued or updated.

Telegraphic Transfer

means a payment which is transmitted directly by telecommunication methods from us to a beneficiary's bank.

Term Deposit or Term Investments

means any deposit for a fixed period from seven days up to five years (or such other term as agreed with us).

Terms and Conditions

means the terms and conditions as outlined in this booklet (as amended from time to time).

HSBC's Investment Statement for Term Investments and most recent Disclosure Statement are available free of charge on request or on our website - www.hsbc.co.nz.

For more information

- ▶ **Call 0800 80 23 80**
- ▶ **Go to www.hsbc.co.nz**



Issued by The Hongkong and Shanghai Banking Corporation Limited, incorporated in the Hong Kong SAR with limited liability, acting through its New Zealand branch.

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