

RABODIRECT

TERMS AND CONDITIONS

1. Definitions

- 1.1 "Account": any and all accounts held by you with RaboDirect.
- 1.2 "Authorised Signatory": an individual who operates an Account on behalf of an Account owner.
- 1.3 "Business Day": banking business day, or day on which the relevant Fund Provider is open for business, as applicable.
- 1.4 "Device": your Digipass or any other device we provide in connection with the Internet Banking Services.
- 1.5 "Fund Provider": the provider of a Managed Fund.
- 1.6 "Internet Banking Services": the internet banking services which we offer to you through RaboDirect.
- 1.7 "Managed Fund": a type of Account which is an investment offered through RaboDirect by a Fund Provider.
- 1.8 "Master Savings Account": a type of Savings Account.
- 1.9 "Multi-owner Account": an Account owned by more than one individual, including a joint Account, a trust Account where there is more than one trustee and a partnership Account.
- 1.10 "Nominated Account": the external account from which funds may be debited to your Account and to which funds may be paid from your Account.
- 1.11 "Offer Document": each disclosure document relating to a Managed Fund that is published by the relevant Fund Provider.
- 1.12 "Order": an instruction from you relating to an Account.
- 1.13 "PIN": the code(s) used to protect access to a Device.
- 1.14 "Purpose Savings Account": a type of Savings Account.
- 1.15 "RaboDirect": a division of Rabobank New Zealand Limited, a bank registered in New Zealand.
- 1.16 "Savings Account": a call deposit Account.
- 1.17 "Term Deposit": a term deposit Account.
- 1.18 "We"/"Us": Rabobank New Zealand Limited.
- 1.19 "You": an owner of an Account and any Authorised Signatory.

2. General Requirements of Accounts

- 2.1 Accounts are only available in New Zealand dollars.
- 2.2 You must own a Master Savings Account at all times while you are a customer of RaboDirect.
- 2.3 Each owner can only own:
 - one Master Savings Account individually at any one time
 - one Multi-owner Master Savings Account with the same owner(s) at the same time.
- 2.4 For each Master Savings Account, you can own up to five Purpose Savings Accounts at any one time and there is no restriction on the number of Term Deposits or Managed Funds you may own.

3. Account owner restrictions

- 3.1 We may decline to accept anyone as a RaboDirect customer, without giving any reason.
- 3.2 Accounts are not available to collective investment schemes, financial institutions (including fund managers), central or local government entities or insurance companies.
- 3.3 When you become a RaboDirect customer, your residential and postal addresses must be in New Zealand, you must be a New Zealand tax resident and trusts must be qualifying trusts for tax purposes. If your residential or postal address ceases to be in New Zealand or you cease to be a New Zealand tax resident or a qualifying trust:
 - you must inform us immediately
 - all your Managed Funds will be closed
 - you cannot buy any Managed Funds while your residential or postal address is not in New Zealand or you are not a New Zealand tax resident or (if you are a trust) you are not a qualifying trust.You must inform us immediately if you again have a residential or postal address in New Zealand or you again become a New Zealand tax resident or a qualifying trust.
- 3.4 Each owner of a business Account must be aged 18 years or over.

4. Minors

4.1 If you are under the age of 12, you may own an Account but an Authorised Signatory must open and operate the Account in your name and you have no authority on the Account. At any time after you turn 12, you may elect, with the consent of the Authorised Signatory, to have full authority on the Account and sole responsibility for it from that time. In that case, notices will be sent to you and the Authorised Signatory must provide you with any Device and PIN and cease to use same at that time.

4.2 If you are between the ages of 12 and 17 inclusive, you may own an Account in the manner outlined in the previous clause. Alternatively, you may own an Account without an Authorised Signatory.

5. Authorised Signatories

5.1 An Authorised Signatory must be at least 18 years of age.

5.2 An Authorised Signatory has full authority on the Account, as if they were the Account owner. Devices, PINs and most notices will be sent to the Authorised Signatory. The Authorised Signatory is responsible for the Account along with the Account owner, as if they were the Account owner, and also for the performance of any obligation the Account owner has.

6. Multi-owner Accounts

6.1 Except where an Account has an Authorised Signatory, each owner may give us any instructions relating to the Account and communications, including notices, given to just one of you will be deemed to be given to all of you.

6.2 You must notify us promptly of any change in the ownership of a Multi-owner Account. The Terms and Conditions will continue to bind you despite any such change, and will continue to bind the partners of a partnership's Multi-owner Account even where the partnership ceases to carry on business.

6.3 You are jointly and severally liable and responsible for the Account.

7. Use of Internet Banking Services

7.1 You must comply with our instructions from time to time for use of the Internet Banking Services.

7.2 We may impose any conditions or restrictions on use of the Internet Banking Services, and we may alter, suspend or terminate the Services.

8. Security and Duty of Care

8.1 You must safeguard your PIN. For instance, you must memorise it, not record it anywhere, not disclose it to anyone (including the Police, bank staff and your family, but excluding another owner of your Multi-owner Account or the owner of an Account where you are the Authorised Signatory on the Account and it has been agreed that the owner will have full authority on the Account) and ensure that no one can see your PIN when you are entering it.

8.2 Certain PINs are unsuitable and must not be used. They include the following:

- Birth dates, months or years
- Sequential numbers (eg 34567)
- Number combinations that may be easily guessed (eg 11111)
- Parts of your telephone number
- Parts of numbers in the order in which they are printed on any of your cards
- Other easily accessible personal data (eg driver's licence, locker number or other numbers easily connected with you)
- Family, pet or street names

You should consider using a different PIN for different cards, internet services and equipment.

8.3 A Device remains our property. You must return it to us on closure of your Account or at any time at our request.

8.4 You must treat a Device with reasonable care and must not make it available to others, except to another owner of your Multi-owner Account or the owner of an Account where you are the Authorised Signatory on the Account and it has been agreed that the owner will have full authority on the Account.

8.5 You must report the disclosure or possible disclosure of your PIN, or the theft, loss, abuse, change or replication of a Device, as soon as you are aware of or suspect such an occurrence.

8.6 We may take any appropriate measures in the interests of security.

9. Orders and Other Transactions

- 9.1 Orders must be given to us in accordance with our instructions and we may assume that they have been so given.
- 9.2 We may refuse to act on any Orders which we consider may be invalid, not given in accordance with our instructions, unlawful or not clear, or if we believe there is a dispute between owners or with an Authorised Signatory. In such cases, we are not liable for non-execution or any delay in execution.
- 9.3 If we receive a communication (including an apparent Order) in relation to your Account other than by Digipass, we may choose to either act or not act on that communication, at our complete discretion. In deciding whether to act on a non-Digipass communication, we may take such action and impose such requirements as we see fit. Any such action and requirements will include satisfying ourselves that the communication is genuine and properly authorised by you, and that we and you are otherwise adequately protected.
- 9.4 We may put limits on certain Orders or types of Orders.
- 9.5 The recording by us, in whatever form, of an Order will be conclusive evidence of the contents of that Order.
- 9.6 Daily cut-off times are at our discretion and may vary. If your Order is received after the relevant daily cut-off time, it will be processed on the next Business Day or, in the case of transfers between Savings Accounts, on the next day.
- 9.7 You may be able to change or withdraw an Order prior to its processing, if you give us sufficient notice in the form we require.
- 9.8 We will refuse to process an Order if there are insufficient funds or units in your Account.
- 9.9 Funds are not available until cleared.
- 9.10 If an Order or other transaction falls on a non-Business Day, it may be processed on the preceding or following Business Day.

10. Advice

- 10.1 The information we give is not advice or part of any form of discretionary investment management arrangement. You must consult an independent adviser if you are in any doubt about the suitability of any Account for you. We are not liable for any loss arising out of your Account because of the information made available by us.

11. Liability

- 11.1 You are responsible to us for all liabilities incurred directly or indirectly in relation to your Account, and you release and indemnify us from and against all such liabilities, except to the extent they arise directly from our negligence, wilful default or fraud. We are not liable for the consequences of anything beyond our reasonable control. This sub-clause is subject to the following sub-clauses.
- 11.2 If you incur a direct loss that is due to a security breach of our Internet Banking Services system as a result of our failure to take reasonable care and is not caused or contributed to by you, we will reimburse you for that loss.
- 11.3 We will exercise reasonable care and skill in providing you with the Internet Banking Services. However, subject to our obligations under the Consumer Guarantees Act 1993, we are not responsible if you incur a loss caused by circumstances beyond our reasonable control. In particular, we cannot be responsible for a loss caused through circumstances beyond our reasonable control because of:
- Your inability to access the Internet Banking Services, or any other application associated with or reliant on the Internet Banking Services, at any time, or any failure or delay in providing the Internet Banking Services; or
 - A malfunction of any equipment (including telecommunications equipment) which supports the Internet Banking Services.
- 11.4 Your computer is not part of our Internet Banking Services system. Therefore, we cannot control, and are not responsible for, its security.
- 11.5 You are not liable for losses caused by unauthorised transactions before you are able to access the Internet Banking Services for the first time or during any period we prevent you from accessing the Internet Banking Services, including, if applicable, before you receive your PIN or Device or any security information, provided you have notified us of your current address. In any dispute about the receipt of your Device or PIN or security information, we will not rely on proof of despatch to your correct address as proof that the Device or PIN or security information was received.
- 11.6 If you advise us as promptly as is reasonable possible that your PIN or any other security information is or may be known to another person or there has been an unauthorised access to your Internet Banking Services information or Account, you are not responsible for any loss, unless you have acted fraudulently or negligently or have contributed to such disclosure or

unauthorised access by not following the security information and advice we provide to you, including in the Terms and Conditions and on the RaboDirect website.

11.7 You may be liable if an unauthorised transaction occurs after you have received the means to access the Internet Banking Services if, for example (but not limited to), you have breached our terms and conditions by doing the following:

- You have a PIN of a type you have been warned not to choose;
- You have voluntarily or negligently disclosed your PIN or other security information to anyone else;
- You have kept a written or electronic record of your PIN or other means of access or failed to store your PIN or other means of access in a secure facility acceptable to us;
- You have used a computer or device that you know or believe does not have appropriate protective software or operating system installed and reasonably up to date;
- You have not taken reasonable steps to ensure that the protective systems installed on your computer or device such as virus scanning, firewall, anti-spyware, operating system and anti-spam on your computer are continued to be updated within a reasonable period of time;
- You have not taken reasonable care to safeguard any Device;
- You have not advised us as promptly as is reasonably possible that you are aware that someone other than you has accessed the Internet Banking Services or an unauthorised Transaction has occurred;
- You have left your computer unattended when logged on to the Internet Banking Services; or
- You have not followed our reasonable security warnings about the appropriate processes and safeguards to follow when using the Internet Banking Services.

If any of these breaches apply your maximum liability will be the lesser of:

- The actual loss at the time of notification to us; or
- The balance that would have been available for withdrawal from your Account, between the time any unauthorised access was made and the time you notified us.

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

12. Hyperlinks

12.1 We may make available to you hyperlinks to external sites. We are not responsible for the content or availability of such sites, or for any direct or indirect loss arising out of access or use of such sites.

13. Death of an Account owner or Authorised Signatory

13.1 If you die and you are an owner of a joint Multi-owner Account, the remaining Account owner(s) will own the Account once we have received notification of your death.

13.2 If you die and you are an individual Account owner or an Authorised Signatory, we will freeze the Account once we have received notification of your death until we receive appropriate confirmation of the identity of your personal representative(s) who will then be able to operate the Account.

13.3 On the death of a minor Account owner who has an Authorised Signatory for the Account, the authority of the Authorised Signatory ceases once we have received notification of the death.

14. Set-off

14.1 We may, without notice, combine all or any of your accounts with us. This may include accounts held in a different capacity by you or joint accounts.

15. Alterations to the Terms and Conditions

15.1 We can alter the Terms and Conditions including fees, other than the interest rate or term of a Term Deposit once it has been accepted, at any time either by direct communication or by notice in the media (including public notices). Changes will also be noted on our website. We will give at least 14 days' notice, except for variations to interest rates and other variations subject to market fluctuations.

15.2 Alterations to Managed Funds are governed by the relevant Offer Document. We will inform you of any such alterations by the same methods as alterations to the Terms and Conditions.

16. Closure

- 16.1 We have the right to close any or all of your Accounts, including if you breach the Terms and Conditions.
- 16.2 Closure of the Master Savings Account will require closure of all your other Accounts, and any remaining funds will be credited to your Nominated Account.
- 16.3 Closure of a Managed Fund is dealt with below.

17. Privacy

- 17.1 You consent to the information given in relation to your Account being held by us at Level 23, Vodafone on the Quay, 157 Lambton Quay, Wellington and also by our contractors in New Zealand and the European Economic Area, and being disclosed to companies related to us and contractors, and being used for the operation of accounts held with us. We and our related companies may also use the information for marketing purposes, including marketing by electronic means. We are required by the Financial Transactions Reporting Act 1996 to collect information verifying your identity and about transactions. We are also authorised under the Income Tax Act 2004 to collect information you choose to provide relating to your tax status and to use it to satisfy our withholding obligations on payments made to you. Access to personal information, including for correction, may be gained by contacting our Customer Contact Centre on 0800 22 44 33. If all the information requested is not provided, we may not be able to provide your Account in the manner requested or at all.

18. Communications

- 18.1 Communications with you will be electronic, via secure messages on the RaboDirect website and email, except where we send you a Device or PIN, or otherwise decide to communicate by non-electronic means.
- 18.2 All communications with us, including Orders, must be in accordance with our instructions.
- 18.3 We may monitor and/or record telephone conversations for verification purposes.

19. Account Information

- 19.1 Statements for Savings Accounts and details of Term Deposits and Managed Funds are available electronically on the RaboDirect website at any time.
- 19.2 Where applicable, we will also provide you with an annual withholding tax certificate, and distribution statements for distributions made in relation to your Managed Funds. These are available on the RaboDirect website. The annual withholding tax certificates will be provided where we are required to withhold tax on your Account.
- 19.3 You must check all entries and report to us any apparent errors or transactions you have not authorised, as soon as possible.

20. Fees and charges

- 20.1 A fee is payable if we allow you to terminate your Term Deposit prior to its maturity. Partial termination is not allowed. The fee is based on the length of the remaining term, the interest rate you would have received for the shortened term and the rate at the time of early termination. It is capped at 50% of the amount of interest earned on the Term Deposit to the date of early termination. This fee may be deducted from the principal of the Term Deposit. This fee is also payable if we exercise our right to close your Term Deposit. Please contact us on 0800 22 44 33 for a quote on the exact fee applicable.
- 20.2 We charge an entry fee on Managed Funds which is deducted from the amount you invest. The Fund Provider charges a management fee which is built into the value of the Managed Fund they offer. These fees may vary from time to time. Details are available on our website and in the relevant Offer Document.
- 20.3 You will be charged for the repair or replacement of a Device unless it is due solely to a manufacturing fault or it expires.
- 20.4 If you breach the Terms and Conditions and, as a result, we incur a charge or cost, we may deduct the charge or cost from any of your Accounts.

21. Taxes

- 21.1 We may debit from any of your Account(s) any government charges applicable from time to time in relation to any business you have with us. For further details of current government charges, please contact the Inland Revenue Department on 0800 227 774 or view their website at www.ird.govt.nz, or contact us on 0800 22 44 33.
- 21.2 You must notify us if you wish to provide a current certificate of exemption from resident withholding tax issued under section NF 9 of the Income Tax Act 2004. You must also immediately notify us if there is a change in your tax residency status.

21.3 By accepting payment of an amount in respect of interest, distribution or withdrawal which has not had resident withholding tax, non-resident withholding tax, approved issuer levy or any portfolio investment entity tax liability attributable to you (as the case may be) deducted, you agree to fully indemnify us, on demand, in respect of any liability we may incur for not deducting any amount from such payment on account of such taxes or levy.

22. Governing Law and Jurisdiction

22.1 The Terms and Conditions are governed in all respects by the law of New Zealand. In the event of a dispute, the courts of New Zealand shall have exclusive jurisdiction and shall resolve any such dispute in accordance with New Zealand law.

23. Complaints Procedure

23.1 Complaints about Accounts can be made to any employee or officer of us at Level 23, Vodafone on the Quay, 157 Lambton Quay, Wellington, or by telephoning 0800 22 44 33. If you are not satisfied with how we have dealt with any complaint, the complaint may be referred to the Banking Ombudsman whose address and telephone number are 109 Featherston Street, Wellington, 0800 805 950.

24. Deposits and Withdrawals

24.1 All deposits and withdrawals must be done electronically. Cash and cheques are not allowed.

24.2 You can transfer funds between your Accounts. However, the only external transfers allowed are from your Nominated Account to a Savings Account, and from your Master Savings Account to your Nominated Account. The maximum transfer and the maximum total of transfers per day to and from your Nominated Account is \$5 million, but you can reduce this amount by giving us instructions in the form we require.

24.3 We must hold a valid Direct Debit Authority Form to allow us to transfer funds from your Nominated Account. You represent that, if the Nominated Account is owned by more than one person, it can be operated individually by each owner. A Direct Debit Authority Form will remain effective even if it is in the name of an Authorised Signatory and their authority on the Account has ceased. However, we will not accept direct debit instructions to debit your Account.

24.4 The minimum initial deposit to the Master Savings Account is one dollar and to a Term Deposit is \$1,000. The minimum value of a buy Order for a Managed Fund is \$250 (including entry fee). After the initial deposit, a Master Savings Account may have a zero balance. At no time may you have a debit balance on any Account.

25. Interest on Savings Accounts and Term Deposits

25.1 Interest is paid on your Savings Accounts and Term Deposits.

25.2 Interest is calculated on a year of 365 days, on the basis of the number of days from and including the date of acceptance of the deposit or interest payment up to but excluding the date of maturity, withdrawal or next interest payment. Information on current interest rates is available on the RaboDirect website. Different rates may apply depending on the balance of the particular Account and the term (if applicable).

25.3 We may, at any time, increase or decrease the interest rate on Savings Accounts. Interest on Savings Accounts is paid after the close of business on the last day of each calendar month in arrears, and credited to the same Account. It is also paid on closure of the Account, to the Master Savings Account. It is calculated on the daily closing principal balance.

25.4 Interest on standard Term Deposits is paid at maturity and, for Term Deposits of 2 or more years, also annually. For any standard Term Deposit of 1 year or more, you can elect to also have interest paid during the term of the Term Deposit, as follows:

- For a Term Deposit of 1 year or 18 months, you can elect to also have interest paid monthly, quarterly or six-monthly.
- For a Term Deposit of 15 months, you can elect to also have interest paid monthly or quarterly.
- For a Term Deposit of 2 years or more, you can elect to also have interest paid monthly, quarterly or six-monthly.

26. Term Deposits

26.1 Term Deposits are available for standard terms of 1, 3, 6, 15 or 18 months and 1, 2, 3, 4 or 5 years, and for such non-standard terms as we may decide to offer.

26.2 You can choose whether, on maturity, your Term Deposit will be automatically reinvested in another Term Deposit of the same duration governed by these Terms and Conditions but at

- the then-current interest rate, or paid to a Savings Account. If that Savings Account is closed by the time of maturity, the Term Deposit will be paid to the Master Savings Account.
- 26.3 If you choose to automatically reinvest a Term Deposit of one year or less, you may also choose to add the interest earned to the amount reinvested. Otherwise, the interest on any Term Deposit is paid to a Savings Account. If that Savings Account is closed by the time of the interest payment, the interest will be paid to the Master Savings Account.
- 26.4 If you instruct us not to automatically reinvest your Term Deposit any more, we will pay it (and any applicable interest) to the Savings Account from which the Deposit was made or the Master Savings Account if that Savings Account is closed.
- 26.5 We may, at your request, allow you to break your Term Deposit. A fee will apply. The principal and interest earned will be repaid to your Master Savings Account.

27. Managed Funds

- 27.1 We hold all your Managed Funds for you on bare trust as your nominee.
- 27.2 If you choose to buy a particular Managed Fund, you will be bound by the terms and conditions set out in the Offer Document for that Managed Fund. You must, before sending us a buy Order for a Managed Fund, make sure you have read and understood the relevant Offer Document. Those terms and conditions may restrict your ability to buy a particular Managed Fund e.g. if you are a minor.
- 27.3 We provide a list of the indicative prices for Managed Funds on our website. These prices are provided to us by the Fund Providers and we are not responsible for any loss suffered from reliance on the list. The actual price of a particular Managed Fund is set by the Fund Provider at the time your buy or sell Order is processed.
- 27.4 All distributions on a Managed Fund vest immediately and beneficially in you and will be credited to your Master Savings Account.
- 27.5 You acknowledge that losses may result from investing in Managed Funds. You must continuously ensure that you can bear such losses. You acknowledge that you have been fully informed of and know and accept the risks associated with such investing, and that we are not liable for any loss from any fall or rise in the value of a Managed Fund. Past performance is no guarantee of future performance.
- 27.6 If a Managed Fund is lost for any reason not attributable to us, we will do no more than take investigative steps or have the Managed Fund replaced, at our discretion, on condition that you indemnify us for this and fulfil any other conditions we set.
- 27.7 You authorise us to act as your agent in your name in dealing with Fund Providers.
- 27.8 We do not facilitate or permit switches between Managed Funds.
- 27.9 We may exercise your rights against third parties including Fund Providers, if we consider this desirable for the proper administration of a Managed Fund. However, we will not be required to convene a general meeting of investors, attend or speak at such a meeting, exercise voting rights or investigate the policy or business of any legal entity. We may give you the opportunity to exercise such rights.
- 27.10 We may terminate our offering of a particular Managed Fund. You must then give a sell Order for that Managed Fund for your account and risk within the period we set. If you do not do so, you will be required to sell the Managed Fund at a time determined by us but for your account and risk.
- 27.11 We will not execute a sell Order until we have received the relevant Managed Fund free and unencumbered.
- 27.12 All Managed Funds are fungible. This means that we need only return Managed Funds of the same kind and value and need not account for specific numbered Managed Funds.
- 27.13 We need not pay you any amount in relation to any entitlement you have to a Managed Fund payment until we have received payment of that entitlement from the Fund Provider concerned. If we pay you before we receive payment from the Fund Provider, we may (without further authority) reverse or otherwise recoup our payment, plus any consequent interest and exchange rate differences, to you if we do not receive payment from the Fund Provider.
- 27.14 We may execute a buy or sell Order for a Managed Fund with ourselves or with others as the counterparty, at our election.
- 27.15 You may require us to transfer an Managed Fund into your own name provided you have first opened a personal account with the relevant Fund Provider, the Fund Provider is willing to allow us to transfer the Managed Fund to you and you have provided all the required information to us.
- 27.16 On termination of our Managed Fund service for you, we will sell your Managed Funds and pay the proceeds to your Master Savings Account.
- 27.17 We will not facilitate the transfer of any investment portfolio you hold outside RaboDirect.

28. Handling of Funds

- 28.1 We have the following procedures for the receipt and disbursement of funds relating to your Account.
- 28.2 If you place a buy Order for a Managed Fund, we will immediately place a reservation on your Master Savings Account for the relevant amount (including entry fee). However, the date of processing (of either a buy or a sell Order) will depend on both our processing requirements and those of the Fund Provider. The date of processing is when we debit or credit your Master Savings Account with the Order amount.
- 28.3 We hold Managed Funds as nominee for you, but not funds in a Term Deposit or a Savings Account. Funds in a Term Deposit or a Savings Account are on deposit with us. We continue to hold Managed Funds as nominee for you until they are sold. The net proceeds of a sale of Managed Funds will be credited to your Master Savings Account beneficially. We hold funds in your Term Deposits or Savings Accounts until they are disbursed or distributed in accordance with your instructions, which may include an instruction to us to purchase Managed Funds for you.
- 28.4 We keep records of your Managed Funds, Term Deposits and Savings Accounts transactions. The Internet Banking Services and our Customer Contact Centre give you access to those records, and the other records relating to your Accounts, in accordance with the Terms and Conditions.
- 28.5 The receipt, holding and disbursement of the funds by RaboDirect will be audited by our internal audit division, and also by our external auditor, Ernst & Young, to the extent Ernst & Young considers necessary to give its opinion on our financial statements.
- 28.6 We may deduct entry fees relating to Managed Funds, break costs on Term Deposits which are terminated early, a fee for repair or replacement of a Device and costs or charges incurred by us as a result of any breach by you of the Terms and Conditions. These deductions are the only way in which your funds can be used for our or anyone else's benefit.

29. Miscellaneous

- 29.1 Copies of our current disclosure statement are available, free of charge, from our website.
- 29.2 We may negotiate with a Fund Provider that a portion of its management fee is paid to us. This will not result in any additional fees being payable by you.
- 29.3 We may correct any error we make without first having to seek instructions from you to do so.
- 29.4 If you have a business Account, you:
- agree that you are acquiring the Internet Banking Services for the purposes of a business and that the Consumer Guarantees Act 1993 does not apply
 - must have appropriate internal controls to minimise the risks of fraud.
- 29.5 You must keep us informed of any changes to your details, including to email addresses.

RABODIRECT

TERM DEPOSITS INVESTMENT STATEMENT

For the purposes of the Securities Act 1978. Prepared as at 4 December 2011.

IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

The Financial Markets Authority regulates conduct in financial markets

The Financial Markets Authority regulates conduct in New Zealand's financial markets. The Financial Markets Authority's main objective is to promote and facilitate the development of fair, efficient, and transparent financial markets.

For more information about investing, go to <http://www.fma.govt.nz>

What sort of investment is this?

This investment statement invites you to make deposits in New Zealand dollars with Rabobank New Zealand Limited ("Rabobank") for such fixed terms and at such fixed interest rates as it offers from time to time. It relates only to deposits offered online through RaboDirect, a division of Rabobank New Zealand Limited.

Who is involved in providing it for me?

The issuer, Rabobank, is a registered bank under the Reserve Bank of New Zealand Act 1989 and has its address at Level 23, Vodafone on the Quay, 157 Lambton Quay, Wellington.

Rabobank's directors at the date at which this investment statement is prepared are:

- GIESKES, Theodorus Henry Lambertus Johannes Maria
- GURRY, William Patrick
- PALMER, John Leonard
- SMITHERS, David Welsford
- MARTTIN, Bernardus Jacobus
- DEKKER, Roelof Jan
- PRUIJS, Jan Alexander

A list of Rabobank's current directors is available by searching Rabobank on the Companies Office website at business.govt.nz/companies

Rabobank carries on the business of providing loans to farmers and deposit products to rural and urban investors. It has carried on those activities since its incorporation on 7 February 1935.

How much do I pay?

You may select the amount you wish to deposit with Rabobank, which may not be less than \$1,000. The amount you select is the only amount that you are required to pay to Rabobank. The amount you wish to deposit is payable to Rabobank electronically.

What are the charges?

There is a charge if you terminate your deposit early, which you can only do if Rabobank agrees, or if Rabobank exercises its right to close your deposit. Partial termination is not allowed. In such an event, the fee for this will be based on the length of the remaining term, the interest rate you would have received for the shortened term and the rate at the time of early termination. It is capped at 50% of the amount of interest earned on your deposit to the date of early termination. Please contact us on 0800 22 44 33 for a quote on the exact fee applicable.

There is also a charge for the repair or replacement of an access device unless it is due solely to a manufacturing fault or it expires.

The charges may be deducted from the interest and/or principal of your deposit.

If you breach the terms and conditions and, as a result, Rabobank incurs a charge or cost, Rabobank may deduct that charge or cost from the interest and/or principal of your deposit.

Rabobank can change or introduce a charge at any time either by direct communication or by notice in the media (including public notices). Changes will also be noted on our website. Such notice will be given at least 14 days ahead, except for variations subject to market fluctuations.

What returns will I get?

The returns to you will be interest on the amount deposited with Rabobank plus repayment of the amount deposited. No amount of returns, quantifiable as at the date of this investment statement and enforceable by you, is promised. However, Rabobank can inform you of the interest that will be payable on your deposit at the time you make it.

The key factors that will determine your returns will be the interest rate at which you agree to deposit your money, the amount you deposit, the term of your deposit, any taxes or duties imposed, and whether your deposit is terminated early. No reserves or retentions apply to deposits.

The amount you deposit will be payable to you on the date your deposit matures. Interest on standard deposits is paid at maturity and, for deposits of 2 or more years, also annually. For any standard deposit of 1 year or more, you can elect to also have interest paid during the term of the deposit, as follows:

- For a deposit of 1 year or 18 months, you can elect to also have interest paid monthly, quarterly or six-monthly.
- For a deposit of 15 months, you can elect to also have interest paid monthly or quarterly.
- For a deposit of 2 years or more, you can elect to also have interest paid monthly, quarterly or six-monthly.

When you open your deposit, you will choose whether you want to reinvest the deposit on the maturity date (including any interest earned on a deposit of one year or less) or have it repaid.

Rabobank will deduct from the returns payable to you all taxes and other duties that apply to the deposit.

Rabobank is legally liable to pay the returns on deposits.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., incorporated in the Netherlands and Rabobank's ultimate parent company, has guaranteed payment of any liability incurred by Rabobank on or after 18 February 1998, including any liability in respect of any deposit made on or after 18 February 1998. The guarantee is not secured and its amount is not limited.

What are my risks?

The main risks of you not recovering the amount you deposit in full or of you not receiving the returns referred to above are:

- the insolvency or statutory management of Rabobank in circumstances where the assets of Rabobank are insufficient to meet claims ranking ahead of, and equally with, your claim, and the guarantee referred to above does not apply to your claim or the assets of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the guarantor) are insufficient to meet your claim under the guarantee;
- Rabobank receiving an order from the Inland Revenue Department requiring it to deduct from the amount of your deposit a sum which you may owe as a taxpayer;
- Rabobank exercising any right it has to combine your accounts or to set-off debts you owe to it against the amount of your deposit.

Rabobank is a registered New Zealand bank. The principal risks that may lead to its insolvency are those affecting the banking sector in New Zealand, in particular those risks associated with the rural banking sector, and also the worldwide operations of the Rabobank banking group.

On a liquidation of Rabobank you may be liable to pay money to the liquidator in limited circumstances if, in general terms, a payment of returns to you other than in the ordinary course of Rabobank's business enabled you to receive more than you would otherwise have received in the liquidation.

If Rabobank is put into liquidation or wound up, the claims of any secured creditors, those claims set out in the Seventh Schedule to the Companies Act 1993 and any other claims preferred by law will or may rank ahead of your claim as the holder of a deposit. After payment of claims preferred by law, your claim as the holder of a deposit will rank equally with all other unsecured and unsubordinated claims.

Can the investment be altered?

Rabobank can change the terms and conditions of a deposit including fees, other than the interest rate or term once the deposit has been accepted, at any time either by direct communication or by notice in the media (including public notices). Changes will also be noted on our website. Such notice will be given at least 14 days ahead, except for variations subject to market fluctuations.

How do I cash in my investment?

On maturity, your deposit will be repaid or reinvested as described under 'What returns will I get?'

You can only have your deposit repaid before its maturity date if the law confers such a right, or Rabobank agrees or determines. In the latter event, a fee may apply to your deposit, as described under 'What are the charges?'

You may not sell your deposit. You may mortgage or charge your deposit with Rabobank's prior written consent.

Who do I contact with enquiries about my investment?

You can make enquiries about deposits to any employee or officer of Rabobank by emailing us or at Rabobank's address at Level 23, Vodafone on the Quay, 157 Lambton Quay, Wellington, or phone 0800 22 44 33.

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

You can make complaints about deposits to any employee or officer of Rabobank by emailing us or at Rabobank's address at Level 23, Vodafone on the Quay, 157 Lambton Quay, Wellington, or phone 0800 22 44 33.

If you are not satisfied with how Rabobank has dealt with any complaint that you have made, you may refer the complaint to the Banking Ombudsman whose address and telephone number are Level 11, BP House, 20 Customhouse Quay, Wellington 6011, 0800 805 950.

What other information can I obtain about this investment?

Other information about Rabobank and deposits with Rabobank is contained or referred to in Rabobank's most recent disclosure statement and in its financial statements. These documents can be obtained, free of charge, by emailing us or at Rabobank's address at Level 23, Vodafone on the Quay, 157 Lambton Quay, Wellington, or phone 0800 500 933.

The financial statements and other documents of or relating to Rabobank are filed on a public register at the Companies Office of the Ministry of Economic Development and are available for public inspection.

The only type of information that is required to be, or otherwise will be, given annually to you by Rabobank in relation to a term deposit held by you is, if applicable, a certificate stating the amount of resident withholding tax deducted from interest paid to you in respect of your deposit.

The type of information that is required to be, or otherwise will be, available free of charge on request from Rabobank is:

- a copy of Rabobank's most recent financial statements required to be registered under the Financial Reporting Act 1993, together with all documents that are required to be registered with those financial statements;
- a copy of the current investment statement published by Rabobank;
- a copy of the most recent disclosure statement;
- terms and conditions applicable to deposits; and
- certain information concerning each of your deposits (such as its principal amount, maturity date and the next date on which interest is payable).

A request for any of this information may be made by emailing us or at Rabobank's address at Level 23, Vodafone on the Quay, 157 Lambton Quay, Wellington, or phone 0800 500 933.