

Retail Banking and Wealth Management Terms and Conditions

with effect from December 2018



Table of Contents

1	Introduction	1	6.1	Reasonable Care	18
2	HSBC Premier Terms and Conditions	2	6.2	Responsibility	18
2.1	Eligibility Criteria	2	6.3	General Performance and Liability	19
2.2	Variation	2	6.4	Applicable Law / Transfer Rights	19
2.3	Tiers	2	6.5	Closure, Suspension or Combining of Accounts	20
3	Opening and Operation of Accounts	2	6.6	Inactive Accounts	20
3.1	Opening an Account	2	6.7	Consumer Guarantees Act 1993 and HSBC's General Liability	21
3.2	Account Operating Authority	3	6.8	Restriction on HSBC's Liability	21
3.3	Accounts with Cheque Access	4	6.9	Currency Conversion	21
3.4	Deposits and Clearing your Funds	6	6.10	Disclosure Statement	21
3.5	Credit Interest on Call Accounts	7	6.11	Discrepancies, Errors, Questions or Complaints	21
3.6	Term Deposits	7	6.12	Fees and Charges	22
3.7	Smart Saver	8	6.13	Confirmation of Transactions / Statements	22
3.8	Foreign Currency Accounts	8	6.14	Imaging of Documents	23
3.9	HSBC Premier Explorer Terms and Conditions	8	6.15	Collection, Processing and Sharing of Customer Information	23
3.10	HSBC Premier Renminbi Savings Accounts	9	6.16	Financial Crime Risk Management Activity	25
3.11	Change of Contact Details	10	6.17	Overdrawn Accounts	25
4	Banking Electronically with HSBC	10	6.18	Variation of Products / Terms and Conditions	25
4.1	Personal Identification Number (PIN), Personal Banking Number (PBN) and your Password (for Internet Banking only)	10	7	Taxation, Multi-Currency and Foreign Currency Account Acknowledgements	26
4.2	HSBC Cards	10	7.1	Declaration of Non-Residence and Undertaking	26
4.3	Telephone Banking Services and Automated PhoneBanking	13	7.2	Multi-currency Account and Foreign Currency Account Acknowledgements	26
4.4	Internet Banking	14	7.3	Tax Compliance	27
4.5	Electronic Payments	14	8	Miscellaneous and Survival of the Compliance Terms	27
4.6	Automated Payments	15	8.1	Miscellaneous	27
4.7	Direct Debits	16	8.2	Survival of the Compliance Terms	27
4.8	Same Day Cleared Payment (SCP)	17	9	Glossary of Definitions	28
5	Communications, Instructions and Security Procedures	18			
6	General Terms and Conditions				

1 Introduction

Please read these Terms and Conditions carefully together with our **Retail Banking and Wealth Management 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 Retail Banking and Wealth Management division (whether existing or future, solely or with others).

These Terms and Conditions and the Retail Banking and Wealth Management Fees and Charges brochure can be found on our website at www.hsbc.co.nz.

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 Retail Banking and Wealth Management division.

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, the specific terms and conditions will prevail.

Any account or transaction conducted with our Global Markets, Corporate Banking or Global Trade and Receivables Finance 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 our website or on request. The Code of Banking Practice sets out the principles of good banking practice to be observed by member banks when dealing with their customers other than "wholesale clients" as defined in section 5C of the Financial Advisers Act 2008. 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 or +64 9 918 8350 if calling from overseas (international toll charges apply). 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 used in these Terms and Conditions have the meanings set out in section 9.

2 HSBC Premier Terms and Conditions

The Terms and Conditions in this section apply to the HSBC Premier Service and constitute the “HSBC Premier Agreement”.

2.1 Eligibility Criteria

HSBC in New Zealand will only provide HSBC Premier home lending, savings and/or investments to new customers if they meet HSBC Premier qualifying criteria: a minimum value of NZD500,000 in home loans with HSBC in New Zealand (facility limit not outstanding balance); and/or a minimum value of NZD100,000 in savings and investments with HSBC in New Zealand; and/or any overseas HSBC Premier customer automatically qualifies for Premier status in New Zealand. After qualifying as a HSBC Premier customer, minimum home loan values no longer apply, although other home lending criteria may still need to be met. Eligibility criteria applies to HSBC Premier and the eligibility criteria is set at our discretion.

When benefits cease and termination of the HSBC Premier Agreement

Your eligibility to be an HSBC Premier customer and any preferential pricing and associated benefits will immediately cease to apply and the HSBC Premier Agreement will terminate if:

- you do not pay any amount due to us under any arrangement we (or the HSBC Group) have with you whether or not it is part of HSBC Premier;
- you fail to pay any applicable service fees;
- we inform you that you are no longer eligible due to your value of business with HSBC falling below the minimum required;
- you are otherwise in default under the HSBC Premier Agreement or other terms and conditions agreed with HSBC;
- we no longer continue to offer HSBC Premier; or
- we are required to terminate HSBC Premier by Law, or policy.

2.2 Variation

Without limiting our rights to alter these Terms and Conditions in accordance with section 6.18, we may from time to time:

- change the eligibility criteria of HSBC Premier;
- change any of the HSBC Premier preferential pricing, features or benefits referred to in these Terms and Conditions;
- introduce new HSBC Premier preferential pricing, features or benefits which will be subject to these Terms and Conditions (including any variation of them);
- change or introduce new HSBC Premier fees and charges; or
- change any part of the HSBC Premier Agreement.

We will notify you of any changes in accordance with section 6.18. You may cancel the HSBC Premier Agreement at any time by giving us at least 30 days prior written notice.

2.3 Tiers

- We may set tiers with different features.
- We may allocate a tier to you at your request or our discretion.
- We have the right to set or vary the criteria that you have to fulfill in order to remain in a tier or to enjoy the features associated with that tier.

We will provide you with reasonable prior notice of any tiers we set and your allocation to a tier.

3 Opening and Operation of Accounts

3.1 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 and/or permanent addresses) and such other information or documentation required by HSBC in accordance

with our current account opening requirements and as otherwise required to satisfy our obligations under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (or any other relevant Law).

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 beneficial 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 Retail Banking and Wealth Management division.

You must tell us if you open an account as trustee and give us the full name of the trust. You will also be required to provide us with a copy of the document creating the trust and any other documents we may reasonably require. We may also require proof of identity from each trustee and beneficiary. 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 confirm 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 generally 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 in a form satisfactory to HSBC but you should take advice from a solicitor before doing so. Where you have signed a power of attorney, HSBC will require the attorney to provide a certificate of non-revocation in a form acceptable to HSBC every time a transaction is performed on your account(s).

You should ensure that all signatories to your account(s) (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. An Authorised Person is not permitted to open additional accounts, close existing accounts or reactivate existing dormant / unclaimed accounts. An Authorised Person will not be given internet banking, phone banking or HSBC Card access.

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

3.2 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, a Bankruptcy Event or an Insolvency Event, your account(s) will be frozen until we receive Instructions about what to do with the balance of your account(s) from your executor(s) or trustee(s) or person authorised to deal with your account(s) in respect of a Bankruptcy Event or an Insolvency Event. We may need to see the relevant legal document(s) before we act. Your death, a Bankruptcy Event 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 an 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 we receive notification 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. This means that you are responsible for any amounts owing to us on the joint account, by yourself, and with the other owners of the account.

We can send notices, statements and other documents (including any notifying changes to these Terms and Conditions) 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(s) will be frozen until we receive Instructions about what to do with the balance of your account(s) from a person authorised to deal with your account(s) 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(s).

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), use of HSBC Cards and Internet Banking.

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

We may 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 **Retail Banking and Wealth Management Fees and Charges brochure**.

3.3 Accounts with Cheque Access

As at the date of issue of these Terms and Conditions, cheque books will not be issued on Call Accounts unless your account is a Savings Cheque Account or an Everyday Account.

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.

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. Do not sign cheques in advance, or leave any details blank after a cheque has been signed. 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.

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;
- 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.

We strongly recommend that you do not issue or write out Post-Dated Cheques. However, if you do write a Post-Dated Cheque and it is presented to us before that date we may:

- decline to pay the cheque; or
- make any further enquiry we consider necessary before deciding whether or not the cheque can be paid.

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 as a payee.

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 **Retail Banking and Wealth Management 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 or cancel the "Not Transferable" crossing 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; or
- 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 endeavour 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 in certain limited circumstances including where the cheque has been: altered since issuance; lost; stolen; a court has issued an order restraining payment by you for the cheque; returned to us by you; or in cases of fraud where there is knowledge of fraud by the person presenting the cheque. 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 **Retail Banking and Wealth Management 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 stale. i.e. it has not been presented within 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;
- a Post-Dated Cheque is presented early;
- the cheque was incorrectly completed (e.g. wrong date or signature differs from that on file 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 **Retail Banking and Wealth Management Fees and Charges brochure**.

3.4 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 our 1 Queen Street branch, Auckland;
- using the “deposit only” box located inside the HSBC branch 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 counter 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 **Retail Banking and Wealth Management Fees and Charges brochure**.

All deposits sent to us or deposited in a “deposit only” box or otherwise not receipted by an HSBC staff member are subject to verification and correction by us. 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 on 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 **Retail Banking and Wealth Management 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. Electronic payments (excluding Direct Debits) will be made or received by you in cleared funds.

Clearance of cheques issued by New Zealand registered banks usually takes three Business Days.

If you are depositing a foreign cheque to your account you will be asked to complete and sign a foreign currency cheque 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.

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 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 **Retail Banking and Wealth Management 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 **Retail Banking and Wealth Management Fees and Charges brochure**.

3.5 Credit Interest on Call Accounts

You may receive interest on credit balances, if applicable, at the rate(s) relevant to your Call Account. We calculate interest daily by dividing the current annual percentage rate of interest by 365, 360, or other number of days depending on the accounting convention relating to the currency, and multiplying each day's closing balance by the daily percentage rate. Unless otherwise agreed with us, interest will be paid to your account monthly in arrears.

The rate of credit interest payable on account balances in your account(s) (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. We will not pay interest on any credit balance in a Home Equity Loan, Revolving Credit Mortgage Loan or a Home Smart Loan Account.

3.6 Term Deposits

Term Deposits are unsecured deposits with us for a fixed term and at a fixed interest rate. Term Deposits are available from us in New Zealand Dollars and in other specified currencies as published by us from time to time. 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 3.5. Details of interest paid and the amount of tax deducted will be advised each time a deposit is withdrawn or renewed.

The term of a Term Deposit can range from seven days to five years and these timeframes can change from time to time. 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 may 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.

If your Term Deposit is due to mature or an interest payment is due on a non-Business Day, and payment is to be made to an account, it will be processed on the previous Business Day.

Once an investment is made and has been in place for 7 Business Days, its terms cannot generally be altered, and you cannot make withdrawals or process payments from a Term Deposit (except on maturity) without our consent. A break cost administration fee and reduced interest rate will be payable if you wish to terminate or withdraw your Term Deposit before its maturity date, or alter the terms of the investment. We may also recover from you any interest that was paid on your Term Deposit at the higher original rate until the date of withdrawal or alteration. Please refer to the Summary of Key Terms for particular terms applicable to Term Deposits as at the date of these Terms and Conditions.

Any tax or AIL that has already been paid on interest in prior income tax years (ending 31 March) cannot be refunded to you by HSBC. Any tax refund applicable must be claimed from the Inland Revenue Department directly. The AIL is not refundable.

A statement of account need not be provided for a Term Deposit. You will however receive an annual withholding tax certification if the gross domestic interest paid exceeds NZ\$50 during the tax year, and a statement of advice at maturity or a consolidated account if you hold other Call Accounts with us. You are not entitled to sell or assign your term deposit to another person.

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

3.7 Smart Saver

Any interest that accrues on your Smart Saver Account will be calculated daily and paid monthly on the last business day of the month. No interest will be paid if a withdrawal is made during the month. If you make a withdrawal on or after the last Business Day of the month, it will result in no interest being applied in the following month.

The interest rate is subject to change at any time.

3.8 Foreign Currency Accounts

All interest accruing on a foreign currency Call or Term Deposit Account (including our Multi-currency Account and the HSBC Premier Renminbi Savings Account) will usually accrue and be paid or payable in the currency in which the account is denominated. We calculate interest daily by dividing the current annual percentage rate of interest by 365, 360, or other number of days depending on the accounting convention relating to the currency, and multiplying each day's closing balance by the daily percentage rate. 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 these 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.

There may be factors relevant to foreign exchange markets which affect how foreign currency can be traded. As a result, 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 set out in section 7.2 apply to foreign currency accounts. Fees and charges for foreign currency accounts (including minimum opening deposits where applicable) are contained in our **Retail Banking and Wealth Management Fees and Charges brochure**.

3.9 HSBC Premier Explorer Terms and Conditions

In this section:

"You" or "your" means the child/ youth for whose benefit, or in whose name, as the case may be, the HSBC Premier Explorer Account is opened and operated.

“Guardian” means your relevant parent, grandparent or legal guardian.

Eligibility criteria

Eligibility criteria apply to HSBC Premier Explorer and are set at our discretion. Please refer to the Summary of Key Terms for the eligibility criteria as at the date of these Terms and Conditions.

If you or your Guardian ceases to meet the eligibility criteria for HSBC Premier Explorer or HSBC no longer offers HSBC Premier Explorer:

- any preferential pricing and associated benefits will immediately cease to apply; and
- we may, after giving you reasonable notice, close your HSBC Premier Explorer Account and/or transition you to another HSBC or HSBC Premier account in respect of which the relevant eligibility criteria is met.

Account status

If you are 12 years of age or younger, your HSBC Premier Explorer Account will be set up in your Guardian’s name for you. Your Guardian will have the sole ability to operate on your account.

When you turn 13 or if you are already between 13 and 17 years of age, you may operate an HSBC Premier Explorer in your own name in addition to your Guardian, provided that your Guardian signs the “indemnity for minors” in the application form, in which case we will amend your account to be in your name. Otherwise your account will be operated or still be operated by your Guardian.

Once you reach the age of 18, we will reassess your eligibility for the HSBC Premier service and may either close your HSBC Premier Explorer Account or transition you to another HSBC account. Your Guardian will be deemed to be a joint account holder unless you notify us otherwise.

HSBC Card

If you are 12 years of age or younger, you will not be entitled to any HSBC Card.

If you are 13 years of age or older, we can provide you with a HSBC Card on written request provided this is agreed to in writing by your Guardian.

Emergency encashment

No emergency encashment is available for HSBC Premier Explorer Account holders, however, through our HSBC Premier centres and branches worldwide,

we may, at our discretion, be able to assist with the provision of emergency funds up to a limit detailed in the Summary of Key Terms from your Guardian’s HSBC Premier Account if they provide their consent.

No borrowing permitted

You are not permitted to go into overdraft or otherwise borrow from us on your HSBC Premier Explorer Account.

Variation

Without limiting our rights to alter these Terms and Conditions in accordance with section 6.18, we may from time to time:

- change the eligibility criteria of HSBC Premier Explorer;
- change any of the HSBC Premier Explorer preferential pricing, features or benefits referred to in the Terms and Conditions or the HSBC Premier Explorer brochure;
- Introduce new HSBC Premier Explorer preferential pricing, features or benefits which will be subject to the Terms and Conditions (including any variation of them); or
- change or introduce new HSBC Premier Explorer account fees and charges.

We will notify you of any changes in accordance with section 6.18.

3.10 HSBC Premier Renminbi Savings Accounts

RMB is subject to certain controls and there are limitations which currently apply to everyday transactions. The nature and extent of these limitations may change from time to time. Please refer to the Summary of Key Terms for the key limitations you need to be aware of as at the date of these Terms and Conditions.

Restriction	Description
Exchange limit to/ from RMB	Limitations may exist Regarding the amount of RMB which can be purchased or sold in a single transaction. Please consult your Relationship Manager to discuss.
Destination of funds	Sending RMB funds into Mainland China or Macau is not permitted.

HSBC will not liable for an exchange loss suffered, principal lost or fees incurred as a result of remittance of RMB being rejected and the funds being returned due to restrictions set by a receiving bank. HSBC will also not refund any remittance fees. It may take several days for such returned funds to be received into your account with us.

Foreign exchange transactions in RMB

RMB is a currency under currency/foreign exchange control by the Chinese government. Transactions in RMB therefore involve the risk of substantial fluctuation in exchange rates, or even the impossibility of transacting foreign exchange, due to the currency policy of the Chinese government, economic or market conditions among other factors.

3.11 Change of Contact Details

You must promptly notify us of any change in your address, telephone number and e-mail address. 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 Business Days after posting.

4 Banking Electronically with HSBC

4.1 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 any 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.

4.2 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 or which apply subsequently).

4.2.1 Your HSBC Card

You may apply for an HSBC Card at any time on any eligible HSBC account which permits HSBC Card access. Your HSBC Card allows you to electronically access these accounts for:

- cash withdrawals in New Zealand, at;
 - (a) HSBC and Westpac ATMs throughout New Zealand;

- (b) other ATMs throughout New Zealand although additional ATM operator fees may apply. For full fees and charges please refer to our **Retail Banking and Wealth Management Fees and Charges brochure**;

- retail purchases in New Zealand, at EFTPOS terminals

If your HSBC Card shows a Cirrus or Maestro symbol, it may also be used for:

- overseas cash withdrawals at HSBC and other selected ATMs showing the Cirrus or Maestro symbol. ATM operator fees may apply; and
- overseas retail purchases at selected retailers showing the Cirrus or Maestro symbol.

If your HSBC Card shows a Visa Plus symbol, it may also be used for cash withdrawals at selected ATMs showing the Visa Plus symbol. ATM operator fees may apply.

Other services may become available as 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 our 1 Queen Street branch, Auckland, with acceptable identification if you are an HSBC Premier customer.

All HSBC Cards remain the property of HSBC and you will return them to us immediately if we ask you to. You accept that we may withdraw any HSBC Card and/or any of the Services offered at any time without prior notice. If you return an 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 may still be responsible for any transactions made and any charges incurred up to that time.

An 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.

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 Cards. 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 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.

4.2.2 HSBC Card Transactions

Our record of transactions from your use of your HSBC Card can be relied upon, unless shown to be incorrect.

You are not permitted to overdraw your account(s) 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 may 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(s) to pay for all your transactions made using your HSBC Card(s).

When you use your HSBC Card(s) to withdraw cash or purchase goods and services the total value of all your transactions on a single day cannot be more than detailed in the Summary of Key Terms when using either an ATM or EFTPOS.

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

4.2.3 Loss or Damage to your HSBC Card

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 4.2.7.

If your 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 4.2.7 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 the limit detailed in the Summary of Key Terms of any loss that happens before you notify us. That 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 negligently; or
- if you have breached these Terms and Conditions and such breach has either directly or indirectly contributed to any loss.

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 of any type whether direct or indirect. By way of example, we will not be responsible for loss or damage arising from:

- any malfunction or failure of your HSBC Card(s), 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.

4.2.4 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(s) you agree that the Terms and Conditions in this section 4.2 apply to both you and your Authorised Person(s) and you agree to ensure that any Authorised Person complies with those terms and conditions. Where appropriate in sections 4.1 and 4.2 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.

4.2.5 HSBC Card Fees and Charges

Fees and charges may be imposed in respect of transactions made using the HSBC Card and these are set out in our **Retail Banking and Wealth Management Fees and Charges brochure**. They 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 ATMs in New Zealand and overseas).

4.2.6 Using your HSBC Card Overseas and Foreign Currency Conversion Margins

Cash withdrawals performed outside New Zealand may be subject to a cash withdrawal fee which should be stipulated by the ATM operator. The

availability of ATM services outside New Zealand is governed by the type of HSBC Card you hold and the local regulations of the country.

If your HSBC Card is an HSBC Debit Mastercard®, please refer to our HSBC Debit Mastercard Terms and Conditions, for details on how your HSBC Debit Mastercard works overseas.

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 a 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 **Retail Banking and Wealth Management Fees and Charges brochure**.

4.2.7 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 branch or our Call Centre on 0800 80 23 80 if calling within New Zealand or +64 9 368 8557 if calling from overseas (24 hours a day, seven days a week).

4.3 Telephone Banking Services and Automated PhoneBanking

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.

4.3.1 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 reasonable 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).

You will be issued with a PIN which you may change using the Automated PhoneBanking service. Section 4.1 contains a summary of the treatment of the PIN.

You must ensure that there are sufficient funds (or prearranged credit facilities) in your account(s) 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 insufficient 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(s).

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.

4.3.2 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 4.2.7.

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(s).

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.

4.3.3 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 4.3 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 4.1 and 4.3 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.

4.4 Internet Banking

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

4.5 Electronic Payments

4.5.1 Electronic Payment Debits

This section refers to all electronic payment debits (excluding Direct Debits) whereby funds are transferred electronically by us on your behalf.

It is your responsibility to ensure that:

- all the information included or to be included in a payment Instruction is complete, accurate and correct; and
- sufficient cleared funds are available in your account for the required payment.

Electronic payment debits (excluding Direct Debits) made by you will be paid out in cleared funds.

Once a payment Instruction has been accepted you cannot normally withdraw, cancel, reverse or amend it.

If the required payment date is a non-Business Day, payment will be made on the next Business Day, provided there are sufficient funds available.

4.5.2 Electronic Payment Credits

This section refers to electronic payment credits (excluding Direct Debits) whereby funds are received electronically to your account.

Electronic payment credits will be paid into your account in cleared funds. However, the credit may be reversed by us or the paying bank after the payment date (even in the situation where the funds are cleared). The Payments NZ Limited Rules (“NZ Payment Rules”) apply to the reversal of electronic payment credits between banks and when these reversals can be made by a paying bank. Should an electronic payment credit be reversed in accordance with those rules, your account will be debited with the amount of the reversal even if this means placing your account into temporary overdraft.

Electronic payment credits between HSBC New Zealand bank accounts may also be reversed for the same reasons and at the same times set out in the NZ Payment Rules and your account debited accordingly.

Fees and charges associated with electronic payments are set out in our **Retail Banking and Wealth Management Fees and Charges brochure**.

4.6 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.

Automated Payments can be cancelled by completing the appropriate form at any HSBC Premier 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.

4.6.1 Nature of Authority

Our authority to accept Automatic Payment Instructions from you continues until:

- you advise us that you are revoking the authority either in writing or by phone or at a branch in accordance with our procedures;
- we receive formal notice of your death, dissolution, bankruptcy, insolvency, mental incapacity or other revocation of authority;
- you close your account in respect of which the authority is given; or
- we advise you that we will no longer act on the basis of your authority either directly or by public notice to all automatic payers.

You may revoke an Automatic Payment authority without cancelling your authority in respect of all future payments to be made pursuant to it.

Notwithstanding your authority, we may at any time:

- refuse to make an Automatic Payment, particularly if your account does not contain sufficient cleared funds;
- terminate or reduce the amount of your Automatic Payment without notice to you; and
- allocate the order of payments to be made in respect of your account at our absolute discretion.

The payee may at any time terminate or reduce the amount of your Automatic Payment without notice to you.

The authority is subject to these Terms and Conditions or any other arrangement entered into between us, whether before or after the date the authority is given.

4.6.2 Your Obligations

Without limiting section 7, you authorise us to debit your account with all fees and government charges for processing Automatic Payment authorities and debiting your account. We may change these fees from time to time by giving you at least 14 days’ notice or such longer notice as is required by Law.

You must advise us if any of the information on your bank statements in relation to an Automatic Payment is inaccurate.

4.6.3 Bank Liability

Subject to us acting with reasonable care and skill we will not be liable for:

- refusing or omitting to make a payment under the authority;
- making a payment late;
- omitting to follow the authority;
- the accuracy of the information contained in the payment information fields on the authority; or
- the availability of the Automatic Payments service for any reason.

4.7 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 account(s) 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 our 1 Queen Street branch, Auckland, 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.

4.7.1 Nature of Authority

Our authority to accept Direct Debit Instructions continues until:

- you advise us that you are revoking the authority either in writing or by phone or at a branch in accordance with our procedures for accepting oral Instructions;
- we receive formal notice of your death, dissolution, bankruptcy, insolvency, mental incapacity or other revocation of authority;
- you close your account in respect of which the authority is given; or
- we advise you that we will no longer act on the basis of your authority either electronically or by public notice to all direct debit acceptors.

You may revoke a Direct Debit authority in respect of a particular Direct Debit payment without cancelling your authority in respect of all future payments to be made pursuant to it.

Notwithstanding your authority we may at any time:

- if requested by the initiator, change the initiator's details relating to the authority or transfer the authority to a new initiator;

- reverse any payments that have been made pursuant to the authority at our discretion (including where payments are disputed, fraud is alleged or transactions have been processed twice); and
- allocate the order of payments to be made in respect of your account at our absolute discretion.

4.7.2 Your Obligations

You must advise the initiator as soon as reasonably practicable when:

- you close your account; and
- you cancel your authority in respect of that initiator generally or cancel your authority in respect of any payment to be made pursuant to that authority.

You are responsible for managing all disputes in respect of payments made under the authority with the initiator, including in relation to:

- either amounts debited to your account or the date on which they are debited; and
- insufficient notice of amounts to be debited being given.

You must advise us if any of the information on your bank statements in relation to a Direct Debit is inaccurate.

Without limiting section 7, you must pay our fees for processing Direct Debit authorities and debiting your account. We may change these fees from time to time by giving you at least 14 days' notice or such longer notice as is required by Law.

4.7.3 Bank Liability

Subject to us acting with reasonable care and skill we will not be liable for:

- any inaccuracy between the notice given by a Direct Debit initiator and the amount actually debited to your account;
- any inaccurate information on your bank statement relating to a Direct Debit transaction;
- any failure by the initiator to comply with the terms of the authority; and
- the lack of availability of the Direct Debit service for any reason.

4.8 Same Day Cleared Payment (SCP)

4.8.1 Authority

You may authorise us to make a SCP to another person on your behalf by giving us a payment Instruction:

- during SCP operating hours; and
- that contains all the information that we require to process the payment.

We will submit the SCP for processing on the same Business Day that we receive the payment Instruction from you. Unless you request otherwise, we will generally do this within one hour of receipt of your payment Instruction. However we may not be able to process your payment Instruction on the same Business Day if:

- we receive the payment Instruction outside operating hours; or
- the SCP service is unavailable for any reason, including due to operational or technical difficulties.

We do not have to act upon any payment Instruction we receive from you, including if:

- we cannot validate the account number you have instructed us to make the SCP to;
- we have any reason to believe that the information contained in the payment Instruction is not complete, accurate or correct; or
- the payment Instruction is subject to any conditions.

You must ensure that all the information you provide to us in relation to your payment Instruction is complete, accurate and correct.

Once a payment Instruction has been accepted you cannot revoke, withdraw, cancel or amend it.

4.8.2 Notification

You may request any of the following notifications in relation to your payment Instruction:

- notification to be provided to you or the payee when we have settled the payment with the payee's bank;
- notification to be provided to you when we receive confirmation that the payee's bank has received the payment; and/or
- notification to be provided to the payee by the payee's bank when the payee's bank has credited the funds into the payee's account.

4.8.3 Liability

Subject to us acting with reasonable care and skill, we are not liable for any loss (whether arising in contract, tort (including negligence), equity or otherwise) to you or anyone else, including indirect, consequential, or special damages or losses (including but not limited to loss of profit or loss of business opportunity) suffered or incurred as a result of:

- any payment that is credited to the wrong person because you have provided the wrong account number. Neither we nor the payee's bank are required to validate the account number with any other information you have provided such as the payee's name;
- acting or failing to act in accordance with a SCP payment Instruction, even if we are advised, or become aware, of the possibility that such damage or loss has or may occur;
- the unavailability of, or any failure in, the SCP service;
- any SCP not being credited to the payee's account by the payee's bank for any reason; or
- the payee not being notified by the payee's bank that the payment has been credited to the payee's account.

We will take reasonable steps to remedy a mistake and refund you any fees paid for the processing of a payment Instruction if:

- we fail to act with reasonable care on a payment Instruction received from you; or
- we do not make the payment (except where the failure to make the payment is due to causes beyond our reasonable control) in accordance with the information provided in the payment Instruction, including by paying the wrong amount of money, paying the wrong account number or accidentally duplicating the payment.

If, as a result of any error or omission on your part in completing the payment Instructions (such as including the wrong account information), either we or the payee's bank suffers a loss, you will be liable to compensate us or the payee's bank for that loss.

5 Communications, Instructions and Security Procedures

This section 5 applies notwithstanding any other section of these Terms and Conditions.

You must comply with the Security Procedures. You shall follow the Security Procedures upon accessing communication channels provided by us and issuing Instructions or Communications via such channels. We shall follow the Security Procedures upon receipt of such Instructions or Communications to establish their validity.

We are not obliged to do anything outside of the Security Procedures to establish and rely upon the authority or identity of any person sending an Instruction or Communication on your behalf. We are not responsible for errors or omissions made by you or the duplication of any Instruction by you and may act on any Instruction by reference to a bank identification or account number only, even if a bank or account name is provided.

If we doubt the legality, origination or authorisation of an Instruction, we shall take such steps as we consider appropriate to investigate the matter. If such investigation results or, in our opinion, is likely to result in the Instruction being declined or executed outside the applicable value date or other agreed time period, we will notify you as soon as practicable, provided we are not prohibited from doing so by any Law or Authority.

We will use our reasonable efforts to comply with any request made by you to vary or cancel an Instruction and, subject to our using such efforts, you shall be responsible for any losses related to such an Instruction.

You are responsible for the accuracy, completeness and correct transmission of your Instructions and for ensuring they will achieve your intended purpose, including when you request us to forward information to a third party. We will not be liable to you where we choose to comply with such a request and you must take reasonable steps to ensure that your request will not give rise to any claim against us. If we accept a manually initiated Instruction (being an Instruction which is not submitted through electronic communication channels provided by us, but, for example, by telephone or physical delivery), then, provided we act in accordance with the applicable

Security Procedures, you are responsible for any losses related thereto.

If we act on an Instruction which you claim was unauthorised, we shall only be responsible for acting on such Instruction if you:

- weren't dishonest or negligent;
- complied with the Security Procedures; and
- took reasonable steps to protect your banking;

in which case we will reimburse you for any directly resulting loss to you.

6 General Terms and Conditions

6.1 Reasonable Care

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

6.2 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;
- let us know if you do not understand any information we provide you before you make a decision to act on it, and seek independent advice where you think is necessary;
- ensure that any information you provide or have provided to us at any time is up to date, true, complete, correct and not misleading;
- inform us (if applicable) if a Bankruptcy Event or 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 including fees and charges; and
- check your statements to ensure their accuracy and advise us immediately if you become aware of any error or discrepancy as covered in section 6.11.

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:

- may decline to act or delay acting on any Instruction given where we consider that we have good reason to do so; 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 resolved to our satisfaction 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.

6.3 General Performance and Liability

This section 6.3 applies notwithstanding any other section of these Terms and Conditions.

Neither you nor we shall be liable for any:

- consequential, incidental or indirect loss including, without limitation, fines, penalties or punitive damages; or
- any direct or indirect loss of (1) profit (actual or anticipated), (2) goodwill or (3) business opportunity,

whether or not foreseeable, even if one of us advised the other of the possibility of such loss or damage.

We shall not be liable for any loss caused by a Force Majeure Event. If we are prevented or delayed in the performance of any of our obligations under these

Terms and Conditions by a Force Majeure Event, we shall as soon as reasonably practicable notify you of the existence of the Force Majeure Event. Our duty to act upon any Instruction or Communication, or perform any obligation, shall be suspended to the extent that and for as long as we are prevented or restricted from doing so by a Force Majeure Event.

In providing the Services, we may use certain Infrastructure Providers and the Services are therefore subject to the rules and regulations of those Infrastructure Providers as well as the guidelines and procedures of relevant regulatory or industry bodies. We shall not be liable for any loss suffered as a result of the acts or omissions of an Infrastructure Provider, but will provide commercially reasonable assistance to you in recovery of any such loss.

You shall indemnify us in full against any loss arising from or in connection with a third party making a claim or demand against us as a result of our processing an Instruction or otherwise performing our obligations in accordance with these Terms and Conditions.

We are not obliged to perform any of the Services or any other obligation under these Terms and Conditions, including without limitation any obligation to give notice or provide information to you, if to do so would result in our being in breach of any Law.

6.4 Applicable Law / Transfer Rights

These Terms and Conditions (including the HSBC Premier Agreement) 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).

6.5 Closure, Suspension or Combining of Accounts

You may at any time close your account(s) by giving us written notice at our 1 Queen Street branch, Auckland. A fee will apply if you close your account(s) less than three months since account opening. We will be required to verify your identity and adequately authenticate your account closure Instruction, especially if the Instruction includes the transfer of funds to another bank account.

We may 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(s) without prior notice if:

- we are complying with a court order;
- you have acted unlawfully;
- it is unlawful for us to maintain the account;
- 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 without prior notice 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 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;
- there is a Bankruptcy Event or 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 account(s) 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 account(s).

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 account(s) 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 may return any cheques presented for payment after the account has been closed. If you have any Direct Debits, standing Instructions or third party payments you should advise the parties concerned that your account(s) with us have been closed.

6.6 Inactive Accounts

Your account(s) will be regarded 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). We may close your inactive account(s) or cancel access to your account(s) through your HSBC Card, or any other service provided by HSBC without notice to you.

Credit balances on inactive account(s) may be treated by 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 Money 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 Money Act 1971). Before sending monies to the Inland Revenue Department we will write to you at your last recorded address with us.

6.7 Consumer Guarantees Act 1993 and HSBC's General Liability

Regardless of any other terms and conditions 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(s) or any other financial service(s) is used for business purposes, then the provisions of the Consumer Guarantees Act 1993 will not apply.

6.8 Restriction on HSBC's Liability

Except as otherwise expressly provided in these Terms and Conditions, we do not accept responsibility and will not be liable for any indirect or consequential loss of any kind, any loss to the extent contributed by you or as a result of your own acts or omissions, or any loss caused by circumstances outside our control. This includes loss caused by, for example:

- your failure to advise us that your address has changed and this leads to unauthorised use of your HSBC Card(s);
- 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 message or notice;
- the temporary insufficiency of funds in any ATMs;
- any failure by us to provide any services or to perform any obligation under these Terms and Conditions, where it is due to a dispute or circumstance beyond our control;
- our failure to carry out any Instruction due to insufficiency of funds and/or credit facilities in your account;
- you, or anyone acting on your behalf, providing us with incorrect information.

This section does not limit our obligations under section 6.7.

6.9 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.

6.10 Disclosure Statement

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

6.11 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 endeavour 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,

- talk to the Branch Manager at our HSBC branch. They will take personal responsibility for dealing with your concerns;
- call our Call Centre on 0800 80 23 80 if calling within New Zealand or +64 9 368 8557 if calling from overseas. Your call will be attended to immediately;

- send an email to: customerrelations@hsbc.co.nz. Your request will be responded to promptly;
- complete the Customer Complaint form available in the HSBC branch; or
- raise your complaint via our website www.hsbc.co.nz website prompt "Customer Support."

Whichever avenue you choose, we will promptly endeavour to acknowledge receipt of your complaint within 24 hours and will actively strive to provide a prompt resolution. Please note that telephone conversations with Customer Relations may be monitored and recorded for training and verification purposes.

Contacting the Banking Ombudsman

HSBC subscribes to the New Zealand Bankers' Association Code of Banking Practice and belongs to the Banking Ombudsman Scheme. If you feel your complaint with HSBC has not been resolved satisfactorily through our internal complaint procedures, you have the right to present your complaint to the Banking Ombudsman. The Banking Ombudsman will act, free of charge, as an independent party in the dispute.

HSBC is a member of the independent dispute resolution scheme operated by the Banking Ombudsman and approved by the Ministry of Consumer Affairs for the purposes of the Financial Service Providers (Registration and Dispute Resolution) Act 2008.

For more information regarding the Banking Ombudsman please refer to the Banking Ombudsman brochure which is available from the HSBC branch or alternatively you can contact the Banking Ombudsman at:

The Office of the Banking Ombudsman
 Freepost 218002
 PO Box 25-327, Featherston Street
 Wellington
 Freephone: 0800 805 950
 Mailto: help@bankomb.org.nz
<http://www.bankomb.org.nz>

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

6.12 Fees and Charges

We may at any time impose fees and charges for any services. A summary of these fees and charges are set out in our **Retail Banking and Wealth Management Fees and Charges brochure**, which is available on request.

We are entitled to debit your account(s) 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(s) any interest, including any Unauthorised Overdraft 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(s) such as resident withholding tax, non-resident withholding tax or ALL.

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.

Unless otherwise stated, all amounts payable to us are exclusive of value added, sales, use, goods and services, business, stamp or any similar taxes or duties that may be applicable. All such taxes and duties will be applied in accordance with applicable legislation and we will issue valid invoices or other documents as appropriate.

Payment of all amounts due to us will be clear and free of any deduction or withholding for or on account of tax, set-off, counterclaim or other charges so we receive such amounts in full. If a deduction or withholding for or on account of tax is required to be made by law, the payment shall be increased to an amount which after making any deduction or withholding leaves an amount equal to the payment which would have been made if no deduction had been required. You shall make any payment required in connection with such tax deduction or withholding within the time allowed by law.

6.13 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 paper statement fee (where applicable) is charged for this service and is set out in our **Retail Banking and Wealth Management Fees and Charges brochure**. A paper statement may not be sent if:

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

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 may charge a reasonable fee for this service.

6.14 Imaging of Documents

We reserve the right, subject to applicable Laws, to destroy any original documents relating to your account(s) after imaging of them.

6.15 Collection, Processing and Sharing of Customer Information

This section 6.15 explains how we will use your information and that of Connected Persons. By using the Services, you agree that we and members of the HSBC Group shall use Customer Information in accordance with this section.

Customer Information will not be disclosed to anyone (including other members of the HSBC Group), other than where:

- we are legally required to disclose;
- we have a public duty to disclose;
- our or a third party's legitimate business purposes require disclosure;
- the disclosure is made with your consent; or
- it is disclosed as set out in section 6.15.2.

6.15.1 Collection and Processing

We and other members of the HSBC Group may collect, use and share Customer Information (including relevant information about you, your transactions, your use of our products and services, and your relationships with the HSBC Group). Customer Information may be requested by us or on our behalf or that of the HSBC Group, and may be collected from you directly, from a person

acting on your behalf, from other sources (including from publically available information), and it may be generated or combined with other information available to us or any member of the HSBC Group.

Customer Information will be processed, used, transferred and disclosed by us and/or members of the HSBC Group in connection with the following purposes:

- the provision of Services and to approve, manage, administer or effect any transactions that you request or authorise;
- meeting Compliance Obligations;
- conducting Financial Crime Risk Management Activity;
- collecting any amounts due and outstanding from you;
- conducting credit checks and obtaining or providing credit references, as described in more detail below;
- enforcing or defending our rights, or those of a member of the HSBC Group;
- for our internal operational requirements or those of the HSBC Group (including credit and risk management, system or product development and planning, insurance, audit and administrative purposes); and
- maintaining our overall relationship with you (including marketing or promoting financial services or related products and market research).

6.15.2 Sharing

By using the Services, you agree that we may, as necessary and appropriate for the purposes set out in section 6.15.1 (referred to as the "Purposes" in this section), transfer and disclose any Customer Information to the following recipients globally (who may also process, use, transfer and disclose such Customer Information for the Purposes):

- any member of the HSBC Group;
- any sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors and officers);
- any Authorities;
- persons acting on your behalf, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing houses, clearing or settlement systems,

market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, companies in which you have an interest in securities (where such securities are held by us for you);

- any party to a transaction acquiring interest in, or assuming risk in, or in connection with, the Services;
- other financial institutions, credit reporting/reference agencies or credit bureaus, for the purposes of obtaining or providing credit references, as described in more detail below;
- any third party fund manager who provides asset management services to you;
- any introducing broker to whom we provide introductions or referrals; and
- in connection with any HSBC business transfer, disposal, merger or acquisition,

wherever located, including in jurisdictions which do not have data protection laws that provide the same level of protection as the jurisdiction in which the Services are supplied.

As part of the application and review process for providing and maintaining the Services, you (and each Connected Person) acknowledge that Personal Data 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 a Connected Person as requested;
- we will give your Personal Data 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 Data 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 provider's 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 give 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.

6.15.3 Your Obligations

You agree to inform us promptly, and in any event, within 30 days in writing if there are any changes to any Customer Information supplied to us or a member of the HSBC Group from time to time, and to respond promptly to any request from us or a member of the HSBC Group.

You must ensure that every Connected Person whose information (including Personal Data or Tax Information) you (or anyone else on your behalf) provided, or will from time to time provide, to us or a member of the HSBC Group has been notified of and agreed to the processing, disclosure and transfer of their information as set out in these Terms and Conditions before their information is provided. You must at the same time advise them that they have rights of access to, and correction of, their Personal Data.

Where:

- you fail to provide promptly Customer Information that we reasonably requested;
- you withhold or withdraw any consents that we may need to process, use, transfer or disclose Customer Information for the Purposes (except for purposes connected with marketing or promoting products and services to you); or
- we have, or a member of the HSBC Group has, suspicions regarding Financial Crime or an associated risk,

we may:

- be unable to provide new, or continue to provide all or part of the, Services to you and may terminate our relationship with you;
- take actions necessary for us or a member of the HSBC Group to meet the Compliance Obligations; and/or

- block, transfer or close your account(s) where permitted under local Laws.

In addition, if you fail to supply promptly your, or a Connected Person's, Tax Information and accompanying statements, waivers and consents, as may be requested, then we may make our own judgment with respect to your status, including whether you are reportable to a Tax Authority, which may require us or other persons to withhold amounts as may be legally required by any Tax Authority and paying such amounts to the appropriate Tax Authority.

6.15.4 Data Protection

Whether it is processed in a home jurisdiction or overseas, in accordance with data protection legislation, Customer Information will be protected by a strict code of secrecy and security which all members of the HSBC Group, their staff and third parties are subject to.

Under the Privacy Act 1993 and any other relevant data protection legislation, you have the right to request copies of certain categories of Personal Data which may be held and to request that any errors in such data are corrected. A fee may be payable by you for access to, or correction of, your Personal Data.

6.16 Financial Crime Risk Management Activity

We, and members of the HSBC Group, are required, and undertake any Financial Crime Risk Management Activity. Such action may include, but is not limited to:

- screening, intercepting and investigating any Instruction, Communication, drawdown request, application for Services, or any payment sent to or by you, or on your behalf;
- investigating the source of or intended recipient of funds;
- combining Customer Information with other related information in the possession of the HSBC Group; and/or
- making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming your identity and status.

Exceptionally, our Financial Crime Risk Management Activity may lead to us delaying, blocking or refusing the making or clearing of any payment, the processing of your Instructions or application for Services or the provision of all or part of the Services. To the extent

permissible by Law, neither we nor any other member of HSBC Group shall be liable to you or any third party in respect of any loss (however it arose) that was suffered or incurred by you or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.

You acknowledge and agree that 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 in connection with any Financial Crime Risk Management Activity is accurate, current or up-to-date at the time it is accessed, whilst such action taken is being taken.

6.17 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.

6.18 Variation of Products / Terms and Conditions

Notwithstanding anything otherwise provided herein, we may 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. Examples of when we may exercise these rights include:

- to allow us to respond to legal or regulatory developments;
- to reflect industry standards and codes of practice;

- to respond to operational requirements or technological developments affecting members of the HSBC Group or the financial services industry generally; or
- at our discretion, to enable changes for our other business purposes.

When there is a change to these Terms and Conditions or the terms and conditions of any banking service, including changes to fees and charges, we will give you at least 14 days' notice of such change in at least one of the following ways:

- by direct communication (e.g. by letter, email, fax or telephone);
- by display in our 1 Queen Street branch, Auckland;
- by notice in the media (including public notices);
- by notice on our website; or
- by any electronic banking channel used by you.

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 account(s) 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(s) 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.

7 Taxation, Multi-Currency and Foreign Currency Account Acknowledgements

When you open an account with us you may:

- 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 this section 7 will apply as applicable.

7.1 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 ALL will apply to all interest payments to your account(s) (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 7.2.

7.2 Multi-currency Account and Foreign Currency Account Acknowledgements

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; and
- 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.

7.3 Tax Compliance

You acknowledge that you are solely responsible for understanding and complying with your tax obligations (including but not limited to, tax payment or filing of returns or other required documentation relating to the payment of all relevant taxes) in all jurisdictions in which those obligations arise and relating to the opening and use of account(s) and/or Services provided by us and/or members of the HSBC Group. Each Connected Person acting in their capacity as a Connected Person (and not in their personal capacity) also makes the same acknowledgement in their own regard. Certain countries may have tax legislation with extra-territorial effect regardless of your or Connected Person's place of domicile, residence, citizenship or incorporation. Neither we nor any member of the HSBC Group provide tax advice. You are advised to seek independent legal and/or tax advice. Neither we nor any member of the HSBC Group have responsibility in respect of your tax obligations in any jurisdiction which they may arise including any that may relate specifically to the opening and use of account(s) and/or Services provided by us and/or members of the HSBC Group.

8 Miscellaneous and Survival of the Compliance Terms

8.1 Miscellaneous

In the event of any conflict or inconsistency between section 6.15, 6.16 or 7.3 of these Terms and Conditions (the “**Compliance Terms**”) and those in any other service, product, business relationship, account or agreement between you and us, the Compliance Terms shall prevail. Any consents, authorisations, HSBC requested waivers and permissions that already exist from you in relation to Customer Information shall continue to apply in full force and effect, to the extent permissible by applicable local Law.

If all or any part of the provisions of the Compliance Terms become illegal, invalid or unenforceable in any respect under the Law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdictions or the remainder of the Compliance Terms in that jurisdiction.

8.2 Survival of the Compliance Terms

The Compliance Terms shall continue to apply notwithstanding their termination, any termination by us or a member of the HSBC Group of the provision of any Services to you or the closure of any account.

9 Glossary of Definitions

ATMs

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

Authorities

includes any judicial, administrative, public or regulatory body, any government, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group.

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 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.

Automated PhoneBanking

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

Bankruptcy Event

means an event in relation to a natural person where:

- the person has a bankruptcy notice issued against the person or a receiver or a trustee for any of the person's creditors is appointed to any of the person's property or a garnishee notice is given concerning any money that the person is said to be owed or the person proposes or enters into an arrangement or compromise with, or an assignment for the benefit of, any of the person's creditors or the person proposes or effects a moratorium involving any of the person's creditors;
- the person is unable to pay all of the person's debt as they fall due or is presumed to be insolvent under any applicable Law;
- the person dies, is imprisoned or becomes incapable of managing his or her own affairs; or
- anything having substantially similar effect to any of the events above.

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 (but does not include a Term Deposit).

Communication

means communication (in any form) between us, but which shall not include Instructions.

Compliance Obligations

means obligations of the HSBC Group to comply with:

- Laws or international guidance and internal policies or procedures;
- any demand from Authorities or reporting, disclosure or other obligations under Laws; and
- Laws requiring us to verify the identity of our customers.

Connected Person

means a person or entity (other than you) whose information (including Personal Data or Tax Information) you provide, or which is provided on your behalf, to any member of the HSBC Group or which is otherwise received by any member of the HSBC Group in connection with the provision of the Services. A Connected Person may include, but is not limited to, an Authorised Person, any guarantor, a director or officer of a company, partners or members of a partnership, any "substantial owner", "controlling person", or beneficial owner, trustee, settler or protector of a trust, account holder of a designated account, payee of a designated payment, your representative, agent or nominee, or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group.

Controlling persons

means individuals who exercise control over an entity. For a trust, these are the settlor, the trustees, the protector, the beneficiaries or class of beneficiaries, and anybody else who exercises ultimate effective control over the trust, and for entities other than a trust, these are persons in equivalent or similar positions of control.

Customer Information

means your Personal Data, confidential information, and/or Tax Information or that of a Connected Person.

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 e.g. 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.

Financial Crime

means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or violate any Laws relating to these matters.

Financial Crime Risk Management Activity

means any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime.

Force Majeure Event

means any event beyond our reasonable control affecting our ability to comply with these Terms and Conditions, such as:

- (a) any natural event such as flood, storm or earthquake;
- (b) war, civil disturbance or act of terrorism;
- (c) industrial action;
- (d) Act of God;
- (e) action of a government or governmental agency;

- (f) change of Law (or change in the interpretation of Law);
- (g) power or equipment failure or interruption; or
- (h) interruption, failure or delay in receiving or acting on any Communication or Instruction caused by an Infrastructure Provider,

provided always that any non-compliance with these Terms and Conditions resulting from such an event could not be avoided by the exercise of our commercially reasonable skill and care, which may include invocation of our business continuity plan.

HSBC or "we", "our" or "us"

means The Hongkong and Shanghai Banking Corporation Limited, incorporated in the Hong Kong SAR, acting through its New Zealand branch.

HSBC Card

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

HSBC Group

means HSBC Holdings plc, its affiliates, subsidiaries, associated entities and any of their branches and offices (together or individually), and "**member of the HSBC Group**" has the same meaning.

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.

Infrastructure Provider

means any third party providing shared market infrastructure necessary for us to perform our obligations under these Terms and Conditions including any communications, clearing, settlement or payment system, or intermediary or correspondent bank.

Instruction

means any communication which is received by us in relation to your account(s) which:

- (a) contains the necessary information for us to carry out the payment or other act on your behalf; and
- (b) has or, in our reasonable opinion, appears to have been provided by an Authorised Person.

Internet Banking

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

Laws

include any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to HSBC or a member of the HSBC Group.

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.

Personal Data

means any information relating to an individual from which they can be identified.

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.

Renminbi or RMB

the Renminbi is the name of the official currency of the People's Republic of China and is also known as the Yuan.

Same Day Cleared Payment

means domestic payments offered by New Zealand financial institutions that have a 60 minute end-to-end processing timeframe and are irrevocable.

Security Procedures

means security measures or protocols governing your access to the communication channels made available to you by us from time to time and used to verify the origination of Instructions or Communications between us transmitted via such channels. A Security Procedure may include, but is not limited to, one or more of the following measures: encryption algorithms or other codes, user entitlements, identifying words and numbers, and similar security devices.

Services

includes: the opening, maintaining and closing of your bank account(s), providing you with credit facilities and other banking products and services, processing applications, credit and eligibility assessment, and maintaining our overall relationship with you, including marketing services or products to you, market research, insurance, audit and administrative purposes.

Substantial Owners

means any individuals entitled to more than 10% of the profits of or with an interest of more than 10% in an entity either directly or indirectly.

Summary of Key Terms

is set out at section 1.1 of the Retail Banking and Wealth Management Fees and Charges brochure

Tax Authorities

means New Zealand or foreign tax, revenue or monetary authorities (for example, the Inland Revenue Department).

Tax Information

means documentation or information about your tax status and the tax status of any owner, "controlling person," "substantial owner" or beneficial owner.

Terms and Conditions

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

Term Deposit

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

Unauthorised Overdraft Interest

means the interest accruing upon the debit balance of a Call Account in excess of an approved overdraft facility, calculated at the rate determined by us and made available to you from time to time.

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

For more information

Call 0800 802 380

Visit www.hsbc.co.nz

