



Term Investment Terms & Conditions

EFFECTIVE FROM 1 DECEMBER 2016

Important

Southland Building Society operates under the brand "SBS Bank". Throughout this document Southland Building Society will be referred to as either "the Bank", "we", "us" or "our".

These terms and conditions apply to SBS Bank term investments. Please read carefully.

These terms and conditions apply in addition to the Bank's General Terms and Conditions and any other specific terms and conditions applying to your account(s) and their operation. Copies of specific terms and conditions may be obtained from sbsbank.co.nz, from any of our branches or by ringing our contact centre.

In the event that there is any inconsistency between these terms and conditions and any other terms and conditions applying to your account(s) or any service, these terms and conditions will prevail.

We are happy to explain anything that is not clear to you.

As with any investment, we recommend that you consult a financial adviser before you decide whether or not to invest.

Additional Information

Further information about us is available in our latest disclosure statement and Annual Report and also at sbsbank.co.nz. Copies of our latest disclosure statement and Annual Report may be obtained free of charge from us at 51 Don Street, Invercargill or PO Box 835, Invercargill 9840, by phoning 0800 727 2265, or alternatively from sbsbank.co.nz.

What is a Term Investment?

These terms and conditions relate to interest-bearing term investments.

There are two types of term investments offered by the Bank:

- Unsecured term deposits; and
- Share term investments.

Like other banks, with our unsecured term deposits, you deposit (or invest) money with

us for a set period of time (called "the term") and earn a fixed rate of interest on your money over the term. Term deposits rank equally amongst themselves and equally with all our other unsecured and unsubordinated liabilities.

As we are a building society which is also a registered bank, we pride ourselves on being a little bit different from the ordinary corporate banks. Our share term investment option is one of our points of difference. A share term investment operates the same as a term deposit, although with a share term investment you purchase redeemable shares in the Bank equal to the amount of money you invest. Redeemable shares are issued for a fixed term, and carry the right to a fixed dividend (which is like interest on a term deposit).

Redeemable shares must be redeemed (ie repaid) on the earlier of the expiry of the fixed term or liquidation, and subject to our Rules, carry membership voting rights which may be exercised at meetings.

If we go into liquidation, any redeemable shares issued in respect of share term investments which remain due to investors will:

- rank equally amongst themselves and with call redeemable shares (which includes all savings and transactional accounts held with the Bank) and rank behind our unsecured deposits and other unsecured and unsubordinated liabilities for payment of the principal amount and accrued interest in respect of those redeemable shares; and
- participate (equally with all our other Members) in any of our surplus assets (if any) which remain after all amounts owing to holders of unsecured deposits and redeemable shares (including subordinated redeemable shares and call redeemable shares) have been repaid, all our other unsecured creditors have been repaid and liquidation expenses met.

In these terms and conditions, both types of term investments are referred to as "investments" and the term "interest" includes dividends on redeemable shares.

How Much can I Invest?

Each investment has a minimum and maximum amount that can be invested. These amounts are available from any of our branches, our contact centre or at sbsbank.co.nz. Investments for larger amounts than any stated maximums may be accepted by prior agreement with us.

How Do I Invest?

If you wish to make an investment you must:

- either be an existing customer or become a customer of the Bank;
- meet the Bank's eligibility criteria for term investments; and
- pay or transfer to (or already hold in) an account in your name with us the amount you wish to invest.

It is at our full discretion whether we accept your application to invest.

What are the Charges?

We will not charge you a fee when you apply for an investment. However, if you wish to terminate or partially withdraw your investment before its maturity date, and we agree to such request, we may charge you for this at our discretion (see "Can I get my money back early?" below).

Can I Get My Money Back Early?

You can request to withdraw some or all of your investment at any time before the end of the term. We will consider your request, but it is at our absolute discretion whether we approve your request.

If we agree to your request to withdraw some or all of your investment during the first 30 days, the relevant principal amount of your investment will be returned to you but you will not receive any interest on the funds returned to you.

If we agree to your request to withdraw some or all of your investment after 30 days, a flat fee of 1.5% per annum of the amount withdrawn will be charged and deducted from the funds paid to you. (A minimum fee of \$25 applies.)

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Fees and charges are subject to change. Our current fees and charges are available on request and free of charge from any branch of the Bank or viewed at sbsbank.co.nz

How is Interest Paid to Me?

You can tell us whether you want interest to be paid to you (to an account specified by you) or added to the amount you have invested (ie compounded).

Interest will accrue at the interest rate and frequency you selected when making your investment from the date of your investment until the end of the term. We can inform you exactly what your returns will be at the time you make your investment.

We will pay to you all accrued interest after we deduct all taxes and other levies that we are legally required to deduct.

What Happens at the End of the Term?

You can tell us whether you would like your investment to be reinvested at the end of its term or to be paid to an account specified by you.

If you do not tell us what you want to happen, we will automatically reinvest your investment for a similar term as your original investment at the prevailing interest rate on the day of maturity.

Who Do I Contact if I Have a Question or Problem?

Enquiries or complaints about Term Investments can be directed to any of our branches, by contacting us on 0800 727 2265 or via sbsbank.co.nz.

Changes to These Terms and Conditions

The Bank has the right to vary these terms and conditions (but cannot change the interest rate or term of your investment) and any other terms and conditions or fees and charges applying to your accounts and to vary, change or withdraw any of the Bank's services at any time. The current version of these terms and conditions can be obtained from sbsbank.co.nz, any of our branches or by ringing our contact centre.

You will be given at least 14 days' notice of any variation either by post to your last known address, telephone call, notice in your branch, notice on sbsbank.co.nz or via an electronic banking channel used by you.

Investments are also issued in accordance with our Rules. These Rules may be altered by a 75% majority of our Members voting at a meeting.



IT'S QUICK & EASY TO JOIN

Pop into a branch to talk face to face with a team member, or give us a call.

Talk with us now

We can help with most things over the phone.



ONLINE
sbsbank.co.nz



TALK TO US
0800 727 2265
0800 SBS BANK