

ANZ Investment Services (New Zealand) Limited Terms and Conditions for the ANZ PIE Fund



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Definitions

Capitalised terms used in these Terms and Conditions have defined meanings, which appear in the Glossary or in the section of these Terms and Conditions in which the term is used. Some other terms used in these Terms and Conditions, but not capitalised, are also defined in the Glossary. All references to time are to time in New Zealand. All legislation mentioned in these Terms and Conditions can be viewed online at www.legislation.govt.nz.

Statement regarding the Fund

ANZ Investment Services (New Zealand) Limited is the issuer/Manager of the Fund ("**Manager**"). The New Zealand Guardian Trust Company Limited is the Supervisor of the Fund. ANZ Bank New Zealand Limited ("**ANZ**") is the distributor of units in the Fund. Investments in the ANZ PIE Fund issued by ANZ Investment Services (New Zealand) Limited do not represent deposits or liabilities of ANZ Bank New Zealand Limited or Australia and New Zealand Banking Group Limited (together "**ANZ Group**"). Neither ANZ Group nor The New Zealand Guardian Trust Company Limited (the "**Supervisor**") stand behind or guarantee ANZ Investment Services (New Zealand) Limited. Investments are subject to investment risk, including possible delays in repayment, and loss of income and principal invested. Neither ANZ Group nor the Supervisor will be liable to you for the capital value or performance of your investment.

1. TERMS AND CONDITIONS

- 1.1 The Fund is constituted by a master unit trust deed originally dated 19 March 2008 (as consolidated and amended on 7 April 2021) between the Manager and the Supervisor ("**Trust Deed**"). The Manager and the Supervisor have entered into a deed of arrangements dated 19 March 2008 (as amended and restated on 10 September 2015 and amended 7 April 2021) ("**Deed of Arrangements**") which governs the appointment of the Manager, management of the Fund, bank account operations, acquisition and disposal of investments, accounting procedures and investment guidelines in relation to the Fund.
- 1.2 When they invest in the Fund, Unit Holders agree to the terms of the Trust Deed. The Trust Deed records each party's rights and responsibilities, and requirements for how the Fund will be managed. By joining the Fund Unit Holders agree to be bound by the terms of the Trust Deed and have the rights set out within it. There is a summary of the key terms of the Trust Deed in section 2 of these Terms and Conditions.

Description of the units in the ANZ PIE Fund

- 1.3 The Fund has two Investment Options – the Call Option and the Term Option. Different Categories of units are offered under each Investment Option.
- 1.4 Units in the Call Option do not have a Scheduled Withdrawal Date. Units in the Term Option do have a Scheduled Withdrawal Date.
- 1.5 Units in the Call Option receive a variable rate of return. The rate of return may change from time to time without notice to Unit Holders.
- 1.6 Units in the Term Option receive a fixed rate of return for the duration of the Term applicable to that unit, subject to a reduced rate of return if the units are withdrawn at the Unit Holder's request prior to the Scheduled Withdrawal Date.
- 1.7 Units in the Call Option may have different rates of return to units in the Term Option, and vice versa. Units in the Term Option with the same or different Scheduled Withdrawal Dates may also have different rates of return. Units in different Categories in the Call Option may have different rates of return.
- 1.8 You can find out about the rates of return and Categories on offer in the Call Option and the Term Option at any time through the ANZ Contact Centre, any ANZ branch or at anz.co.nz.
- 1.9 Each unit in the Fund gives the Unit Holder an undivided beneficial interest in the Fund's Trust Fund according to the rights attached to that unit, determined in accordance with the Trust Deed. Units do not give Unit Holders any interest in any particular part of the Fund, and Unit Holders are not entitled to have any of the Fund's investments transferred to them.
- 1.10 The Fund has elected to be a Portfolio Investment Entity ("**PIE**") for the purposes of the Income Tax Act 2007. For more information about the tax treatment of PIEs, see the Inland Revenue website ird.govt.nz.
- 1.11 The Fund's objective is to provide Unit Holders with a pre-tax rate of return similar to the return on a call deposit or a term deposit with ANZ. To achieve this, the Fund only invests in New Zealand dollar interest-bearing deposits with ANZ.
- 1.12 Unit Holders may invest (by purchasing units) in, or withdraw (by withdrawing units) from, the Fund at any time, subject to the restrictions described in paragraphs 1.20 to 1.27 and paragraphs 2.10 to 2.33 of these Terms and Conditions.

Terms and Conditions for the ANZ PIE Fund

- 1.13 ANZ has agreed with the Manager to allow Unit Holders to use the ANZ online banking service (known as **"ANZ Internet Banking"** and the ANZ smart phone app (known as **"ANZ goMoney™"**) for the following purposes:
- (a) to check the value of their investment in the Fund (each investment in the Call Option and Term Option will be shown individually – the value shown will not include accrued but unpaid distributions or applications for units made with uncleared funds); and
 - (b) to make additional investments in the Call Option; and
 - (c) to request withdrawals from the Call Option; and
 - (d) to request (initial and additional) investments in the Term Option; and
 - (e) to provide instructions upon maturity of Term Option investments (ANZ Internet Banking only); and
 - (f) to request early withdrawal of Term Option investments (ANZ Internet Banking only).
- 1.14 The use of ANZ Internet Banking or ANZ goMoney for any of the above purposes and a Unit Holder's liability for using ANZ Internet Banking is subject to the **"ANZ Electronic Banking Conditions of Use"** (including the fees and charges which apply for the use of ANZ Internet Banking). The ANZ Electronic Banking Conditions of Use are available on www.anz.co.nz. The ANZ Electronic Banking Conditions of Use may change or be replaced from time to time with prior notice. ANZ Internet Banking and ANZ goMoney may be suspended at any time without notice.
- 1.15 Although the value of a Unit Holder's investment in the Fund is displayed on ANZ Internet Banking or ANZ goMoney, it does not mean that:
- (a) the Unit Holder's investment in the Fund is a deposit or other liability of ANZ;
 - (b) ANZ guarantees (either partially or fully) the capital value or performance of the investment;
 - (c) a Unit Holder has any interest in any particular deposit made by the Fund with ANZ; or
 - (d) a Unit Holder has any right to be transferred any particular deposit the Fund makes with ANZ.
- 1.16 A request via ANZ Internet Banking or ANZ goMoney for an electronic transfer of funds from a Unit Holder's transactional account to the Fund constitutes an application by the Unit Holder to the Manager (via the Manager's agent, ANZ) to subscribe for additional units in the Fund. Any such request is subject to all the terms and conditions of the Trust Deed which apply to subscriptions for units in the Fund.
- 1.17 A request via ANZ Internet Banking or ANZ goMoney for an electronic transfer of funds from the Fund to a Unit Holder's transactional account, constitutes a withdrawal request by the Unit Holder to the Manager (via the Manager's agent, ANZ). Any such request is subject to all the terms and conditions of the Trust Deed which apply to the withdrawal and redemption of units from the Fund.
- 1.18 To the maximum extent permitted by law, the Supervisor has no liability to any person (including any Unit Holder) in connection with ANZ Internet Banking or ANZ goMoney (including for any transactions effected, or purported to be effected, by or on behalf of a Unit Holder or ANZ, by means of ANZ Internet Banking or ANZ goMoney).
- 1.19 See section 2 of these Terms and Conditions for more information about the rights attached to the Fund's units.

Maximum number or amount of units

- 1.20 There is no maximum number or amount of units in the Fund. However, Unit Holders cannot hold more than 20% of the units in the Fund, or such other percentage as the Manager may determine from time to time. The Manager aggregates the units in the Fund that are held by any associated person of a particular Unit Holder (for the purposes of the Income Tax Act 2007) with the units held by that Unit Holder, in order to work out whether a Unit Holder complies with the 20% limit.

Issue price

- 1.21 An investment in the Fund is made by subscribing for units in an Investment Option. The issue price for a unit is fixed at \$1. The issue price is payable when an investment is made in the Fund.
- 1.22 The minimum initial investment amount in each Category in the Call Option is currently \$500. Currently, any subsequent investments in the Call Option must be in multiples of \$1. The minimum number of units that must be held in each Category in the Call Option is currently 500.
- 1.23 The minimum initial investment amount in each Category in the Term Option is currently \$10,000. Any subsequent investments in a Term Option category must currently be in multiples of \$1 subject to the minimum number of units being met. The minimum number of units that must be held in each Category of the Term Option is currently 10,000.
- 1.24 The Manager will stop accepting applications if at any time the Net Asset Value falls below \$1. Net Asset Value, and how and when it is calculated, is described in more detail in paragraph 2.26 of these Terms and Conditions.
- 1.25 At its discretion, the Manager may temporarily waive the minimum initial investment amount and the minimum number of units that must be held in each Category. The Manager may, however, require a Unit Holder to comply with those minimums at a later date.

Terms and Conditions for the ANZ PIE Fund

- 1.26 The Manager can vary the minimum initial investment amount in a Category, the maximum investment amount in the Fund and the minimum holding requirements in a Category from time to time. The Manager is also able to refuse any application for units at its discretion, including where accepting an application would cause, or would threaten to cause, the Fund to become ineligible to be a PIE or, in respect of an initial investment, if an applicant does not satisfactorily complete any application process made available by the Manager from time to time.
- 1.27 If a subscriber does not make a payment, or a payment is dishonoured or reversed, units will not be issued in respect of that payment, and any units issued in reliance on that payment will be cancelled. In addition, withdrawals will only be allowed if the funds subscribed by Unit Holders for such units are cleared funds.

How to invest

- 1.28 The Manager may offer units in an Investment Option for subscription, from time to time. Call Option investments will be identified by the rate of return offered and selected by the subscriber at the time of subscription. Term Option investments will be identified by the Term and the rate of return offered at the time of subscription. A subscriber for the Term Option must, at the time of subscription, select the Distribution Dates (the days on which Distributions are to be paid to the Unit Holder in accordance with the intervals agreed with the Manager) for the subscriber's distributions from the options available at anz.co.nz, the ANZ Contact Centre or any ANZ branch. The Manager may cease offering units at any time without giving notice.
- 1.29 A subscriber may make an initial investment in the Fund by completing an application in any form (approved by the Manager). There may be additional application requirements for subscribers that are not existing ANZ Customers and for those who have not completed all required customer due diligence and identification procedures. Payments can be made by transfer of funds from any bank account.
- 1.30 Subsequent investments in the Call Option may be made by transfer of funds from any bank account, or any other method acceptable to the Manager. If a Unit Holder has a transactional account with ANZ, additional investments in the Call Option may be made by electronic transfer from that transactional account using ANZ Internet Banking.
- 1.31 Subsequent investments in the Term Option may be made by completing an application in any form approved by the Manager and the transfer of funds from any bank account, or any other method acceptable to the Manager.
- 1.32 The Manager holds application monies it receives on trust for the applicant until units are allotted or, if the application is rejected, until the application monies are repaid. Amounts held on trust pending allotment will not earn interest. If the Manager decides to reject any application for units (in whole or in part) it will return, or direct the Supervisor or the Nominated Person to return, the application monies (or part of them, if the application is rejected in part) to the applicant without interest.
- 1.33 When the Manager receives application monies it becomes subject to the trusts created by the Trust Deed. The Manager will pay all monies it receives into a separate bank account or accounts that is, or are, the Supervisor's property or a Nominated Person within 7 days of receipt.
- 1.34 Each account into which subscription monies are paid in accordance with paragraph 1.33 of these Terms and Conditions:
- (a) will be the property of the Supervisor or a Nominated Person;
 - (b) will be designated so that they are clearly recognised as being accounts of the Fund; and
 - (c) may be designated in such other manner as the Manager (acting reasonably) requires (including, without limitation, by reference to the name of a Unit Holder),
- but in no circumstances will any Unit Holder have any interest in any such account, and no Unit Holder will be entitled to have any monies standing to the credit of any such account transferred to them.
- 1.35 The Manager can redeem a Unit Holder's units if all the terms and conditions for the issue of those units were not satisfied at the time of issue. See paragraph 2.31 of these Terms and Conditions for more information.

Terms and Conditions for the ANZ PIE Fund

1.36 The table below summarises how you can make investments and withdrawals from the Fund:

	Available methods	Time frame via ANZ branch or contact centre	Time frame via ANZ Internet Banking
Initial Investment	Apply via ANZ Internet Banking, ANZ goMoney, calling ANZ on 0800 269 296 or at any ANZ branch.	The application will be processed on the day the payment is received if that day is a business day, or as soon as reasonably practicable thereafter.	The application will be processed on the day of receipt, or as soon as reasonably practicable thereafter.
Additional Investments – Call Option	Additional investments can be made via ANZ Internet Banking, ANZ goMoney, via direct credit from any bank account, calling ANZ on 0800 269 296 or at any ANZ branch.	The application will be processed on the day the payment is received if that day is a business day, or as soon as reasonably practicable thereafter.	The application will be processed on the day of receipt, or as soon as reasonably practicable thereafter.
Additional Investments – Term Option	Additional investments can be made via ANZ Internet Banking, ANZ goMoney, calling ANZ on 0800 269 296 or at any ANZ branch.	The application will be processed on the day the payment is received, if that day is a business day, or as soon as reasonably practicable thereafter.	The application will be processed on the day of receipt, or as soon as reasonably practicable thereafter.
Withdrawals*	<p>Requests for withdrawals from the Call Option can be made in writing, via ANZ Internet Banking or ANZ goMoney (if the Unit Holder has an ANZ transactional account), by phone on 0800 269 296 or at an ANZ branch.</p> <p>Investments in the Term Option will automatically be reinvested in the same or similar term at the end of their Term, unless Unit Holders ask the Manager not to do so. A Unit Holder can request to withdraw an investment in the Term Option prior to the end of its Term, if the Unit Holder is in financial hardship (as reasonably determined by the Manager and except for businesses with total investments in the fund of \$2m or more), or if the Unit Holder gives the Manager 31 days' notice of the early withdrawal. The Manager does not have to accept an early withdrawal request. Early withdrawals from the Term Option will be subject to an early withdrawal rate reduction.</p> <p>Contact the Manager or any ANZ branch to request the early withdrawal of an investment in the Term Option.</p>	The withdrawal will be processed on the day the withdrawal request is received if that day is a business day, otherwise it will be processed on the next business day, or as soon as reasonably practicable afterwards.	Withdrawal payments to accounts (i.e. funds transfers) will be processed on the day of receipt of the withdrawal request (in the case of linked ANZ bank accounts), or the business day following receipt of the withdrawal request (in the case of non-linked bank accounts), or as soon as reasonably practicable afterwards.

* Withdrawals will only be permitted if the funds are cleared funds.

Fees

No entry charges

1.37 No entry charges are currently payable in relation to the Fund.

Reduced rate of return for investors who withdraw money in a Term Option Category early

1.38 The Manager can, in its discretion, allow investors in the Term Option to withdraw some or all of their money in a Term Option Category before the end of the Term, if either:

- (a) the Unit Holder gives 31 days' notice of the withdrawal request; or
- (b) the Unit Holder is suffering from hardship, as reasonably determined by the Manager. Hardship means that a Unit Holder can't meet essential living costs, such as medical costs, or essential business costs, as reasonably determined by the Manager. To apply for an early withdrawal on the grounds of hardship, a Unit Holder will need to establish, to the Manager's reasonable satisfaction,

that he or she is experiencing hardship. Businesses with total investments in the fund of \$2m or more will not qualify for early withdrawal on the grounds of hardship.

1.39 The Early Withdrawal Rate Reduction will apply to the amount withdrawn. The Early Withdrawal Rate Reduction means that the Unit Holder's rate of returns will be reduced by a rate set by the Manager, to a minimum of 0% per annum, on the amount of money withdrawn. You can find the applicable Early Withdrawal Rate Reduction on anz.co.nz.

1.40 The reduced rate of return will apply:

- (a) to any income earned by a Unit Holder from the start date of the investment up to and including the date of withdrawal (even if the Unit Holder has already received that income and PIE tax has been paid by the Fund in respect of it);
- (b) only to the amount withdrawn if the Unit Holder withdraws part of their investment;
- (c) regardless of the original investment term, the time remaining to maturity and the amount withdrawn.

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1.41 The reduced rate of return on the investment in a Term Option Category will have the following results:

- (a) If the Unit Holder requests a full withdrawal of all (but not part only) of their investment in a Term Option Category, the Manager will on the day the withdrawal is made:
 - (i) make, and adjust, the distribution from that Term Option Category by applying the Early Withdrawal Rate Reduction (referred to below as the rate adjustment amount); and/or
 - (ii) adjust the Unit Holder's Withdrawal Amount to the extent that the distribution referred to in (i) does not cover the Early Withdrawal Rate Reduction.
- (b) If the Unit Holder requests a partial withdrawal, the Manager will as required:
 - (i) adjust the next distribution the Unit Holder receives from that Term Option Category by applying the Early Withdrawal Rate Reduction (referred to below as the rate adjustment amount); and/or
 - (ii) adjust the Unit Holder's remaining investment in the same Term Option Category to recover any adjustment amount that, at the time of the withdrawal, is not covered by the income accrued and not yet paid on that Unit Holder's investment in the Term Option Category.

1.42 The rate adjustment amount is calculated as follows:

Rate adjustment amount = amount withdrawn
× period of investment up to date of withdrawal
× adjustment rate

1.43 1.43 The "adjustment rate" is the lower of the agreed rate of return or the Early Withdrawal Rate Reduction (which can be found on anz.co.nz)

1.44 The Early Withdrawal Rate Reduction does not reduce any PIE tax attributable to a Unit Holder that has already been paid by the ANZ PIE Fund. A Unit Holder will not be able to recover any PIE tax already paid if they have made a full withdrawal and the Manager needs to take any part of the rate adjustment amount from the principal amount paid to them.

1.45 A Unit Holder will not be able to recover any PIE tax already paid if they have made a partial withdrawal and the Manager needs to take any part of the rate adjustment amount from their remaining investment.

1.46 The Early Withdrawal Rate Reduction does not apply to any balance remaining after a partial withdrawal is made, unless further partial withdrawal requests are made at a later date.

1.47 We may decide not to apply the Early Withdrawal Rate Reduction when we agree to a Unit Holder's early withdrawal.

Example of a Full Withdrawal:

You invest \$10,000 in a Term Option Category for three years and your agreed rate of return is 5% per annum. We agree after one year to let you withdraw all the money you invested. The Early Withdrawal Rate Reduction is 3% per annum. The date of withdrawal is a distribution date. The Early Withdrawal Rate Reduction calculation will apply to the full investment. This means that you are only entitled to a rate of return of 2% per annum (the original agreed rate of 5% less the 3% reduction) on your investment for that one year period.

Amount withdrawn: full balance (\$10,000)

Period of investment:

1 (365 days invested / 365 days in year)

Adjustment rate: 3% (as 3% is lower than 5%)

Rate adjustment amount: $\$10,000 \times 1 \times 3\% = \300.00

In this example the value of your investment at time of withdrawal would be \$10,000 plus \$500 of interest at the agreed rate less the rate adjustment amount of \$300 = \$10,200.

The net outcome is that you will receive \$200 on your \$10,000 investment for the year. This is equal to 2% per annum, or the difference between the 5% rate of return and the 3% Early Withdrawal Rate Reduction.

1.48 The Early Withdrawal Rate Reduction will not apply if the Manager compulsorily withdraws a Unit Holder's units in a Term Option Category.

1.49 The Withdrawal Amount is the amount payable to the Unit Holder on the redemption of the Unit Holder's units, and is described in paragraph 2.25 of these Terms and Conditions.

Supervisor's fees

1.50 A fee is payable by the Manager to the Supervisor in respect of the services the Supervisor provides in relation to the Fund. The Supervisor may alter that fee by agreement with the Manager. The Supervisor's fee is payable by the Manager, and may only be recovered from the Trust Fund, where that fee is not paid by the Manager. ANZ has agreed to pay the Supervisor's fee to the Supervisor on behalf of the Manager.

The Manager's fees

1.51 ANZ pays the Manager a fee for acting as manager of the Fund. This fee is not recoverable from the Trust Fund.

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Reimbursement of expenses and indemnities

- 1.52 The fee that ANZ pays the Manager is intended to be sufficient to enable the Manager to pay the fees, costs and expenses that the Fund would normally incur in the ordinary course of its business.
- 1.53 The Supervisor and the Manager are, however, entitled to be reimbursed out of the Trust Fund (in the case of the Supervisor to the extent not paid or reimbursed by the Manager) for all expenses, liabilities, losses and costs incurred by them respectively in or about acting as Supervisor or Manager. The exception to this is where the Supervisor or the Manager, as the case may be, fails properly carry out its duties, as referred to in paragraph 2.59.
- 1.54 The Trust Fund indemnifies the Supervisor with respect to liabilities it incurs in acting as supervisor, as described in paragraphs 2.58 and 2.60 of these Terms and Conditions.
- 1.55 The Trust Fund indemnifies the Manager (and its delegates or contractors) as described in paragraphs 2.58 and 2.60 of these Terms and Conditions.
- 1.56 The amount that may be recovered from the Trust Fund is not limited.

ANZ's fee

- 1.57 Under a services agreement dated 9 August 2013 (as amended and restated on 10 September 2015) between the Manager and ANZ, the Manager agreed to pay ANZ a fee for providing certain administration and registry services in relation to the Fund. This fee is payable by the Manager and is not payable out of the Trust Fund.

Manager can introduce new charges

- 1.58 The Manager can introduce new charges at any time, if it gives 1 month's prior notice to Unit Holders. For example, under the Trust Deed, the Manager can introduce the following charges:
- (a) issue fee: the Manager may require applicants to pay such fee as the Manager may fix as a condition of issuing a unit;
 - (b) withdrawal fee: the Manager may (in addition to the Early Withdrawal Rate Reduction mentioned above), require a Unit Holder who has given a Withdrawal Notice to pay such fee as the Manager may fix, as a condition of the Withdrawal Notice being effected; and
 - (c) transfer fee: the Manager may require a transferor of units to pay such fee as the Manager may fix from time to time, as a condition of registering the transfer of those units.
- 1.59 As at the date of these Terms and Conditions, the Manager has no intention of introducing any new fees or charges.

Charges for use of ANZ Internet Banking

- 1.60 In addition, if Unit Holders use ANZ Internet Banking or any other service made available by ANZ in connection with the Fund, Unit Holders may be charged a fee. A list of services for which a fee is charged is available from any ANZ branch or online at anz.co.nz. If Unit Holders are charged a fee, the fee will be paid by that Unit Holder either by:
- (a) the fee being debited to the Unit Holder's nominated account; or
 - (b) the Manager redeeming the number of units the Unit Holder has in the Fund that will generate proceeds in an amount to pay the fee, and paying the proceeds to ANZ on behalf of such Unit Holder (this method of payment will be used unless a Unit Holder directs otherwise).

Opening and closing dates

- 1.61 Subject to complying with the restrictions described in paragraphs 1.20-1.27 of these Terms and Conditions, investors can subscribe for units in the Fund at any time.

2. SUMMARY OF THE TRUST DEED

Constitution of the Fund

- 2.1 The Trust Fund consists of all the cash, investments, assets, rights, and other property the Supervisor holds for the Fund for the time being.
- 2.2 The Fund is a separate and independent trust with separate property and liabilities, and the Supervisor and the Manager must act to give effect to that. All investments made with the Fund's money must be held by the Supervisor as the exclusive property of the Fund, and for the exclusive benefit of the Fund's Unit Holders.
- 2.3 The Fund has a single Trust Fund and the value of units is determined by reference to the value of the Assets of that Trust Fund in accordance with the Trust Deed.
- 2.4 The Supervisor can, with the prior approval of the Manager (acting reasonably), nominate any person ("**Nominated Person**") in which the Fund's investments (which may include cash) can be vested.

Units

- 2.5 The beneficial interest in the Fund is divided into units. Subject to the Trust Deed:
- (a) each unit confers an equal undivided interest in the Trust Fund, determined in accordance with the Trust Deed;
 - (b) Unit Holders cannot interfere or question the Manager's exercise or failure to exercise any of the trusts, powers, authorities or discretions that the Trust Deed gives them; and
 - (c) Unit Holders cannot, by virtue of holding units, attend meetings (whether of shareholders, Unit Holders or otherwise), vote, take part in or consent to any action concerning any property or corporation in which the Fund holds an interest.

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- 2.6 No unit in the Fund confers any interest in any particular part of the Trust Fund. No Unit Holder is entitled to be transferred any of the Fund's investments.
- 2.7 Part of a unit may be created or withdrawn and can be represented by figures up to such number of decimal places as the Manager considers appropriate.
- 2.8 The Supervisor or the Manager can, at any time, require a Unit Holder to withdraw units in the Fund for no consideration to comply with section HM 48 of the Income Tax Act 2007 to reflect tax paid or payable by the Fund on income attributed to a Unit Holder at their prescribed investor rate under the PIE regime.

Ability to introduce additional Categories of units from time to time

- 2.9 The Trust Deed allows the Manager to create different Categories of units in accordance with the Trust Deed, with such rights, terms of issue, obligations and restrictions attaching to them as the Manager determines.

Withdrawal of units

- 2.10 The Trust Deed governs withdrawals from the Fund and sets out certain limitations, restrictions and prohibitions on withdrawal.

Rules that apply to a withdrawal of units in the Call Option

- 2.11 Subject to the conditions described in paragraphs 2.19, 2.23 and 2.24 of these Terms and Conditions, holders of units in a Call Option Category can request to withdraw some or all of their investment at any time. The Manager will then action that request.
- 2.12 If a Unit Holder withdraws all of their units in the Call Option on a day that is not a Distribution Date, the Unit Holder will be entitled to receive a distribution reflecting their share of the net income of the Fund which has accrued but not been distributed to Unit Holders at the time of their withdrawal. The distribution and the timing of the distribution is described in more detail in paragraphs 2.76 to 2.84 of these Terms and Conditions (including the definition of Distribution Date).

Rules that apply to a withdrawal of units in the Term Option

- 2.13 Subject to the conditions described in paragraphs 2.19, 2.23 and 2.24 of these Terms and Conditions, Unit Holders of units in a Term Option Category can withdraw their investment:
- (a) on the unit's Scheduled Withdrawal Date; or
- (b) prior to the unit's Scheduled Withdrawal Date with the Manager's consent (see paragraph 1.38) and (at the Manager's discretion) the application of any Early Withdrawal Rate Reduction (see paragraphs 1.38 to 1.48).

- 2.14 Subject to the conditions described in paragraphs 2.19, 2.23 and 2.24 of these Terms and Conditions, the Manager must procure that:

- (a) on each Distribution Date (other than the Scheduled Withdrawal Date), if a Unit Holder has elected in accordance with the options made available to the Unit Holder from time to time by the Manager to receive cash payments on each Distribution Date, each unit that is issued to the Unit Holder as a distribution on the Distribution Date and that is not cancelled by the Manager in order to effect an adjustment under section HM 48 of the Income Tax Act 2007, is withdrawn by the Supervisor out of the investments of the Fund and the Unit Holder is paid the Withdrawal Amount in respect of that unit; and
- (b) on the Scheduled Withdrawal Date of a unit, that unit, and each additional unit (if any) that will be issued to the Unit Holder as a distribution on the Scheduled Withdrawal Date, is withdrawn by the Supervisor out of the investments of the Fund, and the Unit Holder is paid the Withdrawal Amount in respect of that unit.

- 2.15 Subject to paragraph 2.14(a) of these Terms and Conditions, the Manager has no obligation to withdraw a unit prior to the Scheduled Withdrawal Date of that unit. If any Unit Holder wishes to withdraw units of a Term Option Category prior to the Scheduled Withdrawal Date of those units, that Unit Holder may make an early withdrawal request by giving the Manager a Withdrawal Notice. The Manager may, at its discretion (see paragraph 1.38), on receipt of a Withdrawal Notice from a Unit Holder, procure the withdrawal of all or some only of the units specified in that Withdrawal Notice before the Scheduled Withdrawal Date of those units in accordance with paragraph 2.16 of these Terms and Conditions, or refuse to withdraw any of those units.

- 2.16 Subject to the conditions described in paragraphs 2.19, 2.23 and 2.24 of these Terms and Conditions, if the Manager agrees, at its discretion, to procure the withdrawal of units prior to their Scheduled Withdrawal Date, it must procure that, on the Early Withdrawal Date, or as soon as reasonably practicable thereafter, either (as the case may be):

- (a) those units, and each additional unit (if any) that will be issued to the Unit Holder as a distribution on the Early Withdrawal Date and that is not cancelled by the Manager in order to effect an adjustment in respect of the Early Withdrawal Rate Reduction or under section HM 48 of the Income Tax Act 2007, are withdrawn by the Supervisor out of the investments of the Fund, and the Unit Holder of those units is paid the Withdrawal Amount in respect of those units; or
- (b) the number of units, in respect of which the aggregate Withdrawal Amount is equal to the dollar amount specified in that Withdrawal Notice, are withdrawn by the Supervisor out of the investments of the Fund, and the Unit Holder of those units is paid the Withdrawal Amount of those units as adjusted by the Early Withdrawal Rate Reduction (if required).

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2.17 The Manager may apply an Early Withdrawal Rate Reduction in respect of any units redeemed before their Scheduled Withdrawal Date. The Manager will apply the Early Withdrawal Rate Reduction in the manner set out in paragraphs 1.38 to 1.48 of these Terms and Conditions.

Rules that apply to a withdrawal of any units

2.18 All units in the Fund which are withdrawn will cease to exist and are deemed to be cancelled from the date the Unit Holder who requested the withdrawal receives the Withdrawal Amount.

Withdrawal Notice

2.19 To make a withdrawal, Unit Holders must give the Manager a Withdrawal Notice. The Withdrawal Notice must specify the number of units or dollar amount that the Unit Holder wants to withdraw.

2.20 A Withdrawal Notice may be given:

- (a) by phone, by calling the Manager on 0800 269 296;
- (b) at any ANZ branch;
- (c) via secure bank-mail using ANZ Internet Banking
- (d) in writing, sent to the Product Manager, ANZ PIE Fund, ANZ Investment Services (New Zealand) Limited, PO Box 91966, Victoria Street West, Auckland 1142;
- (e) in respect of units in a Call Option Category, by using ANZ Internet Banking or ANZ goMoney.

2.21 The table in paragraph 1.36 of these Terms and Conditions contains a description of how withdrawals may be made.

2.22 Once given, a Withdrawal Notice may not be revoked by a Unit Holder.

2.23 No Withdrawal Notice may be given:

- (a) in respect of less than the minimum number of units in the relevant Category at any one time; or
- (b) if the effect of giving the Withdrawal Notice would be that the Unit Holder who gave the Withdrawal Notice would hold less than:
 - (i) the minimum number of units in the relevant Category, or
 - (ii) if the units are in a Term Option Category, the number of units in the Category with the same Scheduled Withdrawal Date that must be held to enable the Early Withdrawal Rate Reduction to be set-off in full as described in paragraph 1.40(b),

unless, in either case of (a) or (b)(ii), the Withdrawal Notice is given in respect of:

- (i) all the units in a Category of the Call Option; or
- (ii) all the units in a Term Option Category that have the same Scheduled Withdrawal Date.

(c) The Manager may at any time at its discretion waive or vary the requirements of this paragraph 2.23 of these Terms and Conditions, either generally or in a particular case or cases (provided that any such waiver or variation would not result in a Unit in the Call Option ceasing to be a "PIE call fund unit", as that term is defined in the Financial Markets Conduct Regulations 2014).

2.24 The Manager may either generally or in a particular case or cases take the following steps:

- (a) The Manager may refuse to allow the withdrawal of units where to do so would cause, or threaten to cause, the Fund to become ineligible to be a PIE.
- (b) The Manager may, before allowing the withdrawal of any units, require such evidence as the Manager considers satisfactory that the person seeking to make the withdrawal is the person named in the Register as holder of the relevant units.
- (c) If, by reason of:
 - (i) financial, political or economic conditions applying in any financial market;
 - (ii) the nature of any investment forming part of the Trust Fund; or
 - (iii) the occurrence or existence of any other circumstance or event,

the Manager in good faith forms the opinion that it is not practicable, or would be prejudicial to the interests of the Unit Holders as a whole, to permit withdrawals from the Fund, the Manager may suspend the right of a Unit Holder to withdraw from the Fund by giving notice ("**Withdrawal Suspension Notice**") to Unit Holders. A Withdrawal Suspension Notice must not be given by the Manager if it would result in a Unit in the Call Option ceasing to be a "PIE call fund unit", as that term is defined in the Financial Markets Conduct Regulations 2014. Such notice has the effect of suspending all Withdrawal Notices until the Manager gives the Unit Holders that gave those Withdrawal Notices notice that the Withdrawal Suspension Notice is cancelled. Where a Withdrawal Suspension Notice for the Fund has not been cancelled:

- (i) in respect of a unit of a Term Option Category, prior to the unit's Scheduled Withdrawal Date, the Manager in its discretion will determine the rate of return that will apply to that unit for the period from (and including) the Scheduled Withdrawal Date; and
- (ii) within three months after the notice to Unit Holders the Manager will promptly notify the Supervisor and all Unit Holders that the Withdrawal Suspension Notice continues in effect and must arrange a meeting of the Unit Holders of those units to consider options presented by the Manager as available to them.

Terms and Conditions for the ANZ PIE Fund

Withdrawal Amount

2.25 The Withdrawal Amount that Unit Holders will receive, for each unit which they withdraw from the Fund, is the lesser of:

- (a) \$1 (being the Issue Price); and
- (b) the Net Asset Value of a unit in the Fund calculated in accordance with the Trust Deed.

2.26 Set out below is the definition of Net Asset Value (and related definitions):

- (a) "**Net Asset Value**" means, in relation to any Valuation Day, the Current Value of the Fund on that Valuation Day as determined by the Manager in accordance with the Trust Deed divided by the number of units in existence on that Valuation Day (rounded to such amount as the Manager determines).
- (b) "**Valuation Day**" means each day during the continuance of the Fund.
- (c) "**Current Value**" means, in respect of any Valuation Day, such sum as is determined by the Manager in accordance with the Trust Deed on that Valuation Day by deducting from the aggregate of:
 - (i) the value of all of the Fund's investments; and
 - (ii) any other amounts which, in the Manager's opinion, should be included in such aggregate for the purpose of making a fair estimated market value determination of the total value of the Fund having due regard to generally accepted accounting practice (with any modifications which in the Manager's opinion should be made in making that determination, provided that the Manager has agreed such modifications with the Supervisor) as defined in the Financial Reporting Act 2013,

the aggregate of:

- (iii) the New Zealand dollar equivalent of the Fund's liabilities; and
- (iv) any other amounts which, in the Manager's opinion, should be included in such aggregate for the purpose of making a fair estimated market value determination of the Fund's total value having due regard to generally accepted accounting practice (with any modifications which in the Manager's opinion should be made in making that determination, provided that the Manager has agreed such modifications with the Supervisor) as defined in the Financial Reporting Act 2013.

The Manager may require a Unit Holder to withdraw units

2.27 The Manager may, from time to time, determine the maximum number of units that any person may hold in the Fund (which may be stated as a proportion of the total number of issued units in the Fund). If, in the opinion of the Manager, any Unit Holder or Unit Holders

hold more than the maximum number of the Fund's units, then the Manager may arrange the withdrawal of such number of units held by that Unit Holder or Unit Holders as the Manager considers necessary for that Unit Holder or Unit Holders to hold less than the maximum number of the Fund's units. At the date of these Terms and Conditions, the maximum number of units able to be held by any Unit Holder is the number that equals 20% of all of the units in an Investor Class. Units in the Fund held by any associated person of a particular Unit Holder (for the purposes of the Income Tax Act 2007) are aggregated with the units held by that Unit Holder for the purposes of determining compliance with the 20% limit. The Manager may specify a new maximum number for the Fund at any time.

2.28 The Manager may arrange the withdrawal of units in the circumstances described in paragraph 2.27 of these Terms and Conditions by giving notice (in this paragraph a "**Manager's Withdrawal Notice**") to the Unit Holder or Unit Holders whose units are to be withdrawn. When a Unit Holder receives a Manager's Withdrawal Notice the Unit Holder is deemed to have given a Withdrawal Notice to the Manager (and such notice is deemed to be in a form and on terms which will give effect to the Manager's Withdrawal Notice). Unit Holders appoint the Manager, and each director of the Manager, severally, as their agent to receive the Manager's Withdrawal Notice. The Unit Holder further appoints the Manager, and each director of the Manager, severally, as their agent to sign any documents to make the withdrawal.

2.29 The Manager may, from time to time, determine the minimum number of units which may be held in a Category by a Unit Holder. If, in the Manager's opinion, any Unit Holder holds fewer than the minimum number of units in a Category, then the Manager may arrange the withdrawal of all of the units held by that Unit Holder. At the date of these Terms and Conditions, the minimum number of units able to be held by any Unit Holder is 500 units in a Call Option Category and 10,000 units in a Term Option Category. The Manager may specify new minimum numbers at any time.

2.30 The Manager can give notice at any time (in this paragraph a "**Manager's Withdrawal Notice**") to a Unit Holder who holds less than a minimum number of units in a Category that, if at the end of 3 months after the date the notice is given the Unit Holder still holds less than a minimum number of units in that Category, the Unit Holder will be deemed to have given a Withdrawal Notice to the Manager in respect of all of their units and the Manager can withdraw those units. The proceeds would either be paid to the Unit Holder or, if the units have a Scheduled Withdrawal Date, reinvested pursuant to the Trust Deed. If that occurs, the Unit Holder appoints the Manager, and each director of the Manager, severally, as their agent to receive the Manager's Withdrawal Notice. The Unit Holder also appoints the Manager, and each director of the Manager, severally, as their agent to sign any documents to make the withdrawal.

Terms and Conditions for the ANZ PIE Fund

- 2.31 If, in the opinion of the Manager, all the terms and conditions required to be satisfied for the issue of units were not satisfied when the units were issued and the Manager has taken such steps it considers reasonable to remedy that non-satisfaction, the Manager may arrange the withdrawal of all of the units held by that Unit Holder. The Manager can give notice at any time (in this paragraph a **"Manager's Withdrawal Notice"**) to a Unit Holder who did not satisfy the terms and conditions of issue when units were issued to them that, if at the end of 30 days after the date the notice is given the Unit Holder has still not complied with the relevant term and condition, the Unit Holder will be deemed to have given a Withdrawal Notice to the Manager in respect of their units and the Manager can withdraw those units. If that occurs, the Unit Holder appoints the Manager, and each director of the Manager, severally, as their agent to receive the Manager's Withdrawal Notice. The Unit Holder also appoints the Manager, and each director of the Manager, severally, as their agent to sign any documents to make the withdrawal.
- 2.32 If the Manager and the Supervisor agree, the Manager may close a Category in an Investment Option and arrange the withdrawal of all of the units in that Category. The Manager can do this by giving notice at any time (in this paragraph a **"Manager's Withdrawal Notice"**) to the effect that, if at the end of 30 days after the date the notice is given, the Unit Holder has not withdrawn their units, the Unit Holder will be deemed to have given a Withdrawal Notice to the Manager in respect of their units and the Manager can withdraw those units. If that occurs, the Unit Holder appoints the Manager, and each director of the Manager, severally, as their agent to receive the Manager's Withdrawal Notice. The Unit Holder also appoints the Manager, and each director of the Manager, severally, as their agent to sign any documents to make the withdrawal.
- 2.33 If the Manager exercises its powers described in paragraphs 2.27 to 2.32 of these Terms and Conditions, and arranges the early withdrawal of a unit that has a Scheduled Withdrawal Date, the Manager must determine the Withdrawal Amount of, and must not apply the Early Withdrawal Rate Reduction to, that unit and the Manager may, at its discretion, either:
- (a) pay the Withdrawal Amount to the Unit Holder; or
 - (b) reinvest the Withdrawal Amount by subscribing, on behalf of the Unit Holder, for a unit of any other Category with a term to maturity that is closest to the remaining term of the Term that applied to the redeemed unit, provided that if there are two or more units on offer with the same term to maturity, the Manager will select the unit of the Category with the highest specified rate of return.
- Transfer and Transmission**
- 2.34 A Unit Holder may transfer some or all of the units they hold in the Fund by a products transfer (for an **"authorised transaction"** under section 372 of the FMCA) or, in any other case, by a transfer in any form approved by the Manager from time to time.
- 2.35 The Manager may decline to register any transfer if:
- (a) the transferee is not a Unit Holder, the transferee has not satisfied the requirements of investment in the Fund or the transferee has not presented a signed and completed application form at an ANZ branch;
 - (b) the Manager has a lien on some or all of the units, or if there are unpaid amounts owing from the transferor of the units to the Manager or the Supervisor;
 - (c) registration of the transfer (together with registration of any further transfer, or transfers held by or on behalf of the Manager and awaiting registration) would result in:
 - (i) the transferee or transferor having less than a minimum number of units required to be held in the Fund; or
 - (ii) the transferee or transferor having more than the maximum number of units in the Fund;
 - (d) the transferor hasn't paid the Manager any fee applicable to the transfer as the Manager may fix from time to time; or
 - (e) if registration of the transfer would result in the Fund becoming ineligible as a PIE, or would operate to threaten any such eligibility.
- 2.36 Registration of transfers may be suspended at such times and for such periods as the Manager may determine. However, registration may not be suspended for a period exceeding, in aggregate, 30 days in any calendar year.
- 2.37 As the Fund is a PIE, if the Manager receives a transfer form from a Unit Holder, the Manager may adjust a Unit Holder's units in accordance with paragraph 2.8 of these Terms and Conditions, and will make the transfer by:
- (a) redeeming the number of units the Unit Holder has requested be transferred (less any units redeemed pursuant to paragraph 2.8 of these Terms and Conditions), without any payment to the Unit Holder; and
 - (b) issuing such number of units as are redeemed pursuant to paragraph 2.37(a) above to the person named as transferee in the instrument of transfer, and treating the transferee as having paid the issue price by the redemption of the units referred to in paragraph 2.37(a) above. Before the transfer can be made, the transferee must either be a Unit Holder have presented a signed and completed application form at an ANZ branch or have satisfied the requirements of investment in the Fund. If a Unit Holder gives the Manager a transfer form in respect of all its units in the Fund, it will be deemed to apply also to any additional units that will be issued to the Unit Holder as a distribution on the date of transfer. The Manager must determine the number of any such additional units as if it had received a Withdrawal Notice in respect of all of the Unit Holder's units, as described in paragraph 2.80.

Terms and Conditions for the ANZ PIE Fund

2.38 If a Unit Holder dies, the surviving Unit Holder (if the deceased was a joint Unit Holder), or the executors or administrators of the deceased Unit Holder, are the only persons the Manager will recognise as having any title to or interest in a deceased Unit Holder's units. However, nothing in this paragraph will release the estate of a deceased joint Unit Holder from any liability in respect of any unit or constitute a release of any lien which the Manager may have in respect of any unit.

Investments

2.39 The Manager has absolute and uncontrolled discretion regarding the investment of any cash in the Trust Fund, and regarding the purchase, sale, transfer, exchange or alteration of any investments from time to time. The Manager can cause any transactions to be made that it considers are in the interests of Unit Holders. The Supervisor must, from time to time (to the extent of the Trust Fund), make and pay (out of the Trust Fund) such investments or purchases, sales, transfers, exchanges or alterations of investments as the Manager directs it to, and must do all things necessary on its part to give effect to any such direction. The Manager also has full and complete management power including, subject to the Trust Deed, the power to take all steps the Manager considers necessary or desirable in relation to the Fund.

2.40 The Trust Fund can only be invested in authorised investments in accordance with the investment policies of the Fund, which are determined in accordance with the Trust Deed. The investment objectives and policy of the Fund are described in paragraph 2.73.

2.41 The Supervisor cannot act on the direction of the Manager to acquire or dispose of any investment if, in the Supervisor's opinion, which it conveys in writing to the Manager, the proposed acquisition or disposition is manifestly not in the interests of the Fund's Unit Holders. The Supervisor is not liable to the Unit Holders or the Manager for refusing to act on any such direction.

Related party transactions

2.42 Except for:

- (a) the deposit of Fund application monies, and any income earned on those monies, in deposits of ANZ; and
- (b) the setting by ANZ of the interest rate payable on the Fund's deposits,

the Manager may not cause the Fund to enter into transactions with the Manager (or any related company of the Manager), unless the Manager has given the Supervisor a certificate in a form satisfactory to the Supervisor, certifying that in the Manager's opinion, the transaction is on normal commercial terms, or terms as favourable to the Fund as normal commercial terms, and in accordance with the investment policies of the Fund.

Supervisor may not borrow

2.43 Subject to the terms of any relevant Supplemental Deed, the Supervisor has no power to borrow.

Appointment of agents

2.44 The Manager can, by power of attorney, appoint any person in any part of the world to be its attorney or agent for such purposes and with such powers, authorities and discretions (not exceeding those vested in the Manager) as it thinks fit, with power for the attorney or agent to sub-delegate any such powers, authorities or discretions.

2.45 The Manager can appoint any person to be an agent, sub-manager, administration manager or investment manager for the Fund or the Fund's investments, or any part thereof, and confer upon and delegate to such person all or any of the Manager's powers, authorities or discretions (including power for such person to sub-delegate). Any such appointment must be upon such terms as the Manager may in its discretion determine (subject to complying with the restrictions in paragraph 2.46 below), and the Manager can enter into agreements or deeds on such terms as it determines recording the terms of any such appointment.

2.46 If the Manager delegates any of its functions, it must take all reasonable steps to:

- (a) ensure that those functions are performed in the same manner, and are subject to the same duties and restrictions, as if the Manager were performing them directly; and
- (b) monitor the performance of those functions.

2.47 If the Manager delegates any of its functions, this does not affect the Manager's liability for the performance of those functions.

2.48 The Manager has appointed ANZ to perform certain registry and administration services for the Fund by a services agreement dated 9 August 2013, as amended and restated on 10 September 2015.

Supervisor and Manager

2.49 The Supervisor may be removed from office by:

- (a) the High Court on application of the Manager; or
- (b) the FMA under Part 2 of the Financial Markets Supervisors Act 2011; or
- (c) such alternative means (if any) as from time to time may be prescribed under any applicable legislation.

2.50 The Supervisor may retire at any time by giving the Manager 90 days' written notice of its intention to do so, subject to the appointment of a new Supervisor and to the transfer to the new Supervisor of all the Fund's investments and other property and assets.

2.51 The Supervisor must be a licensed supervisor under the Financial Markets Supervisors Act 2011

2.52 The Manager can appoint a new Supervisor following the removal or retirement of the Supervisor. The new Supervisor must be a licensed Supervisor under the Financial Markets Supervisors Act 2011. If the Manager fails or refuses to appoint a new supervisor, a new Supervisor may be appointed by Extraordinary Resolution of Unit Holders in accordance with paragraph 2.62 of these Terms and Conditions.

Terms and Conditions for the ANZ PIE Fund

- 2.53 The Manager will cease to be Manager if:
- (a) removed as Manager by the High Court (to the extent the High Court has jurisdiction to remove the Manager) on application of the Supervisor, any Unit Holder in the Fund or the FMA;
 - (b) Unit Holders who hold at least three quarters of the units in the Fund, direct that the Manager should cease to hold office; or
 - (d) a receiver is appointed for the Manager or if an order is made or a resolution is passed for the appointment of a liquidator of the Manager.
- 2.54 The Manager may retire as the Fund's manager at any time by giving 90 days' written notice to the Supervisor of its intention to do so. Such retirement will not take effect until a new Fund manager has been appointed, and such new manager has signed a deed in such form as the Supervisor requires whereby the new manager undertakes to the Supervisor and Unit Holders to be bound by all the Manager's covenants from the date of such appointment.
- 2.55 The Supervisor has the power under the Trust Deed to appoint a suitably qualified company as a temporary Fund manager in place of a manager which has retired or been removed from office.
- 2.56 The Supervisor must exercise reasonable diligence to ascertain whether or not there has been a breach of the terms of the Trust Deed or the terms of the offer of the Fund's units. The Supervisor must also do all things it is empowered to do to cause any such breach to be remedied (unless satisfied that the breach will not materially prejudice the interests of the Unit Holders).
- 2.57 The Manager may assign the whole of its interest as Fund manager to a solvent and suitable assignee, with the Supervisor's prior written consent (such consent not to be unreasonably withheld). Prior to giving any such consent, the Supervisor can have the Manager demonstrate to the Supervisor's reasonable satisfaction that the assignee is capable of performing the Manager's obligations under the Trust Deed, and is of sound financial standing and has suitable commercial experience.

Indemnities and reimbursements

- 2.58 The Supervisor and the Manager are indemnified out of the Trust Fund:
- (a) from and against any and all liabilities, losses, expenses and costs they incur performing any of their respective duties, or exercising any of their respective powers under the Trust Deed, in relation to the Trust Fund; and
 - (b) from and against all actions, proceedings, costs, claims and demands in respect of any matter or thing relating to the Trust Fund, including all actions in relation to the offer and issue of the Fund's units.

including in each case in respect of an appointment as described in paragraph 2.45. In the event that the Manager appoints an investment manager (see paragraph 2.45), if the Manager so agrees with the investment manager they may also be indemnified out of the Fund on the same basis as the Manager.

- 2.59 The Supervisor's indemnity set out in paragraph 2.58 of these Terms and Conditions is only available where the Supervisor has properly performed its duties under sections 153(1) and 154 of the FMCA. The Manager's indemnity set out in paragraph 2.58 of these Terms and Conditions is only available where the Manager has properly performed its duties under sections 143(1) and 144 of the FMCA. An investment manager's indemnity set out in paragraph 2.58 of these Terms and Conditions is only available where the investment manager has properly performed its duties under section 144 of the FMCA.
- 2.60 The Supervisor and the Manager can be reimbursed out of the Trust Fund (and in respect of the Supervisor, to the extent not already paid or reimbursed by the Manager) for all expenses, costs and liabilities they respectively incur in or about acting as Supervisor or Manager, as long, as they have properly performed their duties as referred to in paragraph 2.59 above. The Supervisor or the Manager may, at any time, elect not to be reimbursed from the Trust Fund for any expense, cost or liability without prejudicing the right of the Supervisor or the Manager to be reimbursed for any other expense, cost or liability (whether or not of a similar nature).
- 2.61 The Supervisor and the Manager have a lien on and may use any, or any part of any, of the Fund's investments for the time being in the hands or coming into the hands of the Supervisor or the Manager for the indemnity from the Trust Fund referred to in paragraph 2.58 above, and also for the payment of all fees, charges, reimbursements and other amounts which may be charged against or deducted from the investments of the Fund under the Trust Deed.

Meetings of Unit Holders

- 2.62 The Trust Deed includes detailed provisions about when the Manager must summon a meeting of Unit Holders, and the notice requirements for the holding of meetings of Unit Holders. A meeting of Unit Holders in the Fund or a Category of the Fund has a range of powers exercisable by Extraordinary Resolution, including the following:
- (a) the power to sanction the exchange of units of the Fund for, or the conversion of units into, shares, stock, debentures, debenture stock or other obligations or securities of any company, trust, fund or scheme, or other person, formed or to be formed;
 - (b) the power to give any sanction, assent, release or waiver of any breach or default by the Manager or the Supervisor under any of the Trust Deed's provisions; and
 - (c) the power to sanction any alteration, release, modification, waiver, variation or compromise or any arrangement in respect of the Unit Holder's rights,
- as further described in the Trust Deed.

Terms and Conditions for the ANZ PIE Fund

- 2.63 An Extraordinary Resolution of the Fund's Unit Holders or the Unit Holders of a Category of the Fund passed under the Trust Deed is binding on all the Fund's Unit Holders, or all the Unit Holders of a Category of the Fund, whether or not present at the meeting at which the resolution was passed.
- 2.64 The quorum for meetings of the Fund or a Category of the Fund is Unit Holders in the Fund present in person, by proxy, by attorney or by authorised representative, holding at least 20% of the units for the time being in existence of the Fund or Category in respect of which the meeting is held. No business may be transacted at any meeting unless a quorum is present.

Winding Up

- 2.65 The Trust Deed contains detailed provisions on the winding up of the Fund. In summary, the Fund will wind up on the earliest of the following events:
- (a) the date that the Supervisor and the Manager agree to wind up the Fund. There must be no Unit Holders on that date;
 - (b) the date the Manager elects to wind up the Fund, by giving at least three months' written notice to the Unit Holders and the Supervisor;
 - (c) if the Unit Holders in the Fund pass an Extraordinary Resolution resolving to wind up the Fund; and
 - (d) the date that the Fund is wound up by law.
- 2.66 On the winding up of the Fund, the Manager must notify the Unit Holders (unless there are no Unit Holders and the Fund is wound up under the provision described at paragraph 2.65(a) of these Terms and Conditions) and must:
- (a) sell or call in the whole of the Trust Fund and convert it into cash unless the Manager proposes to distribute the Trust Fund in specie;
 - (b) pay out, discharge, or otherwise make proper provision for the Fund's liabilities (including any income tax that has not been, or cannot be, the subject of an adjustment under section HM 48 of the Income Tax Act 2007) and any contingent liabilities payable from the Trust Fund; and
 - (c) (unless there are no Unit Holders and the Fund is wound up under the provision described at paragraph 2.65(a) of these Terms and Conditions), distribute the Trust Fund, less all costs and expenses the Supervisor or Manager incur in respect of the winding up, amongst Unit Holders in proportion to the number of units they hold and, if there is more than one Category of units, the respective entitlements of Unit Holders of each Category to the Fund's income, subject to the particular rights of any Unit Holders to participate in any such distributions.

Taxation Liability

- 2.67 "**Relevant Tax Person**" means a past or present Unit Holder and that Unit Holder's personal representatives or successor.
- 2.68 "**Taxation Amount**" means in relation to a Relevant Tax Person:
- (a) any tax payable by or on account of that person or in respect of that person's units, including the Fund's tax liability to the extent it is attributable to that person, to the extent that such tax has not already been the subject of an adjustment in accordance with section HM 48 of the Income Tax Act 2007 (whether the payment of such tax is required by law, or at the election of the Fund); and
 - (b) any withholding tax or similar amounts required to be withheld or deducted by the Manager or the Supervisor in respect of a Relevant Tax Person, for or on account of tax.
- 2.69 The Supervisor or the Manager may deduct or require to be deducted from any amount otherwise payable to or to be applied in respect of a Relevant Tax Person, an amount equal to the Taxation Amount of that Relevant Tax Person, where such amount is payable or anticipated to become payable by the Supervisor or the Manager or from the Trust Fund. Such amounts will be applied to:
- (a) pay the Taxation Amount in respect of the Relevant Tax Person; or
 - (b) reimburse the Supervisor or the Manager for any corresponding amount paid from their own funds.
- 2.70 In addition, each Relevant Tax Person agrees to indemnify the Supervisor and the Manager in respect of any Taxation Amount paid or payable by the Manager or the Supervisor in respect of the Relevant Tax Person.

Amending the Trust Deed

- 2.71 The Supervisor and the Manager may amend the Trust Deed if:
- (a) in the Supervisor's opinion, the amendment is made to correct a manifest error or is of a formal or technical nature;
 - (b) in the Supervisor's opinion, the amendment is necessary or desirable for the more convenient, economical or advantageous working, management or administration of the Fund or for safeguarding or enhancing the interests of the Fund or a Category (without materially prejudicing the Fund as a whole);
 - (c) the Supervisor doesn't consider the amendment to be or be likely to become materially prejudicial to the interests of Unit Holders generally;
 - (d) the amendment materially affects only the Unit Holders of the Fund or a Category of the Fund and the Unit Holders of the Fund or Category have authorised the amendment by an Extraordinary Resolution;
 - (e) the amendment is authorised by separate Extraordinary Resolutions of the Fund's Unit Holders and any other unit trust established under the Trust Deed;

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- (f) in the Supervisor's opinion, it is required by, or in consequence of, or is consistent with, an amendment to any applicable law and does not materially adversely affect the interests of Unit Holders;
- (g) the amendment is recorded in a supplemental deed for another unit trust established under the Trust Deed and only affects that unit trust, or units or Unit Holders in that unit trust;
- (h) the amendment is necessary to ensure that the Fund and any other unit trust established under the Trust Deed is, continues to be, or may elect at any time to be (or cease to be), a PIE;
- (i) the amendment is necessary for the Fund and any other unit trust established under the Trust Deed to comply with any obligation or requirement in the Income Tax Act 2007, the Tax Administration Act 1994 or any other statute or regulation (or any administrative requirement of the Inland Revenue or any other revenue authority) relating to a PIE; or
- (j) the amendment is necessary to enable the Fund and any other unit trust established under the Trust Deed to take all or any actions and make all or any determinations, decision or elections relevant to the taxation treatment or taxation status of the Fund or that other unit trust (whether as a PIE or otherwise).

Powers as a PIE

- 2.72 The Manager has a full range of powers to operate the Fund as a PIE for tax purposes, including the power to adjust unit holdings.

Investment objectives and policy

- 2.73 The objective of the Fund is to provide Unit Holders with a pre-tax rate of return similar to the rate of return on a call deposit or a term deposit with ANZ. To achieve this, the Fund will only invest in New Zealand dollar interest-bearing deposits with ANZ. The interest rate payable on the Fund's deposits with ANZ, in which the Fund is exclusively invested, will be set by ANZ from time to time.
- 2.74 The rates of return offered on the units in the Fund may change at any time without notice. You can obtain information about the current rates of return available on units offered in the Fund through your local ANZ branch, the ANZ Contact Centre, or online at www.anz.co.nz. If the Manager intends to alter the Fund's investment policies and the effect of such alteration will be, in the Supervisor's reasonable opinion, to change the fundamental character of the Fund, the Manager will notify the Supervisor, and must give at least 15 business days' prior notice of that proposed alteration to all Unit Holders.

Limited investment policy

- 2.75 The wider powers of investment under any law relating to trusts, and any provisions of law which impose obligations on the Supervisor in respect of the diversification of investments, do not apply to the Fund. To the extent that any provisions in the Trust Deed expressly or impliedly impose any obligation on the Supervisor in respect of such investments, the Supervisor is not, and will not be required to exercise any care, diligence and skill that a prudent person might otherwise exercise in monitoring the performance of the authorised investments.

Distribution Policy

- 2.76 The income of the Fund will be distributed proportionately to Unit Holders of units in each Category according to number of units held, the length of time those units have been held for and the rate of return of each Category, subject to and in accordance with the Trust Deed and this distribution policy.
- 2.77 Distributions will be made to relevant Unit Holders in respect of each unit in a Category on each Distribution Date. A distribution will also be made, in accordance with paragraph 2.80, to:
- (a) a Unit Holder who requests a withdrawal of all (but not part only) of their units in a Call Option investment on the next Distribution Date following the date of the withdrawal request (or such earlier date elected by the Manager); and
 - (b) a Unit Holder who requests a withdrawal of all (but not part only) of their units in a Term Option Category that have the same Scheduled Withdrawal Date, on a day that is the Early Withdrawal Date.
- 2.78 For the purposes of paragraph 2.79 below, "**Distribution Period**" means the period from (and including) the commencement date of the Fund to (but excluding) the first Distribution Date and thereafter the period from (and including) a Distribution Date to (but excluding) the next Distribution Date.
- 2.79 On each Distribution Date, the Manager will, in relation to each Category to which that Distribution relates and in accordance with the Trust Deed:
- (a) determine the net income of the Fund that has accrued during the Distribution Period ending on the Distribution Date which is available to be distributed to the Unit Holders of the relevant Category in accordance with this distribution policy ("**Available Income**");
 - (b) allocate the Available Income to each Unit Holder of the Category proportionately according to the amount of Available Income accrued on each day, and the number of units of the Category held by that Unit Holder on each day, during the Distribution Period less any Early Withdrawal Rate Reduction (if any);

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- (c) distribute to each relevant Unit Holder an amount equal to the Available Income allocated to that Unit Holder less any Early Withdrawal Rate Reduction (if any) by way of the issue of additional units in the Fund (the number of such additional units to be calculated by dividing the Available Income allocated to that Unit Holder by the issue price) and not by the payment of money;
- (d) determine for each relevant Unit Holder the amount of any adjustment to be made pursuant to section HM 48 of the Income Tax Act 2007 to reflect tax paid or payable by the Fund on income attributed to that Unit Holder at that Unit Holder's PIR under the PIE tax regime ("**Adjustment Amount**"); and
- (e) cancel units held by each relevant Unit Holder in the Category for no consideration in a number equal to the Adjustment Amount for that Unit Holder.

2.80 If a Unit Holder requests the withdrawal of:

- (a) all (but not part only) of their units in a Category of the Call Option on a date that is not a Distribution Date, then on the next Distribution Date following the date of the withdrawal request (or such earlier date elected by the Manager); or
- (b) all (but not part only) of their units in a Category of the Term Option that have the same Scheduled Withdrawal Date on a date that is not a Distribution Date, then on the Early Withdrawal Date,

the Manager must:

- (c) determine the net income of the Fund that has accrued during the period from (and including) the previous Distribution Date to (but excluding) the withdrawal date which is available to be distributed to Unit Holders in that Category in accordance with this distribution policy ("**Available Income**");
- (d) allocate the Available Income to the Unit Holder proportionately according to the amount of Available Income accrued on each day, and the number of units of that Category (and, in respect of the Term Option, which have the same Scheduled Withdrawal Date), held by the Unit Holder on each day, during the period specified in paragraph 2.80(c) less any adjustment for the Early Withdrawal Rate Reduction applied as provided in paragraph 1.41 (if applicable);
- (e) distribute to the Unit Holder an amount equal to the Available Income allocated to the Unit Holder (as adjusted by the by the Early Withdrawal Rate Reduction under paragraph 2.80(d) (if applicable)) by way of the issue of additional units in the Category (the number of such additional units to be calculated by dividing the Available Income allocated to that Unit Holder by the issue price) and not by the payment of money;
- (f) determine for the Unit Holder the amount of any adjustment to be made pursuant to section HM 48 of the Income Tax Act 2007 to reflect tax paid or payable by the Fund (including tax payable at the option of the Fund) on income attributed to the Unit Holder at the Unit Holder's PIR under the PIE tax regime ("**Adjustment Amount**"); and

- (g) cancel units held by that Unit Holder in the Category for no consideration in a number equal to the Adjustment Amount for that Unit Holder.

As described in paragraph 2.77 above, the Manager will elect to make a distribution in accordance with the process described in this paragraph 2.80 to a Unit Holder on the date on which the Unit Holder withdraws all their units in the Fund if the Unit Holder requests the Manager to do so.

- 2.81 If a Distribution Date falls on a day that is not a business day, the Manager may make any payments or distributions scheduled for that Distribution Date on the business day immediately preceding or immediately following that Distribution Date.
- 2.82 All units issued pursuant to paragraph 2.79(c) or 2.80(e) of these Terms and Conditions will, when issued, rank equally in all respects with all other units in the Fund. For the units in a Term Option Category, unless withdrawn in accordance with paragraph 2.14(a), all such units will have the same Scheduled Withdrawal Date as the units in respect of which the distribution is made.
- 2.83 Unit Holders will not be entitled to share in any income of the Fund which has accrued either before they invest in the Fund or after they withdraw from the Fund.
- 2.84 The Manager is able to amend the distribution policy of the Fund in accordance with the Trust Deed.

Unit Holder liability

- 2.85 Unit Holders will not incur liability of any nature whatsoever (including contingent liabilities) in relation to the Fund, other than in relation to:
 - (a) the payment of the issue price for units subscribed for in the Fund;
 - (b) the indemnities described in paragraph 2.70 of these Terms and Conditions;
 - (c) any tax liability resulting from providing a PIR that is lower than their correct PIR, or providing an incorrect IRD number, to the Manager; and
 - (d) any fees described in these Terms and Conditions.

Unit Holders are not personally liable in respect of any debt or liability of the Fund in which they invest, even in the event of the insolvency of the Fund.

Tax information for Unit Holders

- 2.86 The Manager will provide each Unit Holder with a statement containing details of income attributed to the Unit Holder and tax paid by the Fund in respect of that income shortly after:
 - (a) the end of each tax year (31 March); and
 - (b) the winding up of the Fund.

Terms and Conditions for the ANZ PIE Fund

A glossary of the terms we use

1. In these Terms and Conditions the following definitions apply:

"ANZ" means ANZ Bank New Zealand Limited. ANZ Bank New Zealand Limited is the administration manager and the promoter of the Fund.

"ANZ Customer" means any person(s) who has an active authority to operate accounts with ANZ and who has been identified to the satisfaction of ANZ.

"Asset" means, in relation to the Fund, all the real or personal property, rights and assets of the Fund.

"Attributed PIE Income (or loss)" means the amount of income (or loss) attributed to a Unit Holder by PIEs (including the ANZ PIE Fund) in an income year.

"Available Income" has the meaning given to it in paragraphs 2.79(a) or 2.80(c), as the case may be.

"breach" means someone breaking or not complying with a term or condition in an agreement they have entered into.

"business day" means any days except Saturdays, Sundays or New Zealand public holidays.

"Call Option" means an Investment Option in the Fund with no specified Term, no Scheduled Withdrawal Date and a rate of return that may change from time to time. Unit Holders can withdraw their money at any time.

"Category" means units in an Investment Option that have the same key features or characteristics. Units in the same category can be issued at different times. Information about the categories we currently offer in each Investment Option is available at any ANZ branch or at anz.co.nz.

"cleared funds" means money in a Unit Holder's bank account, available for the Unit Holder to use, and which won't be reversed or dishonoured, for any reason.

"Current Value" has the meaning given to it in the Trust Deed, and is described in paragraph 2.26.

"debenture" means a type of debt security that is not secured by physical assets or collateral. Debentures are backed only by the general creditworthiness and reputation of the issuer.

"Deed of Arrangements" has the meaning given to it in paragraph 1.1.

"distribution" means an investor's share of the income of the Fund, payable by additional units in that Investment Option, or alternatively, if requested, in cash to investors in the Term Option, less any adjustments for tax, determined in accordance with the distribution policy for the Fund (as set out in these Terms and Conditions, as amended from time to time in accordance with the Trust Deed).

"Distribution Date" means in relation to each Unit subject to these Terms and Conditions:

(a) either:

- (i) the days on which Distributions are to be paid to the relevant Unit Holder in accordance with the intervals agreed with the Manager when the Unit is issued; or
- (ii) if no such Distribution payment intervals are or were agreed with the Manager, each 31 March, 30 June, 30 September and 31 December during the period in which that Unit remains on issue; and

if the Unit has a Scheduled Withdrawal Date, the Scheduled Withdrawal Date for that Unit.

"Distribution Period" has the meaning given to it in the Trust Deed, and is described in paragraph 2.78.

"Early Withdrawal Date" means the date fixed by the Manager at its discretion for the payment of the Withdrawal Amount in respect of a unit withdrawn prior to its Scheduled Withdrawal Date pursuant to the Trust Deed.

"Early Withdrawal Rate Reduction" means, in relation to a unit that has a Scheduled Withdrawal Date and that is withdrawn prior to its Scheduled Withdrawal Date, the reduction in rate of return that will be applied. The applicable early withdrawal rate reduction can be found on anz.co.nz.

"Extraordinary Resolution" means a resolution of no less than 75% of the Unit Holders in the Fund or a Category in the Fund, entitled to vote and voting at a meeting of such Unit Holders.

"FMA" means the Financial Markets Authority, the independent Crown entity responsible for regulating New Zealand's financial markets.

"FMCA" means the Financial Markets Conduct Act 2013

"Fund" means the ANZ PIE Fund.

"income tax" means tax payable to the government on money Unit Holders earn and profits Unit Holders make.

"insolvency" is what happens when a person or entity can't pay debts as they fall due.

"Investor Class" has the meaning given to that term in section YA 1 of the Income Tax Act 2007.

"Investment Option" The Fund has two investment options – the Call Option and the Term Option. Unit Holders can hold units within a Category of these two investment options.

"Issue Price" means, in relation to a unit, the price at which it is issued, determined in accordance with the Trust Deed.

"issuer" has the meaning given to that term in section 11 of the FMCA. A copy of the FMCA is available from legislation.govt.nz.

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"Manager" means the company that administers the Fund, and selects and manages its investments. ANZ Investment Services (New Zealand) Limited is the Manager of the Fund. ANZ Investment Services (New Zealand) Limited is a wholly owned subsidiary of ANZ.

"Manager's Withdrawal Notice" has the meaning given to it in paragraphs 2.28, 2.30, 2.31, or 2.32 as the case may be.

"market" in financial terms, is a broad term describing all possible buyers and sellers of all relevant financial investments or investment products.

"Net Asset Value" has the meaning given to it in the Trust Deed, and is described in paragraph 2.26.

"Nominated Person" has the meaning given to it in paragraph 2.4.

"PIR" means prescribed investor rate and is the rate at which a Unit Holder's Attributed PIE Income should be taxed in the Fund. A PIR can be 0%, 10.5%, 17.5% or 28%. A Unit Holder must notify their PIR to the Manager.

"Portfolio Investment Entity" or **"PIE"** means a company, superannuation fund, unit trust, or group investment fund registered with Inland Revenue to allow tax on investment income at the PIR of its investors, rather than at its own tax rate. PIEs also have different rules about what is, and isn't, taxable.

"Proxy for PIE Investors" means an entity that holds units for an investor and notifies the Fund that it holds the units as proxy.

"Register" means the separate register that the Manager must keep and maintain, or cause to be kept and maintained, of Unit Holders in respect of the Fund.

"rate of return" means the rate at which income is paid on a Unit Holder's investment.

"return", as the context permits, means the total amount that a Unit Holder receives on its investment in the Fund, which includes the capital a Unit Holder invested, and any income earned on that investment, less tax payable. The returns of each Category of units may be different.

"risk" means the chance that an outcome will be different than expected, such as, the change in value or income received from an investment.

"Scheduled Withdrawal Date" means, in relation to a unit trust, the last day of the Term.

"Supervisor" is currently The New Zealand Guardian Trust Company Limited. The Supervisor is independent of the Manager and supervises how the Manager runs the Fund for the benefit of Unit Holders.

"Switching Notice" means a notice in the form prescribed by the Manager from time to time for the withdrawal of units by a Unit Holder from one Category or Investment Option, and the issue of new units to the Unit Holder in some other Category or Categories or Investment Option or Investment Options.

"Term" means the duration of an investment in the Term Option.

"Term Option" means an Investment Option in the Fund with a fixed Term, a Scheduled Withdrawal Date and a fixed rate of return. Unit holders may withdraw during the term with approval from the Manager and an Early Withdrawal Rate Reduction may apply.

"Trust Deed" means an agreement between the Supervisor and the Manager. The Trust Deed records each party's rights and responsibilities, and requirements for how the Fund will be managed. By joining the Fund Unit Holders agree to be bound by the terms of the Trust Deed and have the rights set out within it. The Trust Deed for the Fund is described further in part 2 of these Terms and Conditions.

"Trust Fund" is described in paragraph 2.1, and is defined in more detail in the Trust Deed.

"unit" means units in any and each of the Investment Options in the Fund. Unit Holders receive units each time money is paid into their investment. The price of each unit is fixed at \$1.

"Unit Holders" means the persons from time to time entered in the Register as the holders of units in the Fund.

"Valuation Day" has the meaning given to it in the Trust Deed, and is described in paragraph 2.26.

"Withdrawal Amount" means the amount determined under the Trust Deed, described in paragraph 2.25.

"Withdrawal Notice" means a notice in such form (and delivered to the Manager in such manner) as may be prescribed by or acceptable to the Manager from time to time that a Unit Holder provides to the Manager to effect a withdrawal of units from a Trust

"\$" means New Zealand dollars.

2. In addition, words and expressions which are defined in the Trust Deed have the same meanings in these Terms and Conditions, unless the context requires otherwise.