

Cheque Terms and Conditions

Effective 14 February 2011

Important

- Southland Building Society operates under the brands “SBS Bank” and “HBS Bank”. The name of the registered bank is Southland Building Society (referred to as “the Bank”).
 - Please read carefully and then keep this document in a safe place.
 - These Terms and Conditions (as amended or replaced from time to time) apply in addition to the Bank’s General Terms and Conditions and any additional terms and conditions applying to your account(s). Copies of the specific terms and conditions for your account(s) may be obtained from our web site, 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 to the extent of that inconsistency.
 - By using the Bank’s cheques you agree to comply with these Terms and Conditions.
 - We are happy to explain anything that is not clear to you.
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Your Chequebook and its Use

- You may request a chequebook by calling our contact centre, by using telephone banking freephone 0800 862 223 or by contacting one of our Branches.
- You should receive your chequebook by mail within 7 working days of your request at the address noted on our records.
- Government cheque duty is payable on your cheques and will be deducted from your account when we send a new cheque book to you.
- You must keep your chequebook in your possession or in a safe place and separate from any form of identification at all times.
- You must notify the Bank immediately by telephoning the contact centre on freephone 0800 502 442 or your Branch if you know or suspect your chequebook or any cheque form has been lost or stolen.
- You may also need to advise the Police and you may be asked to complete a written report of the loss or theft.
- Never pre-sign blank cheque forms or give blank cheque forms, unsigned cheque forms or the re-order form from your chequebook to anyone else.

Issuing Cheques

- When you are writing a cheque ensure that there are no blank spaces before or after words and figures to help prevent someone else fraudulently changing your cheque.
- Do not write your cheque in pencil.
- If you need to alter your cheque make sure you and anyone else who must co-sign the cheque, initial the alteration. If you wish to increase the amount payable on a cheque your full signature and that of any co-signatory must be placed next to the alteration.
- To help protect against fraud draw two parallel lines across your cheque and write the words “Not Transferable” between the lines. You should also cross out the words “or bearer”. This means that your cheque can only be deposited into the account of the party you made the cheque payable to. “Not Transferable” cheques cannot be cashed.

Stopping Cheques

- The Bank will make all reasonable efforts to stop payment on a cheque issued on your account, if you provide the Bank with a written request to do so.
- The Bank will not be liable however if payment is made before your request to stop payment is actioned.
- Charges may apply to the stopping of a cheque.

Post Dated or Out of Date (Stale) Cheques

- You may not write post-dated cheques and the Bank will not be liable if payment is made on a cheque presented before its date.
- Cheques presented before the date of the cheque may be dishonoured.
- Cheques presented more than six months after the date of the cheque are considered stale and cannot be cashed or deposited.

Dishonoured Cheques

- The Bank may refuse to pay out on a cheque at its sole discretion, including if:
 - the cheque has not been correctly completed;
 - the cheque has not been signed in terms of the Account Mandate;
 - the cheque is dated more than six months before it is presented;
 - the Bank has received notice in writing of your death, dissolution, Bankruptcy or mental incapacity;
 - the Bank believes there is (or will be) not enough money in your account; or
 - the Bank is required by law to do so.
- Charges may apply to the dishonouring of a cheque.
- The Bank may choose to honour a cheque even if it puts your account into unauthorised overdraft.

Clearing Cheques

- It usually takes up to three business days to clear a cheque, but it can sometimes take longer.
- A cheque has to be cleared before you can have access to the proceeds of a cheque. A cheque will be cleared when the payer’s bank has credited the amount of the cheque to your account.

Fees/Charges

- You agree to pay all fees and other charges relating to the use of the Bank’s cheques including Government cheque duty.
- The Bank may deduct such fees and other charges from your account(s) in accordance with the “Deductions” section of the Bank’s General Terms and Conditions, contained within the Account Mandate.
- Fees and charges are subject to change.

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Interest

- You agree to pay all interest on overdrawn accounts at the rate applicable from time to time.

Cancellation of Your Cheque Facility

- Your Cheque Facility may be withdrawn and all unused cheques recalled, if the Bank believes there is (or will be) not enough money to cover the cheques you have issued.
- If your Cheque Facility is withdrawn, you must return all your unused cheques and any "Card" relating to that account immediately.

Changes to these Terms and Conditions

- We may change these Terms and Conditions from time to time.
- We will notify you by notice in our newsletter or statement or by an individual notice at least 30 days before the effective date of change if it will:
 - impose or increase charges for the use of cheques; or
 - increase your liability for losses.
- If the change reduces your obligations to the Bank we will notify you when we next correspond with you, either by a notice in our newsletter or in your statement of account.
- We will notify other changes which affect you no later than the day the change takes effect by advertisement in national or local media, notice in our newsletter or your statement of account, or individual notice sent to you.

- We are not obliged to give you advance notice if an immediate change to these Terms and Conditions is deemed necessary for the security of cheques or individual accounts.
- You authorise us to give information about you and any of your account(s) to others in order to execute your instructions to us via cheques. However, you may instruct us not to share your information by giving us written instructions to that effect.

Definitions

- **"Account Mandate"** means the form completed by you setting out how your cheque account will be operated.
- **"Bank", "we" or "us"** means Southland Building Society trading as SBS Bank and HBS Bank – a registered bank with a mutual building society structure.
- **"Bankruptcy"** includes the loss of capacity, insolvency, receivership, liquidation, removal from the register, winding up, statutory management or any similar occurrence, and petition for bankruptcy includes any step taken for or towards these.
- **"Branch"** means one of the Bank's branches in New Zealand and **"Branches"** has a corresponding meaning.
- **"Cheque Facility"** means your cheque account with the Bank.
- **"General Terms and Conditions"** means the Bank's general terms and conditions.
- **"Terms and Conditions"** means these terms and conditions.
- **"you" or "your"** means the account holder, including (as may be applicable) any holder of a joint account, any company, firm, partnership, trust, estate, society (whether incorporated or unincorporated), lodge, club or user of Internet Banking