

Event Disclosure: Bonus Bonds Scheme

31 October 2020

This event disclosure relates to Bonus Bonds held by investors (**unit holders**) in the Bonus Bonds Scheme (**Scheme**).

Description of the event

ANZ Investment Services (New Zealand) Limited (**ANZIS**), the Manager of the Scheme, has certified in writing to Trustees Executors Limited, the Supervisor of the Scheme, for the purposes of clause 28.01(a) of the Governing Document that it is, in its opinion, in the interests of unit holders that the Scheme should be wound-up with effect from 9.00pm on 31 October 2020.

Implications of the event

The effect is that the Supervisor and the Manager will now begin the process of winding-up the Scheme, in accordance with the Governing Document. The process of winding-up the Scheme involves the following steps:

- Realising as cash all of the Scheme's investments (this primarily involves term deposits that the Scheme invests in maturing or otherwise being realised as cash),
- Paying all liabilities of the Scheme, and
- Distributing the remaining cash held by the Scheme (after taking into account costs and expenses incurred in the winding-up process) to unit holders who remain in the Scheme at the commencement of the winding-up, in proportion to the number of Bonus Bonds they hold at that time.

As a result of the commencement of winding-up, unit holders of Bonus Bonds are no longer able to redeem their Bonus Bonds. Instead unit holders will receive one or more distributions from the Scheme during the winding-up process.

Any valid redemption requests received, but not yet processed, before 9.00pm on 31 October 2020, will be treated as liabilities of the Scheme and the Manager will pay these out at \$1 per Bonus Bond. The Manager will aim to do this within 28 working days from the date on which the correctly completed redemption request was received (so long as this date is prior to the commencement of the winding-up).

As a result of the commencement of winding-up, there will be no more prize draws held for the Scheme.

The Manager is confident that unit holders remaining in the Scheme at the commencement of the winding up will receive a share of reserves. While the process to confirm the final amount that each unit holder is entitled to is complicated and may take twelve months or more, the Manager expects to distribute a large portion of what each unit holder is entitled to sooner than this. If this happens unit holders will receive their total distributions in more than one payment.

No immediate action is required from unit holders

As the winding-up process will take a number of months, no immediate action is required from unit holders. In due course, the Manager will contact unit holders and/or advertise steps that unit holders should take to make sure that their correct bank account and address details are held to enable distributions to be paid.

Tax treatment of payments received on winding-up

If the total distributions received by a unit holder from the Scheme are equal to or less than \$1 for each Bonus Bond held, the unit holder shouldn't have to pay any income tax on those distributions.

If the total distributions a unit holder is entitled to from the winding-up process are more than \$1 for each Bonus Bond held then the part of the amount of the distribution which exceeds \$1 for each Bonus Bond held may be taxable.

The Scheme's practice has been to retain and pay tax on its investment income for each tax year. Prizes paid to investors have been sourced from the Scheme's accumulated income (i.e. investment

income from previous years in respect of which tax has already been paid). However, a portion of the total distributions may be taxable to the investors and tax may need to be withheld on that part of any distribution.

Further information

Further information, including the latest financial statements for the Scheme, is available on the Scheme register at disclose-register.companiesoffice.govt.nz (Click on 'Search Schemes' and search Bonus Bonds Scheme –Scheme Number SCH11094). The Scheme register also contains other relevant information about the Scheme.

Investments in the Scheme are not deposits in ANZ Bank New Zealand Limited, Australia and New Zealand Banking Group Limited, or their subsidiaries (together the 'ANZ Group'), nor are they liabilities of ANZ Group. ANZ Group does not stand behind or guarantee the Scheme. Investments are subject to investment risk, including possible delays in repayment, and loss of income and principal invested. ANZ Group will not be liable to you for the capital value or performance of your investment.