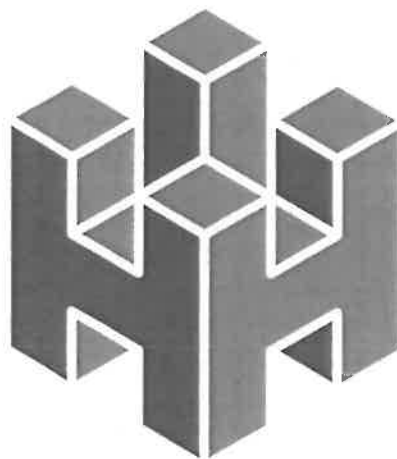


Product Disclosure Statement

This is a Product Disclosure Statement (PDS) dated 6 December 2016 which replaces the PDS dated 24 November 2016 and is issued by Heretaunga Building Society (HBS) in respect of call and term redeemable shares which are unsecured debt securities for the purposes of the Financial Markets Conduct Act 2013 and the Financial Markets Conduct Regulations 2014.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/disclose. HBS has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.



Heretaunga Building Society

Section 1 - KEY INFORMATION SUMMARY

WHAT IS THIS?

This is an offer of call and term redeemable shares (debt securities) by HBS. You give HBS money, and in return HBS promises to pay you interest and repay the money at the end of the term.

If HBS runs into financial trouble, you might lose some or all of the money you invested.

ABOUT HBS

HBS was established in 1933 and since that time has provided both saving services and loan services, including residential, commercial and rural mortgage finance, to its members and predominantly to those in the Hawkes Bay community. HBS's principal lending activity is the provision of finance for residential property secured by first ranking mortgages over freehold property.

HBS is licensed by the Reserve Bank of New Zealand as a non-bank deposit taker.

KEY TERMS OF THE OFFER

Call redeemable shares

Debt security description	Unsecured debt security.
Term	There is no fixed term as the call redeemable shares are repayable at call.
Interest rate	The interest rate for call investments is available on HBS website and is subject to change without notice. We set the interest rates on the redeemable shares on a weekly basis after considering current market conditions. The current policy is to set interest rates by reference to the deposit interest rates of the seven largest New Zealand banks.
Interest payment dates	In arrears on 30 September and 31 March in each year (or if those dates are not business days, on the next following business day) of the call redeemable shares, or on closure of the call redeemable shares.
Offer opening and closing date	The offer opens on 24 November 2016. This is a continuous offer, so that there is no closing date.
Fees or charges	Investors pay no fees or charges of any sort in relation to making this investment.
HBS cannot defer or cancel interest & principal	HBS has no right to extend the time for payment of principal or interest, nor to reduce or cancel payments of principal or interest.

Term redeemable shares

Debt security description	Unsecured debt security.
Term	Term redeemable shares are issued for terms of three months, six months and one year.
Interest rates	The interest rates on the term shares are set in the same way as described in respect of the call shares, under "interest rates" in the "Call redeemable shares" table above. Once set, the interest rate for each term investment is fixed until maturity.
Interest payment dates	Interest payable in respect of a term six months or less will be paid on maturity. For the one year term interest is payable six monthly in arrears. Interest may be compounded or credited to a nominated bank account.
Offer opening and closing date	The offer opens on 24 November 2016. This is a continuous offer, so that there is no closing date.
Fees or charges	Investors pay no fees or charges of any sort in relation to making this investment.
HBS cannot defer or cancel interest & principal	HBS has no right to extend the time for payment of principal or interest, nor to reduce or cancel payments of principal or interest.

NO GUARANTEE

The securities are not guaranteed by HBS or any other person. HBS is solely responsible for repayment.

HOW CAN YOU GET YOUR MONEY OUT EARLY

HBS's fixed rates of interest for a particular investment amount and term are based on the expectation the funds will be invested for the full term. While it is not expected that funds will be drawn before maturity, HBS accepts that clients' circumstances change and so will consider, but is not obliged to accept, requests for early repayment of an investment.

If HBS agrees to make an early repayment of an investment, the interest rate payable in respect of the investment will be at HBS's discretion but will be amended to reflect the reduced term of the investment. Any tax that has already been paid on the interest earned cannot be refunded and will have to be claimed from the IRD directly. HBS does not charge break fees when we agree to repay term redeemable shares prior to maturity.

These redeemable shares cannot be sold to anyone else.

HOW HBS'S REDEEMABLE SHARES RANK FOR REPAYMENT

The securities being offered are unsecured redeemable shares, which on a liquidation rank equally with HBS's other redeemable shares and behind any secured creditors, any creditors given priority by law, and all unsecured creditors.

See also under the headings “Ranking of call redeemable shares on liquidation” in the tables at the beginning of Section 2 below, and under the heading “Ranking and security” at the beginning of Section 4 below.

NO SECURITY

The debt securities are unsecured.

WHERE YOU CAN FIND HERETAUNGA BUILDING SOCIETY’S FINANCIAL INFORMATION

The financial position and performance of HBS are essential to an assessment of HBS’s ability to meet its obligations under the redeemable shares. You should also read the financial information section on page 10.

KEY RISKS AFFECTING THIS INVESTMENT

Investments in debt securities have risks. A key risk is that HBS does not meet its commitments to repay you or pay you interest (credit risk). Section 6 of the PDS (risks of investing) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rate risk for these redeemable shares should also reflect the degree of credit risk. In general, higher returns are demanded from investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the offer is fair.

HBS considers that the most significant risk factors are:

Credit risk

If a number of borrowers defaulted on their loan repayments around the same time, as a result HBS may then have insufficient funds to repay its redeemable shareholders.

Interest rate margin risk

HBS’s income is from the difference between what we pay to depositors and what we earn from borrowers and investments. In the event of a drop in interest rates, the interest rate we receive on surplus funds we have invested with NZ registered banks may be less than the amount we pay under the call and term redeemable shares, and thus could have a significant impact on the income we receive.

This summary does not cover all the risks of investing in redeemable shares. You should also read Section 6 - Risks of Investing on page 12.

NO CREDIT RATING

HBS’s creditworthiness has not been assessed by an approved rating agency. This means that HBS has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

HBS is exempt from the requirement to have its financial strength assessed by an approved rating agency. This is because HBS operates under the exemption contained in the Deposit Takers (Credit Ratings Minimum Threshold) Exemption Notice 2016, which applies because HBS’s liabilities are less than \$20m making it unduly onerous and burdensome for HBS to comply with the requirement to have a credit rating. The exemption is conditional on HBS providing to the Reserve Bank prior to March in each year, a statement by the directors that HBS meets the requirements of the exemption and that HBS will be operating on the basis of the exemption for that forthcoming year. Figures supporting the directors’ statement must be attached to this statement. The exemption is currently due to expire on 29 February 2020.

As at the date of this Product Disclosure Statement, HBS complies with the requirements of the Deposit Takers (Credit Ratings Minimum Threshold) Exemption Notice 2016.

**PRODUCT DISCLOSURE STATEMENT
Table of Contents**

	Page
Section 1 - Key information summary	2
Section 2 - Terms of the offer	6
Section 3 - HBS and what it does	7
Section 4 - Key features of redeemable shares	9
Section 5 - HBS's financial information	10
Section 6 - Risks of investing	12
Section 7 – Tax	14
Section 8 - Who is involved?	14
Section 9 - How to complain	14
Section 10 - Where you can find more information	15
Section 11 - How to apply	15
Section 12 - Contact information	15

Section 2 - Terms of the offer

The issue, term and conditions of redeemable shares are governed by a Trust Deed dated 20 December 1990, as restated and amended by a Deed of Amendment and Restatement dated 16 November 2016, both made between HBS and Trustees Executors Limited as trustee for the redeemable shareholders. The Trust Deed may be obtained from the Disclose Register.

Call redeemable shares

Debt security description	Unsecured debt security
Term	There is no fixed term as the call redeemable share are repayable at call.
Interest rates	<p>The interest rate for call shares is available on HBS website and is subject to change without notice.</p> <p>HBS generally sets the interest rates on the redeemable shares on a weekly basis after considering current market conditions. The current policy is to set interest rates by reference to the deposit interest rates of the seven largest New Zealand banks.</p>
Interest payments	<p>In arrears on 30 September and 31 March in each year (or if those dates are not business days, on the next following business day) of the call redeemable shares, or on closure of the call redeemable shares.</p> <p>Interest is paid by HBS crediting it to the call share account.</p>
Offer opening and closing dates	<p>The offer opens on 24 November 2016.</p> <p>This is a continuous offer, so that there is no closing date.</p>
Ranking of call redeemable shares on liquidation	<p>On a liquidation of HBS, your rights and claims under the call redeemable shares:</p> <ul style="list-style-type: none"> • Would rank after all creditors and any permitted prior security interests (at the date of this PDS there are none of the latter) • Would rank equally with all other call and term redeemable shares
Fees or charges	Investors pay no fees or charges of any sort in relation to making this investment.
HBS cannot defer or cancel interest & principal	HBS has no right to extend the time for payment of principal or interest, nor to reduce or cancel payments of principal or interest.
Minimum investment amount	\$1

Term redeemable shares

Debt security description	Unsecured debt security
---------------------------	-------------------------

Term	Term redeemable shares are issued for terms of three months, six months and one year.
Interest rates	<p>The interest rate for term shares is available on HBS website and is subject to change without notice.</p> <p>HBS generally sets the interest rates on the redeemable shares on a weekly basis after considering current market conditions. The current policy is to set interest rates by reference to the deposit interest rates of the seven largest New Zealand banks.</p> <p>Once set, the interest rate for each term investment is then fixed until maturity.</p>
Interest payments	Interest payable in respect of a term six months or less will be paid on maturity. For the one year term interest is payable six monthly in arrears. Investors may chose for interest to be compounded, or to be credited to a nominated bank account.
Offer opening and closing dates	The offer opens on 24 November 2016. This is a continuous offer, so that there is no closing date.
Ranking of call redeemable shares on liquidation	<p>On a liquidation of HBS, your rights and claims under the call redeemable shares:</p> <ul style="list-style-type: none"> • Would rank after all creditors and any permitted prior security interests (at the date of this PDS there are none of the latter) • Would rank equally with all other call and term redeemable shares
Fees or charges	Investors pay no fees or charges of any sort in relation to making this investment.
HBS cannot defer interest & principal	HBS has no right to extend time for payment of principal or interest, or reduce or cancel payments of principal or interest.
Early repayment of Term Shares	HBS may agree to make an early repayment of a term investment, but is not obliged to do so. Further details are given under "HOW CAN YOU GET YOUR MONEY OUT EARLY" on page 3 above
Minimum investment amount	\$1

Section 3 - HBS and what it does

HBS was established in 1933 and since that time has provided both saving services and loan services, including residential, commercial and rural mortgage finance, to its members and predominantly those in the Hawkes Bay community. HBS's principal lending activity and source of income is the provision of finance for

residential property secured by first ranking mortgages over freehold property, and that is expected to continue to be the case.

HBS is incorporated under The Building Societies Act 1965, and is licensed as a non bank deposit taker by the Reserve Bank of New Zealand. As such, HBS operates in the financial services industry, as also do banks and other non bank deposit takers.

HBS's Board of Directors comprises a chair and three directors, all of whom are non –executive directors. The Board meets eleven times per year and more often when required.

The Risk Management Programme sets out the roles and responsibilities of those managing and accepting the risks identified and provides what HBS's Board of Directors considers to be a reasonable level of assurance of the achievement of operating objectives and regulatory compliance requirements.

HBS operations and activities

Loan application and loan assessment policies

All loan applications are subject to careful assessment by HBS and are approved in accordance with HBS's credit approval policy whereby all loans are approved by the directors. All loans are managed and reviewed on an on-going basis. Regular reports are prepared to monitor loan repayments in order to detect delays in repayments early and recovery action is undertaken promptly where appropriate.

Loans are made within defined loan-to-value ratios. HBS maintains a maximum loan to value ratio of 80% for lending on residential-based security, 60% for lending on commercial-based security and 50% for lending on rural-based security. At 31 March 2016, HBS's average loan to value ratios across each sector was 34% for residential, 29% for commercial and 16% for rural.

Loans are also made within defined repayment to income ratios.

Security

HBS has a lending policy that requires lending to always be secured by a first-ranking mortgage security over real property. The risk of losses from the loans undertaken is primarily reduced by the nature and quality of the security taken. HBS can enforce the security by disposing of the secured assets in the event of default.

Loan portfolio

	Mar 16		Mar 15	
(A) ADVANCES ON MORTGAGE COMPRISE				
Secured Advances	14,510,864		14,051,820	
Less: Provision for Impairment	(121,000)		(121,000)	
	14,389,864		13,930,820	
(B) MORTGAGES COMPRISE				
Residential	11,531,732	80%	9,645,028	69%
Commercial	1,753,827	12%	3,120,134	22%
Rural	1,104,305	8%	1,165,658	9%
TOTAL	14,389,864	100%	13,930,820	100%
Average LVR's				
		Policy Maximum		
Residential		80%	34%	37%
Commercial		60%	29%	31%
Rural		50%	16%	16%

Calculation based on value of property at loan inception and current balance of loan.

(C) GEOGRAPHICAL CONCENTRATION

Hawkes Bay	13,193,566	92%	12,689,632	91%
Taupo	139,165	1%	154,820	1%
Wellington	643,651	4%	692,649	5%
North Island - Other	413,482	3%	393,719	3%
	<u>14,389,864</u>	<u>100%</u>	<u>13,930,820</u>	<u>100%</u>

Updated details about the HBS Loan portfolio for subsequent financial years may be found in the notes to HBS's annual financial statements, which are available either under "Documents and Forms" on HBS's website at www.heretaungabuildingsociety.co.nz, or alternatively in HBS's entries in the offer register at www.business.govt.nz/disclose.

Board of Directors and Senior Management**Directors -****William Jens Harvey (FNZIV, FPINZ, FREINZ)**

William Harvey has been a director of HBS since 2004 and Board Chairman since 2008. Mr Harvey has retired from being a registered valuer.

Jeremy Francis Gresson (LLB)

Jeremy Gresson has been a director of HBS since November 2012. Mr Gresson has over 30 years of legal experience and retired as a director of Gresson Grayson Ltd, Barristers and Solicitors 5 April 2013.

Thomas Mark Alistair Morgan

Thomas Morgan has been a director of HBS since 2008. He is a director of Morgan Builders Limited and Commercial Managers HB Limited.

Trevor Leonard Webb (BCA)

Trevor Webb has been a director of HBS since 2002. Mr Webb was a director of Brown Webb Richardson Ltd (Chartered Accountants) from 2002 until 2010 and has been a director of Trevor Webb Limited since October 2010. Mr Webb practised as a chartered accountant for 37 years before retiring in June 2010.

Senior Management-**Simon Maurice (George) Speedy (BCA, Member of NZICA since 1980)**

George Speedy has been the general manager of HBS since 1998. He is also a director of Brown Webb Richardson Limited (Chartered Accountants) ("BWR"), which are the secretaries for HBS, and is the BWR director responsible for HBS. Mr Speedy does not receive any remuneration in his role as general manager of HBS, however BWR is paid a fee for its secretarial duties.

Section 4 - Key features of Redeemable Shares**Ranking and security**

The call and term redeemable shares are unsecured.

In the event of liquidation the call and term redeemable shares would rank equally with all other call and term redeemable shares and behind any creditors given priority by law, other creditors and any permitted prior security interests (of which there are none at the date of this PDS).

Minimum capital ratio required by the 2010 Regulations	10%	10%	10%
The capital ratio is a measure of the extent to which HBS is able to absorb losses without becoming insolvent. The lower the capital ratio, the fewer financial assets HBS has to absorb unexpected losses arising out of its business activities.			
Related party exposures: Aggregate exposures to related parties calculated in accordance with the 2010 Regulations	10.57%	7.55%	7.60%
Maximum related party exposures permitted by the Trust Deed	15% of capital	15% of capital	15% of capital
Maximum related party exposures permitted by the 2010 Regulations	15% of capital	15% of capital	15% of capital
Related party exposures are financial exposures that HBS has to related parties. A related party is an entity that is related to HBS through common control or some other connection that may give the party influence over HBS (or HBS over the related party). These related parties include relatives of directors or senior management.			
Ratio of Liquid Assets calculated in accordance with the Trust Deed	34%	42%	34%
Minimum Liquidity Requirements required by the Trust Deed	15%	15%	15%
Liquidity requirements help to ensure that HBS has sufficient realisable assets on hand to pay its debts as they become due in the ordinary course of business. Failure to comply with liquidity requirements may mean that HBS is unable to repay investors on time, and may indicate other financial problems in its business.			

Updated details about the Key Ratios may be found in a document named “Key Ratios and Selected Financial Information” showing the amounts in each above category as updated quarterly and which is available either under “Documents and Forms” on the HBS website at www.heretaungabuildingsociety.co.nz, or alternatively in HBS’s entries in the offer register at www.business.govt.nz/disclose.

Selected Financial Information

	31 March 2016	31 March 2015	31 March 2014
	\$	\$	\$
Total Assets	23,668,219	23,739,902	23,075,118
Total Liabilities	19,170,205	19,381,730	18,581,460
Net Profit after Tax	143,940	(170,769)	454,582
Net Cash Flows from operating activities	(709,090)	1,804,147	(23,591)
Cash & Cash Equivalents	4,926,950	6,088,782	4,709,519
Capital	4,498,014	4,358,172	4,493,658

Updated details about the above Selected Financial Information may be found in a document named “Key Ratios and Selected Financial Information” showing the amounts in each above category as updated quarterly and which is available either under “Documents and Forms” on the HBS website at www.heretaungabuildingsociety.co.nz, or alternatively in HBS’s entries in the offer register at www.business.govt.nz/disclose.

Other Financial Covenants

The Trust Deed also requires HBS to comply with certain other financial covenants besides those which are referred to under “Key Ratios” above or elsewhere in this Product Disclosure Statement, including –

- a) HBS must not permit the total amount payable in cash over any half year as interest to exceed income actually received in cash over the same period from investments; and
- b) HBS must not Permit the aggregate of Total Secured Indebtedness and Total Unsecured Indebtedness owing to the Society, and the Total Listed Securities and the Total Unlisted Securities of the Society to exceed 15% of Total Tangible Assets

Besides the financial covenants outlined under “**Key Ratios**” above, further financial covenants are referred to under “Specific risks relating to HBS creditworthiness” in Section 6, immediately below.

Section 6 - Risks of Investing

General risks

Your investment is subject to the following general risks:

- a) The risk that HBS becomes insolvent and is unable to meet its obligations to you to pay interest and repay the principal when due under the call and term redeemable shares.
- b) If HBS experiences significant losses through entities in which HBS has invested becoming insolvent, and/or HBS experiences significant losses through its lending, HBS may not have the funds to meet its obligations to holders of redeemable shares.

The maximum risk you carry is the loss of your invested funds together with any interest owed to you because HBS is not able to repay you. However, in no circumstances will investors have any additional liability to HBS or to any person whatsoever.

Specific risks relating to HBS creditworthiness

The following is a description of the circumstances that HBS is aware of that exist or are likely to arise that significantly increase the risk that HBS may default on any of its payment obligations under the redeemable shares.

Credit Risk

Credit Risk is the risk that the other party to a financial transaction fails to meet their obligations owing to HBS. HBS is exposed to counterparty credit risk in broadly two ways, namely by the mortgage advances it makes to borrowers and by the funds HBS has invested with banks. Each is addressed below:

- **Mortgage Advances by HBS**

Loans are made within defined loan-to-value and repayment-to-income ratios. The Society maintains a maximum loan to value ratio of 80% for lending on residential-based security, 60% for lending on commercial-based security and 50% for lending on rural-based security. At 31 March 2016, the Society's average loan to value ratios across each sector was 34% for residential, 29% for commercial and 16% for rural. All loans are secured by first mortgage on real estate. In addition where the borrower is a company or trust, HBS generally requires personal guarantees.

Updated details about the HBS Loan portfolio for subsequent financial years may be found in the notes to HBS's annual financial statements, which are available either under “Documents and Forms” on HBS's website at www.heretaungabuildingsociety.co.nz, or alternatively in HBS's entries in the offer register at www.business.govt.nz/disclose

HBS manages this risk by adhering to strict credit approval policies. All loan applications are subject to careful assessment by HBS and once approved in accordance with HBS's credit approval policy, all loans are managed and reviewed on an on going basis by HBS.

HBS restricts its exposures to any one borrower or group of closely-related borrowers, and maintains capital reserves as required by its Trust Deed, and as summarised under "Key Ratios" in Section 5 above. These reserves provide a financial buffer to absorb any losses that may be incurred as a result of customer defaults.

- **Bank Deposits and Investment Securities**

HBS's policy is to place its investments only with New Zealand registered banks.

The risk of losses arising from HBS doing so is considered by HBS to be reduced by the credit ratings of its banks and by the limits which the Trust Deed places on exposures to any one party.

Exposure to the Property Market

HBS lends to borrowers based on first-ranking mortgage security over residential, commercial and rural properties situated only in New Zealand. HBS's lending is predominantly residential in nature (around 90%) and predominantly secured by properties located in the Hawkes Bay region (with a smaller number of properties located in Taupo, Wellington and other New Zealand locations).

Because HBS is heavily exposed to the New Zealand property market, any deterioration in the New Zealand property market could adversely affect the value of properties and may also impact the ability of HBS's borrowers to repay their loans. This risk is heightened where deterioration occurs in a sector of the property market in which HBS has a concentration of security (such as Hawkes Bay). HBS manages its exposure to the property market through on-going management of loans and ensuring that adequate loan to value ratios are maintained.

Liquidity and Reinvestment Risk

Liquidity risk is the risk that HBS will encounter difficulty in meeting its commitments. These commitments include repayment of redeemable shares as they mature and interest as it falls due. HBS actively manages the maturity profile of its assets and liabilities, ensuring that there are sufficient funds available to meet its financial obligations as they fall due. On a day-to-day operational basis, HBS is reliant on funding from retail investors only. HBS aims to maintain consistent reinvestment rates and new investment inflows for its retail funding to meet its financial commitments. In the ordinary course of business, HBS's re-investment rates are historically high (greater than 95%). If there was to be a significant reduction in reinvestment rates or new investment, HBS has available to it Westpac undrawn banking facilities totalling up to \$700,000.

HBS's Trust Deed prescribes that Liquid Assets are to be maintained at a minimum of 15% of Total Tangible Assets less Reserves and requires a liquidity mismatch ratio be maintained so that Total Liquid Assets are not to be less than 115% of the difference between the aggregate due to HBS and aggregate amount payable to the security holders (during the following three months and based on various calculations). HBS's liquidity levels are typically significantly higher than the prescribed minimum of 15%, and HBS monitors its liquidity on a daily basis.

In respect of its retail funding from investors in call or term shares, HBS seeks to maintain consistent reinvestment rates and new deposit inflows in order to meet its financial obligations and continue to grow its business. If there was to be any significant reduction in reinvestment rates or new investment inflows, it could (depending on the extent of the reduction) adversely affect HBS's ability to source cost-effective funding (and so adversely affect the financial performance and financial condition of HBS) and ultimately significantly increase the liquidity risk of HBS.

Updated details about HBS liquidity levels may be found in the notes to HBS's annual financial statements, which are available either under "Documents and Forms" on HBS's website at www.heretaungabuildingsociety.co.nz, or alternatively in HBS's entries in the offer register at www.business.govt.nz/disclose.

Section 7 – Tax

Under current New Zealand tax legislation, HBS must deduct resident withholding tax (RWT) from all interest paid or compounded before it is paid or credited to New Zealand-resident investors.

If an investor holds a current certificate of exemption and has given HBS a copy of that certificate, HBS will not deduct RWT.

The applicable RWT rates are available on the IRD website www.ird.co.nz. Please note that the IRD may instruct interest payers to change the RWT rate where the IRD determines a RWT rate is inconsistent with a client's marginal tax rate.

For investors who are not resident in New Zealand for tax purposes, HBS will deduct non-resident withholding tax (NRWT). The rate is currently 10% or 15%, depending on the country of residence.

There may be other tax consequences arising from acquiring or disposing of redeemable shares issued by HBS. If an investor has questions relating to the tax consequences of an investment, they should seek professional advice on those consequences.

Section 8 – Who is Involved?

	Name	Role
Issuer	Heretaunga Building Society	Issuer of the call and term redeemable shares.
Supervisor	Trustees Executors Limited	Provides independent oversight of HBS in relation to the call and term redeemable shares.
Solicitor to the issuer	Crengle, Shreves & Ratner	Legal adviser to HBS.

Section 9 - How to Complain

HBS – by contacting the Secretary, Heretaunga Building Society, 111 Avenue Road East, PO Box 146, Hastings Telephone (06) 873-8047

The Trustee – by contacting Trustees Executors Limited, Level 5, 10 Customhouse Quay, Wellington, Telephone (04) 495-0999

HBS is registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 and complaints about these investments can be made to the Insurance and Financial Services Ombudsman Scheme Inc (IFSO) (an approved dispute resolution scheme under that Act), Level 8, Shamrock House, 81 Molesworth Street, Wellington 6011, Telephone 0800 888 202.

There is no fee payable by a complainant when a claim is investigated or resolved.

The Dispute Resolution service covers all matters concerning your investment with HBS.

Section 10 - Where you can find more information

Further information regarding HBS and the call and term redeemable shares is available on the offer register at www.business.govt.nz/disclose and can be obtained from the Register of Financial Service Providers on request.

In addition further information about HBS and redeemable shares is available in the following documents;

- (a) HBS's latest Annual Report
- (b) HBS's Trust Deed
- (c) HBS's Rules

All of these documents are available free of charge from HBS, 111 Avenue Road East, P O Box 146, Hastings, phone (06) 873 8047 and are also available for public inspection at the Companies Office of the Ministry of Commerce, Auckland and at www.business.govt.nz/companies

Section 11 - How to Apply

Payment may be lodged in cash, cheque or by direct credit with Heretaunga Building Society by either:

- Mailing investments to HBS at, PO Box 146, Hastings 4156,
- By calling at our office located at 111 Avenue Road East, Hastings
- By automatically transferring into Westpac Hastings 03-0642-022885-02 with appropriate references.

Cheques for the full sum selected, crossed "non-transferable" and made payable to Heretaunga Building Society, must accompany a duly completed application form if sent by post or delivered to HBS's office.

Section 12 - Contact Information

Heretaunga Building Society
111 Avenue Road East
P O Box 146
Hastings 4156

Telephone 06 873 8047
www.heretaungabuildingsociety.co.nz