

# Meeting of Holders of Secured Investments to approve an amendment to the Trust Deed

## STAY ON TRACK

with the sale of UDC Finance and your investments

Notice of Meeting and other relevant information for Holders

25 May 2017

**This document is important and requires your immediate attention**

If you are in any doubt over the action you should take, you should immediately contact your financial adviser, solicitor, accountant and/or other professional adviser.



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# 1 Key information for Holders of UDC Secured Investments

## Carefully read this booklet

Some capitalised words and expressions used in this booklet have defined meanings. The Glossary in section 10 defines these words and expressions.

- 1.1** We, UDC Finance Limited, have sent you this booklet because you are a Holder of one or more “**Secured Investments**” we have issued, being:
- a** Term Investments;
  - b** Capital Drawdown Investments;
  - c** Call Accounts; and/or
  - d** Dealer Reserve Accounts.

## What are you being asked to do?

- 1.2** We are asking you to vote on a Special Resolution at a meeting of Holders (“**Meeting**”) to approve an amendment to the Trust Deed that governs the Secured Investments.

- 1.3** The Meeting will be held at 10.30am on Wednesday 21 June 2017 at the following locations:

### **Auckland:**

ANZ Centre,  
Ground Floor Pavillion Meeting Room,  
23 Albert Street, Auckland.

### **Wellington:**

ANZ Building,  
Ground Floor Suite,  
170 Featherston Street, Wellington.

### **Christchurch:**

ANZ Centre,  
267 High Street, Christchurch.

The Meeting will be led by the Chairperson from Auckland but you will be able to participate fully from all other locations through video conference facilities.

- 1.4** You can attend the Meeting and vote in person at any of these locations or you can appoint a representative known as a “proxy” (including the Chairperson of the Meeting) to attend and vote on your behalf using the Proxy Form enclosed with this booklet.

## Why are we proposing to amend the Trust Deed?

- 1.5** ANZ, being our sole shareholder, has entered into a conditional sale agreement to sell UDC to HNA Group, a Fortune Global 500 company focused on financial services, logistics and tourism.
- 1.6** HNA Group has nominated its wholly owned subsidiary, TIP-HNA New Zealand Holdings Limited (“**TIP-HNA**”) to acquire the UDC shares from ANZ. TIP-HNA is part of the TIP Trailer Services Group within HNA Group. The TIP Trailer Services Group provides leasing, rental, maintenance and other value added solutions to the transportation and logistics industry throughout Europe. The TIP Trailer Services Group operates one of Europe’s largest trailer leasing businesses, with over 40 years’ industry experience and more than 70 branches located across 17 countries.
- 1.7** HNA Group has indicated that it intends to fund our business differently, including accessing new sources of funding to run UDC. To do this, we need to make sure we have everything in place to repay all of the Secured Investments around the time the sale is completed.
- 1.8** The Trust Deed does not currently allow us to do that, so we are proposing an amendment to the Trust Deed which will require us to repay all of the Secured Investments if the sale to TIP-HNA completes. Our proposed amendment will also give you certainty that, if the sale to TIP-HNA completes, you will be able to decide what you wish to do with the funds you have invested with UDC.
- 1.9** In addition, the amendment will allow us to choose to repay all of the Secured Investments at any time, regardless of whether the sale has completed. For example, in the unlikely event that the sale to TIP-HNA does not complete and UDC is sold to someone else, we may also want to repay all of the Secured Investments.

# Key information for Holders of UDC Secured Investments

## What is the proposed amendment to the Trust Deed?

**1.10** The amendment to the Trust Deed will:

- a** require us to repay all Secured Investments and terminate the Trust Deed if the sale of UDC to TIP-HNA completes (the repayment may occur after the sale completes but we will tell Holders when repayment will occur before completion); and
- b** allow us to choose to repay all Secured Investments and terminate the Trust Deed at our election at any time.

We can exercise our right to repay all Secured Investments at any time, as long as we are owned by ANZ (or another member of the ANZ Group) at the time we choose to exercise that right.

- 1.11** Before your Secured Investments are repaid, we must send you an “**Election Notice**”, which will ask you to choose whether to have your Secured Investment, together with any accrued but unpaid interest (but less any applicable withholding tax and deductions):
- a** converted into an equivalent product issued by ANZ; or
  - b** repaid directly to you.

**If you do not choose either of these options in relation to a Secured Investment, that Secured Investment will be converted into an equivalent ANZ product on repayment.**

- 1.12** We expect that UDC will offer a new investment opportunity at the time we send you an Election Notice. If a new UDC investment programme is available then, you will be able to choose to have your Secured Investments repaid and the proceeds reinvested in the new debt securities offered by UDC.

## What will happen if the Special Resolution is passed?

- 1.13** If the Special Resolution is passed, the Trust Deed will be amended as described above. However, in all other respects, your Secured Investments will continue as normal until either:
- a** the sale of UDC to TIP-HNA is imminent; or
  - b** we exercise our right to repay all Secured Investments.

If one of those events occurs, we will notify you and give you the options described above. This means your Secured Investments could be repaid earlier than their scheduled maturity date (if any).

- 1.14** We, ANZ and TIP-HNA are working towards completion of the sale of UDC to TIP-HNA. While there is no certainty that the conditions to the sale of UDC will be satisfied, or when they will be satisfied, we currently expect that the sale of UDC to TIP-HNA will complete late in the second half of the 2017 calendar year. If the sale completes we intend to repay the Secured Investments around the time the UDC shares transfer to TIP-HNA (which may be after the shares are transferred).

- 1.15** As noted above the amendment to the Trust Deed will also give us the right to repay all Secured Investments and terminate the Trust Deed at any time. As at the date of this booklet, we do not have any intention to exercise this right.

**The information in this section about the proposed amendment and what will happen after the Special Resolution is passed is a summary only. Please see section 5 of this booklet for more detail about the proposed amendment, the impact of the amendment on Holders and the offer of equivalent ANZ products.**

## Success-based Participation Fee

- 1.16** We will pay you a Participation Fee if:
- a** Holders pass the Special Resolution; and
  - b** you cast a valid vote at the Meeting (either personally or by your representative).
- 1.17** The amount of the Participation Fee we will pay you will be equal to 0.10% of the nominal amount of your Secured Investments on the date on which the Special Resolution is passed. For example, if you hold Secured Investments having an aggregate nominal amount of \$25,000 and you cast a valid vote at the Meeting (either in person or by your representative), we will pay you a Participation Fee of \$25 if the Special Resolution is passed.

**1.18** We will pay you the Participation Fee within 10 working days of the Special Resolution being passed.

**Key dates**

**1.19** The key dates for the Meeting are:

<b>KEY DATES</b>	
Proxy Close Time - Latest date and time at which Proxy Forms can be received by Computershare	10:30am on Monday 19 June 2017
Meeting	10:30am on Wednesday 21 June 2017
Payment of Participation Fee to eligible Holders if the Special Resolution is passed	No more than 10 working days after the Special Resolution is passed

**What will happen if my Secured Investment matures before the Meeting?**

**1.20** If you have a Term Investment that will mature before the date of the Meeting, on maturity we will follow the instructions that applied at the time the investment was issued. This may affect your right to vote at the Meeting. Further information about this is set out in sections 6.2 and 6.3 of this booklet.

## 2 Summary of possible outcomes regarding the meeting and the sale of UDC

2.1 The table below describes four possible scenarios arising from the Meeting and sale of UDC and summarises the impact of each scenario on key matters affecting your Secured Investments.

Please note that the information in the table is a summary only. Further detail on these matters is set out in this booklet.

	Impact on the Trust Deed	Impact on the ownership of UDC
<b>1</b> Special Resolution <b>PASSES</b> and the sale of UDC to TIP-HNA <b>COMPLETES</b>	The Trust Deed will be amended. The Trust Deed will be terminated once all of the Secured Investments are repaid	UDC will be owned by TIP-HNA. ANZ will no longer own UDC
<b>2</b> Special Resolution does <b>NOT PASS</b> and the sale of UDC to TIP-HNA <b>COMPLETES</b>	The Trust Deed is not amended and continues in its current form	UDC will be owned by TIP-HNA. ANZ will no longer own UDC
<b>3</b> Special Resolution <b>PASSES</b> and the sale of UDC to TIP-HNA does <b>NOT COMPLETE</b>	The Trust Deed will be amended. If UDC exercises its right to repay the Secured Investments, the Trust Deed will be terminated once all of the Secured Investments are repaid.	ANZ continues to own UDC, although ANZ may enter into an agreement to sell UDC to another purchaser in the future
<b>4</b> Special Resolution does <b>NOT PASS</b> and the sale of UDC to TIP-HNA does <b>NOT COMPLETE</b>	The Trust Deed is not amended and continues in its current form	ANZ continues to own UDC, although ANZ may enter into an agreement to sell UDC to another purchaser in the future



Impact on the changes to the key features of your Secured Investments	Impact on your ongoing risk profile
<p>Your Secured Investments will be repaid on the Early Repayment Date specified by UDC. You can choose whether to have your Secured Investments:</p> <ul style="list-style-type: none"> <li>• converted into ANZ Equivalent Products;</li> <li>or</li> <li>• repaid directly to you</li> </ul> <p>If you do not choose either of these options your Secured Investment will be converted into an ANZ Equivalent Product</p>	<p>If you chose to have your Secured Investments repaid in cash, you can choose how you wish to reinvest or use those funds.</p> <p>If your Secured Investments are converted into ANZ Equivalent Products, then you are exposed to ANZ as the issuer of those products.</p> <p>We expect that UDC will continue to offer investment opportunities after the sale to TIP-HNA. If so, you will be able to choose to have your Secured Investments repaid and the proceeds reinvested in any new UDC debt securities</p>
<p>The key features of your Secured Investments do not change</p>	<p>While UDC is still the issuer of your Secured Investments, UDC will be owned by TIP-HNA Group so the risk profile of your investment will reflect that ownership and be different to today</p>
<p>The key features of your Secured Investments do not change unless UDC exercises its right to repay the Secured Investments. If that occurs, you can choose whether to have your Secured Investments:</p> <ul style="list-style-type: none"> <li>• converted into ANZ Equivalent Products;</li> <li>or</li> <li>• repaid directly to you.</li> </ul> <p>If you do not choose either of these options, your Secured Investment will be converted into an ANZ Equivalent Product</p>	<p>While UDC is still the issuer of your Secured Investments, your risk profile will continue to reflect ANZ's ownership of UDC. This may change if ANZ sells UDC to another purchaser. If UDC exercises its right to repay the Secured Investments and:</p> <ul style="list-style-type: none"> <li>• your Secured Investments are converted into ANZ Equivalent Products, you are exposed to ANZ as the issuer of those products;</li> <li>or</li> <li>• you chose to have your Secured Investments repaid in cash, you can choose how you wish to reinvest those funds</li> </ul>
<p>The key features of your Secured Investments do not change</p>	<p>While UDC is still the issuer of your Secured Investments, your risk profile will continue to reflect ANZ's ownership of UDC. This may change if ANZ sells UDC to another purchaser</p>



# 3 Chairman's letter

25 May 2017

Dear holders

I am writing to you ahead of a meeting of all holders of UDC Secured Investments to be held on 21 June 2017.

## Important Information

**Please read this letter and the accompanying booklet carefully. They contain important information that affects your Secured Investments. I also encourage you to vote in the upcoming meeting of holders, either by proxy using the enclosed form, or in person.**

## Background

As you know, ANZ Bank New Zealand Limited (**ANZ**) announced in January this year that it had agreed to sell UDC Finance to HNA Group (International) Company Limited (**HNA Group**) or its nominee. HNA Group is a Fortune Global 500 company focused on financial services, tourism and logistics and has nominated its wholly-owned New Zealand subsidiary, TIP-HNA New Zealand Holdings Limited (**TIP-HNA**), to purchase the shares in UDC. The sale is subject to various conditions, including regulatory approvals. However, we, ANZ and TIP-HNA are working towards completing the sale in late 2017. In the meantime, we will continue to be owned by ANZ.

## What are you being asked to do?

Holders are being asked to vote on a Special Resolution approving an amendment to the Trust Deed that governs the Secured Investments. If approved, the amendment will allow for the early repayment of all Secured Investments and the termination of the Trust Deed if ANZ sells UDC to HNA Group or if UDC otherwise elects to repay the Secured Investments early. If the Special Resolution is approved and ANZ sells UDC (or UDC elects to repay the Secured Investments early), we will notify you and you will be given the option to have your investments either:

- converted into ANZ products which ANZ considers to have materially the same terms; or
- repaid, with the proceeds either:
  - a repaid directly to you; or
  - b reinvested in a new UDC debenture (if available)

If you do not choose either conversion or repayment, your investments will be converted into ANZ products as described above.

The option to have your Secured Investments converted into ANZ products allows you to continue your investment to maturity on the same material terms that you agreed with UDC. UDC is pleased to have ANZ's support to be able to offer holders this option.

More information on the amendment to the Trust Deed and the effect of the amendment on holders is set out in sections 1, 2 and 5 of this booklet. Information on what will happen if the amendment is not approved is set out in sections 6.15 to 6.17 of this booklet.

## The UDC Board supports the proposed amendment

The Board of UDC is pleased to support the proposed amendment to the Trust Deed to be considered at the meeting.

Thank you for investing with UDC, and supporting the growth and success of thousands of New Zealand businesses.

If you have any questions about this letter or your UDC Secured Investments please call our Investor Services Team on **0800 652 832** or visit our website **www.udc.co.nz**.

Yours faithfully



**Stuart McLauchlan**  
Chairman, UDC Finance.

## 4 Actions for Holders

### 1. Carefully read this booklet

**You should read this booklet in full before making any decision on how to vote on the Special Resolution.**

If you have any questions about this booklet or the Special Resolution, please call our Investor Services Team on 0800 652 832.

If you have any questions about how you should vote on the Special Resolution, you should consult your financial adviser, solicitor, accountant and/or other professional adviser.

### 2. Vote on the Special Resolution

In general, if you are a Holder (that is, recorded as a holder of a Secured Investment on the Register) at 5pm on Friday 16 June 2017, you are entitled to vote at the Meeting. There are some exceptions to this which affect who is entitled to vote (see section 6 of this booklet).

### Voting in person

If you are entitled to vote and wish to do so in person, you should attend the Meeting.

A corporation or a corporation sole that is entitled to vote may appoint a person to attend the meeting as its representative, being a person authorised to represent the corporation under clause 10 of Schedule 1 to the Companies Act 1993, a person appointed as a proxy, a person appointed under a power of attorney, or (in the case of a corporate sole only) a person authorised by the corporation's constitution.

### Voting by proxy

If you are entitled to vote, but cannot or do not wish to attend the Meeting, you can appoint a proxy to attend and vote at the Meeting on your behalf. Your proxy does not need to be a Holder and can be the Chairperson of the Meeting.

If you appoint a proxy, you can direct your proxy how to vote for you or you can give the proxy discretion to vote as they see fit. **If you appoint the Chairperson of the Meeting as your proxy, the Chairperson will vote in favour of the Special Resolution unless you direct otherwise on the Proxy Form.**

If you intend to appoint a proxy, you must complete the Proxy Form enclosed with this booklet and return it to Computershare:

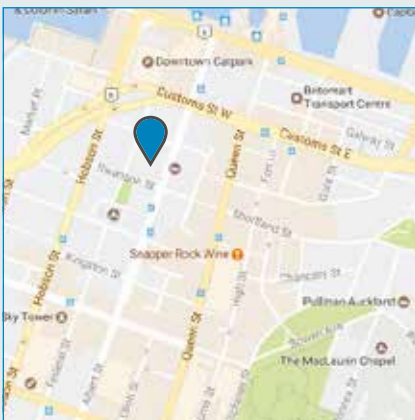
- a** by mail, to:  
UDC Finance Limited  
c/- Computershare Investor Services Limited  
Private Bag 92119, Auckland 1142, New Zealand.
- b** by fax to:  
+64 9 488 8787

The completed Proxy Form must be received by Computershare no later than 10:30am on Monday 19 June 2017.

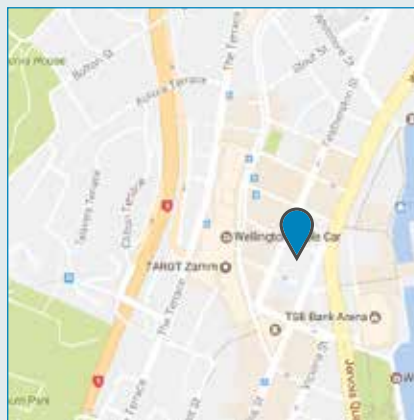
No proxy will be effective (except in the Supervisor's discretion) unless a Proxy Form is completed and returned in accordance with the instructions contained on the Proxy Form.

A validly appointed proxy is entitled to attend, vote and speak at the Meeting and demand or join others in demanding a poll and (other than to the extent the proxy is expressly directed to vote for or against a proposal), has powers generally to act at the Meeting on behalf of the Holder as if the proxy was the Holder.

**More detail about the process for the Meeting and how the Special Resolution is passed is set out in section 6.**



**Auckland**  
ANZ Centre  
Ground Floor  
Pavillion Meeting Room  
23 Albert Street  
Auckland



**Wellington**  
ANZ Centre  
Ground Floor Suite  
170 Featherston Street  
Wellington



**Christchurch**  
ANZ Centre  
267 High Street  
Christchurch



# 5 More information about the proposed amendment

## Sale of UDC

**5.1** ANZ, being our sole shareholder, has entered into a conditional sale agreement with HNA Group to sell UDC. As described in section 1.5 of this booklet, HNA Group's New Zealand wholly-owned subsidiary, TIP-HNA, will acquire the UDC shares from ANZ.

**5.2** HNA Group has indicated that it intends to fund our business differently, including accessing new sources of funding to run UDC. To do this, we need to make sure we have everything in place to repay all of the Secured Investments around the time the sale is completed.

**5.3** The Trust Deed does not currently allow us to do that, so we are proposing an amendment to the Trust Deed which will require us to repay all of the Secured Investments if the sale to TIP-HNA completes. Our proposed amendment will also give you certainty that, if the sale to TIP-HNA completes, you will be able to decide what you wish to do with the funds you have invested with UDC.

**5.4** In addition, the amendment will allow us to choose to repay all of the Secured Investments at any time, regardless of whether the sale has completed. For example, in the unlikely event that the sale to TIP-HNA does not complete and UDC is sold to someone else, we may also want to repay all of the Secured Investments.

**5.5** We are convening a Meeting of Holders, at which Holders will be asked to vote on a Special Resolution, approving an amendment to the Trust Deed to make the changes necessary to make this repayment. If the Special Resolution is passed, we will enter into an agreement with the Supervisor to amend the Trust Deed.

## What is the amendment to the Trust Deed?

**5.6** The proposed Special Resolution, including the proposed amendment to the Trust Deed, is set out in the Notice of Meeting (see section 9 of this booklet).

**5.7** The amendment to the Trust Deed will:

- a** require us to repay all Secured Investments then terminate the Trust Deed if the transfer of UDC shares by ANZ to HNA Group

completes (the repayment may occur after the transfer occurs but we will notify Holders when repayment will occur before the transfer is completed); and

- b** give us the right to repay all Secured Investments and terminate the Trust Deed at our election at any time.

**5.8** If we exercise our right to repay all Secured Investments, or we are required to do so because the sale to TIP-HNA is going to complete, we must specify an **"Early Repayment Date"**.

**5.9** We can exercise our right to repay all Secured Investments at any time, as long as we are owned by ANZ (or another member of the ANZ Group) at the time we exercise that right.

**5.10** The amendment to the Trust Deed will set out a process that must be followed if we specify the Early Repayment Date. If you are a Holder at that time, we will send you an Election Notice which specifies the Early Repayment Date. We will send you the Election Notice at least 15 days before the Early Repayment Date and, if it relates to the sale to TIP-HNA completing, before the transfer of the UDC shares is completed. The Election Notice will ask you to choose whether to have your Secured Investment, together with any accrued but unpaid interest (but less any applicable withholding tax and deductions) either:

- a** converted into a product issued by ANZ that ANZ considers to have materially the same terms as the relevant Secured Investment (**"Equivalent ANZ Product"**); or
- b** repaid directly to you or as you instruct.

**5.11** We expect that UDC will continue to offer investment opportunities after TIP-HNA becomes the owner of the UDC shares. If a new UDC investment programme is available at the time we send you an Election Notice, you may choose to have your Secured Investments repaid (together with accrued but unpaid interest) and the proceeds reinvested in the new debt securities offered by UDC. There is no certainty at this stage whether we will be offering a new UDC investment programme.

## More information about the proposed amendment

**5.12** If you wish to make an election, you will need to make sure we receive your validly completed Election Notice within the time specified in the Election Notice.

**If we do not receive your valid election in relation to one or more of your Secured Investments within the time specified in the Election Notice, those Secured Investments will be converted into ANZ Equivalent Products. It is important that if you receive an Election Notice, you:**

- **read the Election Notice;**
- **decide what you want to happen to your Secured Investments on the Early Repayment Date; and**
- **take any necessary actions.**

**5.13** You will be able to send your completed Election Notice to us by mail. We may also allow you to do this electronically. Instructions for the return of your Election Notice will be specified on the Election Notice.

**5.14** The Election Notice may specify conditions to early repayment of the Secured Investments. If the conditions are not satisfied (and have not been deemed to be satisfied when the sale of UDC to TIP-HNA completes) before the Early Repayment Date, the Election Notice will (unless the Election Notice provides otherwise) be automatically revoked and your Secured Investments will not be repaid on that date. If an Election Notice is revoked, a new Election Notice may be issued at a later time and we will remain obliged to repay the Secured Investments if the sale to TIP-HNA completes on a later date.

### **How will the amendment to the Trust Deed affect you?**

**5.15** The amendment will only affect you if you hold Secured Investments on the Early Repayment Date.

**5.16** The timing of the Early Repayment Date is uncertain. However, if an Early Repayment Date is scheduled, your Secured Investments could be repaid earlier than their scheduled maturity date (if any).

**5.17** We, ANZ and HNA Group are working towards completion of the sale of UDC to TIP-HNA. While there is no certainty that the conditions to the sale of UDC will be satisfied, or when they will be satisfied, we currently

expect that the sale of UDC to TIP-HNA will complete late in the second half of the 2017 calendar year. If the sale completes, we intend to repay the Secured Investments around the time the UDC shares transfer to TIP-HNA. The repayment of the Secured Investments on completion will necessarily involve substantial cashflows for UDC and accordingly, a key aspect of finalising the completion process has been to ensure that we will have sufficient funds to make the required payments.

**5.18** The amendment to the Trust Deed will also give us the right to repay all Secured Investments and terminate the Trust Deed at any time. As at the date of this booklet, we do not have any intention to exercise this right.

**5.19** If you have outstanding Secured Investments at the time that we specify the Early Repayment Date, we will send you (and all other Holders at that time) an Election Notice as described above. If the conditions to early repayment (if any) are satisfied or the sale of UDC to TIP-HNA completes, all Secured Investments will be repaid on the Early Repayment Date. However, you can choose what happens to your investment once it is repaid as described above. That is, you can choose to, effectively, continue your investment on all the same material terms, but with ANZ as the issuer, not UDC, or you can choose to receive your investment back in cash (together with accrued but unpaid interest). You will have the opportunity to have the proceeds of repayment of your Secured Investments reinvested in new debt securities we expect UDC to offer. **You can make this choice by completing the Election Notice and returning the Election Notice to us by the date specified in the Election Notice. If we have not received a validly completed Election Notice from you in time, your Secured Investments will be converted into ANZ Equivalent Products on the Early Repayment Date.**

### **What are the ANZ Equivalent Products?**

**5.20** The table opposite lists the Secured Investments that we currently have on issue and identifies the ANZ Equivalent Product for each Secured Investment. We have entered into an agreement with ANZ under which ANZ has agreed to issue the ANZ Equivalent Products if and when required pursuant to the terms of the Trust Deed (as amended).



UDC SECURED INVESTMENT	ANZ EQUIVALENT PRODUCT
Term Investment	Term Deposit
Capital Drawdown Investment	Term Deposit
Call Account	Online Account
Dealer Reserve Account	Online Account

**5.21** The ANZ Equivalent Products will be subject to the applicable ANZ terms and conditions. While ANZ considers that each ANZ Equivalent Product has materially the same terms as the corresponding Secured Investment, there are differences between the terms and conditions of the ANZ Equivalent Products and the terms and conditions of the Secured Investments. To help you understand what the ANZ Equivalent Products are, we have set out in the Appendix to this booklet tables showing the key features of each type of Secured Investment and whether those features will remain the same or not in the terms and conditions of the ANZ Equivalent Product.

**5.22** The full terms and conditions that apply to the ANZ Equivalent Products, together with a table of amendments to those terms and conditions that will apply to ANZ Equivalent Products issued on conversion of Secured Investments are also available. You can obtain a copy of those terms and conditions by phoning our Investor Services Team on **0800 652 832** or online from our website ([www.udc.co.nz/investing/important-documents](http://www.udc.co.nz/investing/important-documents)) or the Disclose register ([www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose)). If your Secured Investment is converted into an ANZ Equivalent Product you will be bound by those terms and conditions.

**5.23** It is important that you read the information set out in the Appendix and the terms and conditions of the ANZ Equivalent Products so that you understand the terms and conditions of the ANZ Equivalent Products and how they differ from the Secured Investments. The information in the Appendix

**does not constitute financial advice and if you have any questions about it you should consult your financial adviser, solicitor, accountant and/or other professional adviser.**

**5.24** The amendments to ANZ's standard terms and conditions for the ANZ Equivalent Products are intended to ensure that you continue to receive the benefit of certain favourable terms that currently apply to the Secured Investments. Those amendments will apply to the ANZ Equivalent Product that is issued immediately following repayment. However, if your ANZ Equivalent Product matures and you reinvest in another ANZ product, it will be on ANZ's standard terms and conditions at that time, not the terms of the ANZ Equivalent Product. ANZ's standard terms and conditions are available on request from ANZ and are currently also available at [www.anz.co.nz/auxiliary/rates-fees-agreements](http://www.anz.co.nz/auxiliary/rates-fees-agreements).

#### **Tax implications of repayment of Secured Investments**

**5.25** If the Special Resolution is passed and we repay all Secured Investments, then any accrued but unpaid interest that is paid to you will be subject to income tax.

**5.26** Withholding tax or approved issuer levy will be deducted from the amount of interest that is paid to you (unless you have advised us that you hold a resident withholding tax ("RWT") exemption certificate). If you are resident in New Zealand for tax purposes, depending on the RWT rate you have provided to us, the withholding tax deducted from such interest may satisfy your tax liability arising from the payment.

# 6 How is the Special Resolution passed?

## Who can pass the Special Resolution?

**6.1** The Special Resolution must be passed by persons who are the Holders of Secured Investments at the time of the Meeting, as described further below. This means that if you are no longer a Holder at the time of the Meeting your vote will not be counted.

**6.2** If you have a Term Investment that will mature before the date of the Meeting, on maturity we will follow the instructions that applied at the time the investment was issued. The instructions that were available for you to choose are summarised in the Appendix of this booklet opposite “What happens on maturity?”. Accordingly, depending on the instructions we have from you (which may have applied from the time the investment was issued or been subsequently provided by you), you may continue to be a Holder (in relation to your new Secured Investment) at the time of the Meeting and will be entitled to vote. If you are unsure what your instructions were, or you would like to change those instructions, please call our Investor Services Team on **0800 652 832**.

**6.3** If you have a Capital Drawdown Investment that will mature before the date of the Meeting, on maturity the principal and final interest payment will be paid to the bank account you have advised us. Accordingly, on maturity you will no longer be a Holder in relation to that Capital Drawdown Investment.

**6.4** If you have a Call Account or Dealer Reserve Account and you withdraw some of your money from that account before the date of the Meeting, you will still be a Holder, but the withdrawal will affect the amount of votes you have (see section 6.11 of this booklet).

## Quorum

**6.5** In order to hold the vote on the Special Resolution at the Meeting, there must be a quorum of Holders present (either in person or by their representatives (including persons holding proxies)).

**6.6** To satisfy the quorum requirement for the Special Resolution to be passed at the Meeting, Holders (or their representatives) who are

“entitled to vote” and who, together, are the holders of at least 25% of the nominal amount of all Secured Investments must be present.

**6.7** As described in section 4 of this booklet, in general, all persons who are Holders at 5pm on Friday 16 June 2017 and who continue to be Holders at the time of the Meeting are able to vote at the Meeting. The exceptions to this are:

- a** If you hold a Secured Investment jointly with one or more other persons, only one person is entitled to vote, with priority given to the joint holder named in the Register first.
- b** Where an entitled voter is deceased, his or her legal personal representative shall be entitled to vote.
- c** Where an entitled voter has been adjudicated bankrupt, the assignee in bankruptcy shall be entitled to vote.
- d** If Secured Investments are held by ANZ or any other “Related Company” (as defined in the Trust Deed) of UDC, the Holder is not entitled to vote. This will also affect persons who hold Secured Investments through nominees that are “Related Companies” of UDC.

**6.8** If the required quorum is not present within 30 minutes of the time appointed for the Meeting, the Special Resolution cannot be voted on and the Meeting will be adjourned to a time and date that is at least 10 working days after the Meeting.

**6.9** If the Meeting is adjourned because there was no quorum, the quorum requirements at the adjourned meeting can be satisfied by a single Holder (or his or her representative) being present, regardless of the nominal amount of the Secured Investments that he or she represents. Any valid proxy given for the Meeting will be valid for the adjourned meeting (if required).

## Voting process

**6.10** To pass the Special Resolution, Holders (or their representatives) of at least 75% of the nominal amount of Secured Investments who are entitled to vote and are voting must vote in favour of the Special Resolution.

**6.11** Voting is required under the Trust Deed to be by a show of hands, with each person who is entitled to vote having one vote only, unless a poll is demanded. However, in order to satisfy the requirements to pass the Special Resolution as described above, the vote will need to be determined by a poll. When voting on a poll, each Holder who is entitled to vote (or his or her representative) has one vote for each nominal \$1.00 of Secured Investments of which he or she is the Holder.

**6.12** A poll may be demanded by the Chairperson of the Meeting, the Supervisor, or one or more Holders (or their representatives) holding in aggregate no less than 5% of nominal amount of all Secured Investments then outstanding. The Supervisor has advised that it will demand a poll.

**6.13** If we, ANZ or any other “Related Company” (as defined in the Trust Deed) of UDC hold any Secured Investments, we and they are not entitled to vote on those Secured Investments. While ANZ does not currently hold any Secured Investments, ANZ holds “First Ranking Security Stock” issued under the Trust Deed. ANZ’s First Ranking Security Stock is not a Secured Investment. Rather, it gives ANZ the benefit of the security interests we have granted under the Trust Deed in relation to a \$1,800,000,000 Committed Credit Facility that ANZ has provided to us. Although the Trust Deed does not require or permit ANZ to vote on the Special Resolution or to be counted for the purposes of determining whether there is a quorum, as the sole holder of First Ranking Security Stock, ANZ must also approve the amendment to the Trust Deed. ANZ has notified the Supervisor in writing that it approves the amendment to the Trust Deed that is proposed by the Special Resolution.

#### **Appointment of the Chairperson of the Meeting**

**6.14** The Supervisor has the right to appoint the Chairperson of the Meeting. The Supervisor has nominated Tracey Cross to be Chairperson of the Meeting. If the Chairperson of the Meeting is not present within 15 minutes after the time appointed for the Meeting to commence, Holders (including representatives)

present and entitled to vote at the Meeting shall choose a Holder as Chairperson of the Meeting. Failing such choice by the Holders, we may appoint the Chairperson of the Meeting.

#### **What happens if the Special Resolution is not passed?**

**6.15** As described under “Quorum” above, the Special Resolution can only be voted on if enough Holders are present at the Meeting (either in person or by their representatives) to constitute a quorum. If the Special Resolution is not voted on at the Meeting because there was no quorum, we can adjourn the Meeting to a date that is at least 10 working days later and will notify all Holders of the adjourned meeting. The minimum number of Holders required to hold the adjourned meeting is 1 Holder. Accordingly, if it is necessary to adjourn the Meeting, the Special Resolution will be voted on at the adjourned meeting, provided at least 1 Holder is present at that meeting (either in person or represented by proxy).

**6.16** If, when the vote is held, the outcome of the vote is that the amendment to the Trust Deed is not approved, there will be no changes to the Trust Deed. However, ANZ’s sale of the UDC shares to TIP-HNA might still go ahead.

**6.17** As at the date of this booklet our credit rating is BBB (negative credit watch). Standard & Poor’s has stated that, if ANZ is no longer UDC’s sole shareholder, they expect to downgrade our credit rating further. In general, a lower credit rating for an issuer (that is, the higher the credit risk of the issuer) means investors expect a higher interest rate on their investment with that issuer. If the sale to TIP-HNA occurs but we have not been able to redeem the Secured Investments (because the Special Resolution is not passed), we will not adjust the interest rates of term Secured Investments as they are fixed for the term of your investment. This means that the interest rate on those Secured Investments may be lower than the interest rates on any new investments offered by UDC after the sale.

# 7 Success-based Participation Fee

**7.1** We will pay you a Participation Fee if:

- a** Holders pass the Special Resolution; and
- b** you cast a valid vote at the Meeting (either personally or by your representative).

**7.2** The Participation Fee is paid in consideration for you voting at the Meeting. This means it will be paid to you as long as you cast a valid vote at the Meeting, regardless of whether your vote is in favour of the Special Resolution or not. However, the Participation Fee will only be payable if the Special Resolution is passed. The Participation Fee is a once only fee.

**7.3** The amount of the Participation Fee payable to you will be equal to 0.10% of the nominal amount of your Secured Investments on the date on which the Special Resolution is passed. For example, if you hold Secured Investments having an aggregate nominal amount of \$25,000 and you cast a valid vote at the Meeting (either in person or by your representative), we will pay you a Participation Fee of \$25, but only if the Special Resolution is passed.

**7.4** We will pay you the Participation Fee within 10 working days of the Special Resolution being passed. It is payable by direct credit to your nominated account or by cheque if we do not have the details of a nominated account for you.

## **Tax implications for Holders of the Participation Fee**

**7.5** The information set out below is of a general nature and does not constitute tax advice to any Holder. Further, the information set out below relates only to New Zealand tax laws. You should seek independent tax advice regarding the tax treatment of the Participation Fee. Neither we, nor ANZ, assume any liability to you in relation to the tax treatment of any amount paid in relation to you.

**7.6** Inland Revenue has advised that the Participation Fee will be taxable income for Holders. However, because the Participation Fee is not interest, withholding tax will not be deducted from the Participation Fee paid to you. Instead, it is likely that you will be required to declare the Participation Fee as income in your New Zealand income tax return.

# 8 Supervisor's letter



Level 7 51 Shortland Street PO Box 4197 Auckland New Zealand  
TEL 09 308 7100 FAX 09 308 7101

## To: Each of the Holders of Secured Investments of UDC Finance Limited

This letter is written to you by Trustees Executors, as Supervisor of your Secured Investments, in relation to the accompanying proposal by UDC to approve an amendment to the Trust Deed by a Special Resolution at a meeting of Holders on 21 June 2017.

The proposed amendment to the Trust Deed will give UDC the option to repay your Secured Investments early by (at your election) payment in cash or the issue of ANZ Equivalent Securities by ANZ, with the latter being the default position if no election is made by the Holder.

The proposal is made by UDC in the context of a proposed conditional sale of UDC by ANZ to HNA Group ("Sale"). If the Special Resolution is passed by Holders, the proposed amendment will, however, take effect, regardless of whether that Sale completes.

We confirm that as Supervisor we have been consulted by UDC in relation to the proposed amendment and, in conjunction with our legal advisers, have reviewed and commented on the accompanying booklet.

We are satisfied that, from the perspective of the Holders, the Special Resolution has been properly put in accordance with the provisions of the Trust Deed and relevant legislation. We are also satisfied that the accompanying booklet presents a fair and accurate summary of the proposal and its ramifications generally for Holders so that an informed voting decision can be made by Holders. It is, however, up to you to decide how you vote on the Special Resolution, based on your assessment of the proposal including in relation to the possible sale of UDC to HNA Group, the offer of ANZ Equivalent Securities and the assessment of those securities. There may be a possibility, though not certainty, of reinvesting in UDC securities on the Sale completion, if that happens.

The different scenarios surrounding this proposal and their effect on Holders are reasonably complex. To facilitate your consideration, we draw your attention to section 2 of the accompanying booklet headed "Summary of Possible Outcomes Regarding the Meeting and Sale of UDC". This gives a snapshot of the different situations and is obviously subject to the more detailed description in the accompanying booklet. We also draw your attention to the Appendix of the accompanying booklet, prepared by UDC in conjunction with ANZ, being a summary comparison of the different Secured Investments of UDC and their ANZ Equivalent Product.

We should point out that, subject to there being the necessary quorum at the meeting, if the Special Resolution is passed by the necessary majority of 75% of the amount of Secured Investments that are entitled to vote (and voting), then the amendment will be binding on all Holders no matter how they voted or even if they have taken no action at all.

The Supervisor encourages you to read the accompanying booklet in full in order to make an informed decision before voting on the Special Resolution. If you are unable to attend the meeting but would like to vote will you please complete the proxy form included in the accompanying booklet and forward it in accordance with the instructions set out in the proxy form. We strongly encourage you to vote on the Special Resolution.

If you are in any doubt about these matters you are encouraged to consult your financial adviser, solicitor, accountant and/or other professional adviser in relation to your investment in UDC.

Yours sincerely,

**TRUSTEES EXECUTORS LIMITED**

A handwritten signature in black ink, appearing to read "Mel Hewitson".

**MEL HEWITSON** HEAD OF GOVERNANCE & INVESTOR OVERSIGHT



# 9 Notice of Meeting

**NOTICE OF A MEETING** of all First Ranking Stockholders under and pursuant to the debenture stock and unsecured notes trust deed dated 22 May 1986 (as amended from time to time) (“**Trust Deed**”) between UDC Finance Limited (“**UDC**” or the “**Company**”) and Trustees Executors Limited as the supervisor of holders of Stock (“**Supervisor**”) and outstanding as at the date of the meeting.

Unless provided otherwise, all capitalised terms in this notice have the meaning given to those terms in the Trust Deed.

UDC hereby gives notice to all First Ranking Stockholders under and pursuant to the Trust Deed that, pursuant to clause 1.1 of the Second Schedule to the Trust Deed, a meeting of First Ranking Stockholders has been convened by UDC and will be held on:

**Wednesday, 21 June 2017 at 10.30am**

at the following locations:

**Auckland**

ANZ Centre  
Ground Floor Pavilion meeting room  
23 Albert Street

**Wellington**

ANZ Building  
Ground Floor Suite  
170 Featherston Street

**Christchurch**

ANZ Centre  
267 High Street

for the purposes of considering and, if thought fit, passing the following resolution which will be proposed as a Special Resolution in accordance with the Trust Deed.

The Special Resolution proposed will approve an amendment to the Trust Deed which will allow for the redemption of all Securities (other than Security Stock) and the termination of the Trust Deed if ANZ Bank sells its shares in the Company to TIP-HNA New Zealand Holdings Limited or at UDC’s election at any time. Further information about the proposed amendment to the Trust Deed, the effect of the amendment on Holders and the process for passing the Special Resolution is set out in the booklet in which this Notice of Meeting is included.

## **Special Resolution**

Resolved by the First Ranking Stockholders under the Trust Deed, that, for the purposes of section 7.1.2(a)(i) of the Trust Deed and in accordance with clause 14.2.5 of Schedule 2 to the Trust Deed, the amendment to the Trust Deed by inserting the following after section 2.5 of the Trust Deed is approved:

### **2.5A Early Redemption of Securities by the Company**

**2.5A.1** In this clause 2.5A, unless the context otherwise requires:

“**ANZ Product**” means, in relation to a Security, a debt security issued by ANZ Bank on terms that ANZ Bank considers to be materially the same (as set out in the “Notice of Meeting and other relevant information for Holders” dated 25 May 2017 distributed by the Company) as the terms of that Security.

“**Cash Redemption**” means, in relation to a Security, the Redemption Amount for that Security is paid to, or at the direction of, the Holder.

“**Early Redemption Date**” means the date specified by the Company as the Early Redemption Date in the Election Notice.

“**Election Notice**” means the notice issued by the Company in accordance with clause 2.5A.5.

“**holding company**” has the meaning given to that term in the Companies Act.

“**Redemption Amount**” means, in relation to a Security, the Principal (being 100% of the nominal amount of the Security), together with any accrued but unpaid interest.

“**Reinvestment Amount**” means, in relation to a Security, the Redemption Amount reduced by the amount of any withholding tax or other deductions applicable to such amount.

“**Securities**” means Securities as defined in clause 1.3 other than Security Stock.

“**Share Sale**” means the proposed transfer of all of the shares that ANZ Bank holds in the Company to TIP-HNA New Zealand Holdings Limited (as HNA Group (International) Company Limited’s nominee).

“**subsidiary**” has the meaning given to that term in the Companies Act.

## Notice of Meeting

**2.5A.2** At any time that the Company is a subsidiary of ANZ Bank or of a holding company of ANZ Bank, the Company may elect to redeem all (but not some only) Securities of the Company that are outstanding on the Early Redemption Date by paying the Redemption Amount for each Security. Other than the requirement to give an Election Notice to each affected Holder in accordance with clause 2.5A.4, there are no pre-conditions to the Company's right to exercise the option under this clause 2.5A.2 and the Company may exercise the option in its absolute discretion. For the avoidance of doubt, the Early Redemption Date specified for the purposes of this clause 2.5A.2 may be before, on or after the date on which the Company ceases to be a subsidiary of ANZ Bank and also of every holding company of ANZ Bank, provided that the Election Notices are sent in accordance with clause 2.5A.4.

**2.5A.3** If the Share Sale completes, on the Early Redemption Date the Company must redeem all (but not some only) Securities of the Company that are outstanding on that date by paying the Redemption Amount for each Security.

**2.5A.4** Before the Company redeems the Securities in accordance with this clause 2.5A, the Company must give an Election Notice to the Supervisor and each affected Holder. The Election Notice must:

- a** specify the Early Redemption Date;
- b** specify any conditions to redemption of the Securities, provided that, in the case of redemption under clause 2.5A.3, any such conditions will be deemed to be satisfied on completion of the Share Sale;
- c** be sent:
  - (i)** no less than 15 days prior to the Early Redemption Date; and
  - (ii)** before the Company ceases to be a subsidiary of ANZ Bank and also of every holding company of ANZ Bank;

- d** request each Holder to elect whether, upon redemption in relation to each of the Holder's Securities, to have:
  - (i)** the Security converted into an ANZ Product; or
  - (ii)** Cash Redemption; and
- e** state the manner and timeframe for Holders making that election.

**2.5A.5** Unless the Election Notice provides otherwise, if any conditions to redemption were specified in the Election Notice and have not been satisfied (including deemed to be satisfied) by the close of business on the business day immediately preceding the Early Redemption Date, the Election Notice will be deemed to be revoked at that time. The revocation of an Election Notice does not prevent another Election Notice being given and does not affect the Company's obligations under clause 2.5A.3.

**2.5A.6** Except in the case of an Election Notice which has been revoked pursuant to clause 2.5A.5, on the Early Redemption Date, the Company must redeem each outstanding Security and:

- a** if the Company has:
  - (i)** received (within the time specified in the Election Notice) the Holder's validly completed election to have the Holder's Security converted into an ANZ Product; or
  - (ii)** not received a validly completed election from a Holder within the time specified in the Election Notice, the Company must:
    - (iii)** pay the Reinvestment Amount to ANZ Bank, on behalf of the Holder; and
    - (iv)** procure ANZ Bank to immediately issue an ANZ Product having a nominal amount equal to the Reinvestment Amount to the Holder; or
- b** if the Company has received (within the time specified in the Election Notice) the Holder's validly completed election for Cash Redemption, pay the Redemption Amount in accordance with the Holder's instructions set out in the election.



**2.5A.7** Each Holder that has a Security converted into an ANZ Product in accordance with clause 2.5A.6 irrevocably:

- a** directs UDC to pay the Reinvestment Amount for that Security to ANZ Bank, consents to becoming a holder of the ANZ Product and agrees to be bound by the terms and conditions of the ANZ Product;
- b** acknowledges and agrees that it is obliged to accept the ANZ Product notwithstanding anything that might otherwise affect the ANZ Product including any change in the financial position of ANZ Bank or any disruption to capital markets;
- c** agrees that the Company may provide information about the Holder to ANZ Bank; and
- d** acknowledges that the Company has discharged its obligation to procure ANZ Bank to immediately issue ANZ Products to the Holder by entering into an agreement with ANZ Bank under which ANZ Bank agrees to issue the ANZ Products.

**2.5A.8** The accidental omission to give an Election Notice in accordance with clause 2.5A.4, or the non-receipt of an Election Notice by any person entitled to receive one, shall not affect the redemption of any Securities and issuance of ANZ Products in accordance with this clause 2.5A.

**2.5A.9** This clause 2.5A does not affect the rights of Holders of Security Stock.

**2.5A.10** Notwithstanding anything to the contrary in this Deed, upon receipt of proof to the reasonable satisfaction of the Supervisor that:

- a** all Securities have been redeemed in full;
- b** all Security Stock has been redeemed or released in full; and
- c** no other amounts are outstanding under this Deed,

the Supervisor must, at the cost of the Company, release or transfer to the Charging Group the Charged Assets free and discharged from the Charges created by or pursuant to this Deed. The Company and the Supervisor must then terminate this Deed.



# 10 Glossary

**10.1** In this booklet, unless the context otherwise requires:

“**ANZ**” means ANZ Bank New Zealand Limited

“**ANZ Equivalent Product**” means, in relation to a Secured Investment, a product issued by ANZ that ANZ considers to have materially the same terms as that Secured Investment

“**ANZ Group**” means ANZ, any holding company (as defined in the Companies Act 1993) of ANZ and any subsidiary (as defined in the Companies Act 1993) of ANZ or a holding company of ANZ

“**Chairperson of the Meeting**” means the person appointed by the Supervisor to be the Chairperson of the Meeting (or a replacement Chairperson appointed in accordance with the Trust Deed)

“**Computershare**” means Computershare Investor Services Limited

“**Early Repayment Date**” means the date specified by UDC as the date on which all Secured Investments are, or are to be, repaid and is the same as the Early Redemption Date referred to in the Trust Deed

“**Election Notice**” means the notice to be issued by UDC to Holders, advising them of the Early Repayment Date and asking Holders to make an election in relation to the proceeds of the repayment of their Secured Investment

“**HNA Group**” means HNA Group (International) Company Limited

“**Holder**” means a person recorded on the Register as holding a Secured Investment

“**Meeting**” means the meeting of Holders to be convened by UDC as set out in the Notice of Meeting in section 9 of this booklet

“**Participation Fee**” means the fee payable by UDC to Holders who cast valid votes at the Meeting if the Special Resolution is passed

“**Proxy**” means, in relation to you, a person you appoint to be your representative at the Meeting and to vote on your behalf in accordance with the Trust Deed

“**Proxy Form**” means the proxy form enclosed with this booklet

“**Register**” means the register of Holders maintained by UDC in accordance with the Trust Deed

“**Repay**”, “**Repaid**” and “**Repayment**” are the same as “redeem”, “redeemed” and “redemption” in the Trust Deed

“**Secured Investments**” means debt securities issued by UDC and referred to as “Term Investments”, “Capital Drawdown Investments”, “Call Accounts” and “Dealer Reserve Accounts”

“**Special Resolution**” means the resolution set out in the notice of meeting in section 9 of this booklet

“**Stock**” has the meaning given to that term in the Trust Deed

“**Supervisor**” means Trustees Executors Limited

“**TIP-HNA**” means TIP-HNA New Zealand Holdings Limited, a New Zealand incorporated company and wholly owned subsidiary of HNA Group

“**Trust Deed**” means the debenture stock and unsecured notes trust deed dated 22 May 1986 (as amended from time to time) between UDC and Trustees Executors Limited as the supervisor of Holders

“**UDC**”, “**we**” or “**us**” means UDC Finance Limited

“**working day**” has the meaning given to that term in the Trust Deed. In summary, a working day is a day other than a Saturday, a Sunday, a national public holiday (including if that holiday is observed on a Monday) or a day falling in the period between 25 December and 2 January

# Appendix

## Summary comparison of the key features of the Secured Investments and ANZ Equivalent Products.

	UDC TERM INVESTMENTS AND CAPITAL DRAWDOWN INVESTMENTS	ANZ TERM DEPOSITS
<b>Issuer</b>	UDC.	<b>Change</b> - ANZ will be the issuer and will be solely responsible for paying all amounts under your ANZ Term Deposit.
<b>Term</b>	As agreed with UDC.	<b>No change</b> - Your ANZ Term Deposit will have the same maturity date as your UDC Term Investment or Capital Drawdown Investment.
<b>Interest rate</b>	As agreed with UDC.	<b>No change</b> - The interest rate on your ANZ Term Deposit will be the greater of: <ul style="list-style-type: none"> <li>- the interest rate you had agreed with UDC; and</li> <li>- ANZ's then current advertised interest rate applicable to Term Deposits having a term equal to (or approximately equal to) the remaining term of your investment.</li> </ul>
<b>Interest payments</b>	Interest is paid on the maturity of your Secured Investment. Interest may also be paid or compounded on certain dates during the term of your Secured Investment if this was selected at the time your Secured Investment was issued.	<b>No change</b> - Interest will be paid (or compounded) on the same dates.
<b>Principal payments during the term (Capital Drawdown Investment only)</b>	As agreed with UDC.	<b>No change</b> - You will receive the same principal payments that you agreed with UDC. On the Early Repayment Date, ANZ will also open an ANZ Online Account in your name into which these principal payments will be paid.
<b>Early withdrawal</b>	You can ask UDC to withdraw some or all of your investment early in certain circumstances (such as death of the investor or financial hardship). If UDC agrees, UDC may reduce the interest rate applicable to your Secured Investment by up to 50%.	<b>Change</b> - You can ask ANZ to withdraw some or all of your term deposit early if you give ANZ 31 days' notice or if ANZ reasonably considers you are suffering from hardship. If ANZ agrees, ANZ may reduce the interest rate applicable to your Term Deposit, provided that the reduction will not exceed the maximum reduction that could have applied to a UDC Term Investment.

	UDC TERM INVESTMENTS AND CAPITAL DRAWDOWN INVESTMENTS	ANZ TERM DEPOSITS
<p><b>What happens on maturity?</b></p>	<p><b>Term Investments</b> – If you have chosen auto-renewal, your investment is automatically reinvested for the same or a similar term at the applicable interest rate on offer at the time.</p> <p>If you have not chosen auto-renewal, UDC will send you a maturity notice 2 weeks before the maturity date. If you do not respond to the maturity notice what happens on maturity will depend on when your Term Investment was issued. For example, UDC may:</p> <ul style="list-style-type: none"> <li>- hold your investment on call, for a specified period, applying the “On Demand Rate” to your investment. Then, on the first business day following that period, your investment is automatically reinvested for the same or a similar term at the applicable interest rate on offer at the time; or</li> <li>- immediately reinvest your investment for the same or a similar term at the applicable interest rate on offer at the time.</li> </ul> <p>In each case, if the amount of the investment is less than UDC’s minimum investment amount, UDC will apply the “On Demand Rate” to your investment.</p> <p><b>Capital Drawdown Investments</b> – On maturity, your remaining principal amount, together with your accrued but unpaid interest will be paid to the bank account you agreed with UDC.</p>	<p><b>Term Investments – Change</b> – You will be sent a maturity notice 2 weeks before the maturity date. Unless you tell ANZ otherwise, your investment will be automatically reinvested in an ANZ Term Deposit for the same or similar term at the interest rate on offer at that time.</p> <p><b>That ANZ Term Deposit will be on ANZ’s standard terms and conditions for Term Deposits that apply at that time. Those terms and conditions may be different to the terms of your ANZ Equivalent Product.</b></p> <p>You have a 7 day cooling off period, starting on the day that ANZ reinvests your Term Deposit. You can make certain changes to your new Term Deposit during those 7 days, or you can cancel your Term Deposit and ANZ will repay your investment. <b>No interest will be payable if you cancel your Term Deposit during the cooling off period.</b></p> <p><b>Capital Drawdown Investments – Change</b> – On maturity, your remaining principal amount, together with your accrued but unpaid interest will be paid into a bank account, which may be the same bank account you had agreed with UDC or an ANZ account you agree with ANZ.</p>
<p><b>Access to information about your investment</b></p>	<p>You can view your balance on UDC Live.</p>	<p><b>Change</b> – You can view your balance on request at an ANZ branch or (provided you are at least 13 years old) via ANZ’s phone banking, internet banking or goMoney. For information on how to access ANZ’s phone banking, internet banking or goMoney, please visit <a href="http://www.anz.co.nz/personal/ways-bank/">www.anz.co.nz/personal/ways-bank/</a> or call ANZ on 0800 269 296.</p>

## Appendix

	UDC TERM INVESTMENTS AND CAPITAL DRAWDOWN INVESTMENTS	ANZ TERM DEPOSITS
<b>Security</b>	Secured over UDC's property.	<b>Change</b> - Your ANZ Term Deposit will be <b>unsecured</b> . However, your deposit will be with a registered bank which has a AA- (outlook negative) credit rating as at the date of this booklet (see below).
<b>Standard &amp; Poor's credit rating</b>	As at the date of this booklet, UDC has a credit rating of BBB. UDC remains on credit watch negative by Standard & Poor's pending the finalisation of the conditional sale of UDC to HNA Group.	<b>Change</b> - As at the date of this booklet, ANZ has a credit rating of AA-, outlook negative.
	CALL ACCOUNTS AND DEALER RESERVE ACCOUNTS	ANZ ONLINE ACCOUNT
<b>Issuer</b>	UDC.	<b>Change</b> - ANZ will be the issuer and will be solely responsible for paying all amounts under your ANZ Online Account.
<b>Deposits (Call Accounts only)</b>	No minimum amount for deposits made using UDC's online platform. All other deposits must be a minimum of \$500.	<b>Change</b> - No minimum amount for deposits.
<b>Withdrawals</b>	<p>Withdrawals can be made via UDC Live or by calling UDC.</p> <p>There is no minimum amount for withdrawals made via UDC Live. All other withdrawals must be a minimum of \$500 (unless you are withdrawing the balance of the investment).</p> <p>You must maintain a minimum balance of \$5,000 unless you are withdrawing all of your deposit.</p>	<p><b>Change</b> - Withdrawals can be made via ANZ's internet banking or telephone banking, by calling ANZ or at an ANZ branch.</p> <p>There is a fee payable for manual transactions, including transactions handled by our staff at an ANZ branch or by phone. However, ANZ will waive this fee for the first 12 months after the Early Repayment Date.</p> <p>There is no minimum amount for withdrawals or a minimum balance.</p>
<b>Interest rate</b>	Floating rate as determined by UDC.	<p><b>Change</b> - The initial interest rate applicable to your call account will be the greater of:</p> <ul style="list-style-type: none"> <li>- the interest rate that applied on your UDC Call Account or Dealer Reserve Account immediately before the Early Repayment Date; and</li> <li>- ANZ's then current interest rate that is applicable to Online Accounts.</li> </ul> <p>That interest rate will remain the same for at least 3 months after the Early Repayment Date. After 3 months, your interest rate will be a floating rate determined by ANZ.</p>

	<b>CALL ACCOUNTS AND DEALER RESERVE ACCOUNTS</b>	<b>ANZ ONLINE ACCOUNT</b>
<b>Interest payments</b>	Interest is compounded on the last day of each calendar month.	<b>No change</b> - Interest will be compounded on the last day of each calendar month.
<b>Access to information about your investment</b>	You can view your balance on UDC Live.	<b>Change</b> - You can view your balance on request at an ANZ branch or (provided you are at least 13 years old) via ANZ's phone banking, internet banking or goMoney. For information on how to access ANZ's phone banking, internet banking or goMoney, please visit <a href="http://www.anz.co.nz/personal/ways-bank/">www.anz.co.nz/personal/ways-bank/</a> or call ANZ on 0800 269 296.
<b>Security</b>	Secured over UDC's property.	<b>Change</b> - Your ANZ Online Account will be <b>unsecured</b> . However, your account will be with a registered bank which has a AA- (outlook negative) credit rating as at the date of this booklet (see below).
<b>Standard &amp; Poor's credit rating</b>	As at the date of this booklet, UDC has a credit rating of BBB. UDC remains on credit watch negative by Standard & Poor's pending the finalisation of the conditional sale of UDC to HNA Group.	<b>Change</b> - As at the date of this booklet, ANZ has a credit rating of AA-, outlook negative.

