

REPLACEMENT PRODUCT DISCLOSURE STATEMENT DATED 6 SEPTEMBER 2019

REPLACING THE PRODUCT DISCLOSURE STATEMENT DATED 15 MARCH 2017

FOR THE ISSUE OF SECURED DEBENTURE STOCK AND SECURED DEBENTURE BONDS

BY

GOLD BAND FINANCE LIMITED

This document gives you important information about this investment to help you decide whether you want to invest. There is useful information about this offer on <http://www.business.govt.nz/disclose>. Gold Band Finance Limited 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 make an investment decision.



Dated 6 September 2019

SECTION 1 KEY INFORMATION SUMMARY

What is This?

This is an offer of Secured Debenture Stock and Secured Debenture Bonds. Secured Debenture Stock and Secured Debenture Bonds are debt securities issued by Gold Band Finance Limited (company number 321896) ("**we**", "**us**" or "**Gold Band Finance**"). You give Gold Band Finance money, and in return Gold Band Finance promises to pay you interest and repay the money at the end of the term. If Gold Band Finance runs into financial trouble, you might lose some or all of the money you invested.

About Gold Band Finance

We are a finance company with our business address at Unit 2, 6 Sir William Pickering Drive, Christchurch. We commenced operations in 1986 providing our clients the traditional services of a finance company. Those services involve accepting deposits from the public and investing the money raised by making loans to approved borrowers.

Gold Band Finance had a subsidiary LoanCo Limited which provided consumer lending only, and guaranteed Gold Band Finance's liabilities and obligations to the Supervisor. From 30 August 2019, LoanCo Limited formally amalgamated with Gold Band Finance and its assets and operations have been continued by and absorbed within Gold Band Finance.

We are in the business of making loans which generate interest and fee revenue.

Our lending activities are funded from the proceeds of investment from the public and shareholders' funds.

In April 2015 we were licensed by the Reserve Bank of New Zealand as a non-bank deposit taker.

Key Terms of the Offer

| Secured Debenture Stock and Secured Debenture Bonds | |
|--|--|
| <p>Description of Debt Securities</p> | <p>Secured Debenture Stock that gives the investors the right to be repaid the amount the investors deposit with Gold Band Finance and pay accrued interest at the end of each quarter or month as selected by you</p> <p>Secured Debenture Bonds that give the investors the right to be repaid the amount the investors deposit with Gold Band Finance and pay interest in advance on a monthly basis</p> <p>In each case the repayment obligation is secured over the assets of Gold Band Finance. In this document, Secured Debenture Stock and Secured Debenture Bonds are together referred to as "Debt Securities"</p> <p>The key difference between Secured Debenture Stock and Secured Debenture Bonds is that only Secured Debenture Bonds entitle the investor to receive interest in advance</p> <p>Acceptance of applications for Debt Securities is at the sole discretion of Gold Band Finance</p> |
| <p>Term of Debt Securities</p> | <p>6 months, 9 months, 18 months, 1, 2, 3, 4 or 5 years, however, you may request a different term (subject to acceptance by Gold Band Finance)</p> <p>At maturity you may apply for the funds to be re-invested with Gold Band Finance on the terms then offered by Gold Band Finance in accordance with this document</p> |

| | |
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| <p>Basis for Ascertaining the Interest Rate</p> | <p>Interest rates are set by Gold Band Finance after considering the prevailing market conditions and its cost of funds. The interest rate at the beginning of your investment is fixed for the period of your investment, unless Gold Band Finance agrees to you withdrawing your investment early (see below)</p> <p>Interest rates can be found by telephoning us on 03 961 3000 or 0800 55 3000 or downloaded from our website (http://www.goldbandfinance.co.nz)</p> |
| <p>Offer Opening and Closing Dates</p> | <p>The offer opened on 26 February 2016. This is a continuous offer therefore there is no closing date</p> |
| <p>Dates and Frequency of Interest Payments</p> | <p>For Secured Debenture Stock, interest is paid on the last business day in March, June, September and December and on maturity. You may select to have the interest compounded on those days by selecting that option in the Application Form</p> <p>If you elect in the Application Form, interest can be paid monthly on the last business day of each month and on maturity</p> <p>For Secured Debenture Bonds, interest is paid monthly in advance, with the first interest payment being paid on the date Gold Band Finance accepts your investment, and monthly thereafter. Interest cannot be compounded</p> |
| <p>Deductions for Early Withdrawal</p> | <p>If you suffer real financial hardship, Gold Band Finance has a discretion to allow you to withdraw your investment early. In these circumstances the interest rate from the date Gold Band Finance agrees to the early withdrawal will be adjusted to the nearest shortest period prior to your early repayment request. If you have received a full month's interest paid in advance under a Secured Debenture Bond, the amount you receive will take into account any adjustment required by reason of the early withdrawal so that your total return does not exceed the applicable interest rate. This may result in you receiving less of your principal back to recognise the advance payment of interest you have received</p> |
| <p>Minimum Investment</p> | <p>The minimum amount you may invest is \$5,000.00, or such lesser amount as Gold Band Finance may accept from time to time</p> |
| <p>No Fees</p> | <p>You do not pay Gold Band Finance any fees for investing in Gold Band Finance</p> |

Who is Responsible for Repaying You?

Gold Band Finance is responsible for the repayment of the Debt Securities.

How You Can Get Your Money Out Early

If Gold Band Finance believes you have suffered real financial hardship, we have a discretion to allow you to withdraw your Secured Debenture Stock early. In these circumstances the interest rate will be adjusted to the nearest shortest period prior to your early repayment request. For example, if you have a 3 year term and wish to withdraw after 14 months, the nearest shortest term is 1 year.

For Secured Debenture Bonds, if Gold Band Finance agrees to your early withdrawal and you have received a full month's interest in advance, the amount you receive will take into account any adjustment required by the early repayment so that your total return does not exceed the applicable interest rate. This may mean you receive less principal to recognise the advance payment of interest you have received.

Gold Band Finance does not intend to quote the Debt Securities on a market licensed in New Zealand and there is no other established market for trading the Debt Securities. This means that you may not be able to sell your Debt Securities before the end of their term.

How the Debt Securities Rank for Repayment

The repayment of the Debt Securities has been secured by a security interest in favour of Covenant Trustee Services Limited (as Supervisor) over the whole of the property of Gold Band Finance. On the liquidation of Gold Band Finance repayment of the Debt Securities will rank behind preferential creditors, but before unsecured creditors. The property that constitutes the security for the security interest is sufficient and is reasonably likely to be sufficient to:

- Repay the Debt Securities; and
- Pay all other liabilities that a security interest over the property secures and that rank in priority to, or equally with, the Debt Securities.

More information concerning the security can be found in Section 4 (Key Risks of Debt Securities).

What Assets are the Debt Securities Secured Against?

Under the Trust Deed Gold Band Finance has granted a security interest in favour of Covenant Trustee Services Limited (as Supervisor) over all of its present and future assets as security for repayment of the Debt Securities and interest. The assets are mostly loan receivables and bank deposits. Further information can be found in Section 4 (Key Risks of Debt Securities).

Where You Can Find Gold Band Finance Limited's Financial Information

The financial position and performance of the Gold Band Finance are essential to an assessment of Gold Band Finance's ability to meet its obligations under the Debt Securities. You should also refer to Section 5 (Gold Band Finance's Financial Information).

Key Risks Affecting this Investment

Investments in the Debt Securities have risks. A key risk is that Gold Band Finance 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 the Debt Securities is suitable for you.

The interest rate for the Debt Securities should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the offer is fair. Gold Band Finance considers that the most significant risk factors are:

Funding and Liquidity Risk

Our lending activities are funded from investors through the issue of Debt Securities and from shareholders' funds. A material change in the availability of funding from investors could materially affect our financial performance and financial condition.

Liquidity risk also arises if there is a material mismatch between the scheduled amounts due from loan payments and the amounts due to investors and in circumstances where there is a variation between the amounts due to be repaid under loan contracts and the amounts actually paid, particularly when large amounts of principal are concerned.

Gold Band Finance has a large percentage of its investors in the Canterbury region and persons over the age of 50. These demographics could affect our ability to fund future operations and repay your investment.

Credit Concentration Risk by Geographic Area

Gold Band Finance has made most of its loans (82% by value as at 22 August 2018) to borrowers in the Canterbury area. This exposes Gold Band Finance to the Canterbury economy rather than having a more widespread base of customers.

This summary of risks does not cover all of the risks of investing in Debt Securities. You should also read Section 6 (Risks of Investing) and to other places in the PDS that describe risk factors (for example, the Key Features of the Debt Securities in Section 4).

No Credit Rating

Gold Band Finance is exempt from the requirement to have its creditworthiness assessed by an approved rating agency. This is because we operate under an exemption granted pursuant to the Non-bank Deposit Takers (Credit Ratings Minimum Threshold) Exemption Notice 2016 which recognises that it is unduly onerous for companies the size of Gold Band Finance to have a credit rating. This means that Gold Band Finance has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

Under the Exemption Notice referred to above the Gold Band Finance must maintain liabilities of less than \$20 million and maintain a capital ratio of at least 10% to qualify for the exemption.

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A Glossary containing the definitions of certain terms used in this document is on page 22.

SECTION 2 TERMS OF THE OFFER

| | Debt Securities |
|---|--|
| Description of Debt Securities | Secured Debenture Stock and Secured Debenture Bonds that give investors the right to be repaid the amount the investors deposit with Gold Band Finance plus interest. The repayment obligation is secured over the assets of Gold Band Finance |
| Minimum Amount | \$5,000.00 or such lesser amount as Gold Band Finance may agree from time to time |
| Term of Debt Securities | <p>6 months, 9 months, 18 months, 1, 2, 3, 4 or 5 years, however, you may request a different term (subject to acceptance by Gold Band Finance)</p> <p>At maturity, your investment will become an on-call investment held by us unless we have received and approved your further instructions regarding reinvestment. If Gold Band Finance does not approve further reinvestment (at its sole discretion), investment funds will be repaid to you. If funds are to be withdrawn, your instructions must be received by us before 10.00 am on the day you would like repayment</p> <p>You may have the right to redeem your investment prior to maturity if you suffer real financial hardship. See "Deductions for Early Withdrawal" below in this Table</p> |
| Basis for Ascertaining the Interest Rate | <p>Interest rates are set by Gold Band Finance after considering the prevailing market conditions and its cost of funds. The interest rate at the beginning of your investment is fixed for the period of your investment, unless Gold Band Finance agrees to you withdrawing your investment early (see below)</p> <p>Interest rates can be found by telephoning us on 03 961 3000 or 0800 55 3000 or downloaded from our website http://www.goldbandfinance.co.nz</p> |
| Offer Opening and Closing Dates | The offer opened on 26 February 2016 under a Product Disclosure Statement dated the same date. This is a continuous offer therefore there is no closing date |
| Dates and Frequency of Interest Payments | <p>Interest on Secured Debenture Stock is paid on the last business day in March, June, September and December and on maturity. You may select to have the interest compounded on those days by selecting that option in the Application Form. If you elect in an Application Form, interest can be paid monthly on the last business day of each month and on maturity</p> <p>Interest on Secured Debenture Bonds is paid in advance on the date of investment and monthly thereafter. Interest cannot be compounded</p> |
| Deductions for Early Withdrawal | If you suffer real financial hardship, Gold Band Finance has a discretion to allow you to withdraw your investment early. In |

| | |
|---|---|
| | <p>these circumstances for Secured Debenture Stock the interest rate will be adjusted to the nearest shortest period prior to your early repayment request. For example, if you have a 3 year term and wish to withdraw after 14 months, the nearest shortest term is 1 year</p> <p>For Secured Debenture Bonds, if Gold Band Finance agrees to your early withdrawal and you have received a full month's interest in advance, the amount you receive will take into account any adjustment required by the early repayment so that your total return does not exceed the applicable interest rate. This may mean you receive less principal to recognise the advance payment of interest you have received.</p> |
| Ranking on Liquidation | <p>Debt Securities are secured by a first ranking security interest over all of the assets of Gold Band Finance in favour of the Supervisor, subject to the following potential prior charges:</p> <ul style="list-style-type: none"> • Preferential creditors whose claims arise through the operation of law, including employee wages, taxes and liquidation costs • Permitted prior charges under the Trust Deed up to 7.5% of Total Tangible Assets. At the date of this document there are no prior charges that fit in this category • Supervisor's fees, costs and disbursements <p>Security stock may also be issued under the Trust Deed and ranks equally with Debt Securities. Security stock can be issued as security to persons who don't invest in Debt Securities, say a bank who makes a loan to Gold Band Finance and wishes to have security. The amount of security stock issued at the date of this document is Nil</p> <p>The Supervisor does not guarantee your investment</p> |
| Your Right to Transfer Your Investment to Someone Else | <p>You may transfer your investment to someone else by using a properly completed security transfer form that is commonly used and which complies with applicable law. Please note the information in Section 1 (Key Information Summary, How You Can Get Your Money Out Early) about there being no established market for trading your investment</p> |
| No Fees | <p>You do not pay Gold Band Finance any fees for investing in Gold Band Finance</p> |

The other terms of your investment are contained in the Trust Deed. You may obtain a copy of the Trust Deed in the manner set out in Section 10 (Where You Can Find More Information).

SECTION 3 GOLD BAND FINANCE AND WHAT IT DOES

Overview

Gold Band Finance was incorporated under the Companies Act 1955 and registered on 12 December 1986 under registration no. 321896. The company reregistered under the Companies Act 1993 on 1 May 1996. You can view the public file on the Companies Office website at <http://www.business.govt.nz/companies/> or it can be obtained (on payment of the relevant fee) by telephoning the Business Service Centre on 0508 266 726.

Gold Band Finance operates in the finance industry sector by accepting deposits and making loans. Its business address at the date of this document is Unit 2, 6 Sir William Pickering Drive, Christchurch. Gold Band Finance's registered office is at 485 Papanui Road, Christchurch.

Nature of Operations, Main Activities and Commencement of Operations

Gold Band Finance commenced operations in 1986 providing customers with the traditional services of a finance company. The types of loan that Gold Band Finance makes include the following:

- Commercial
- Hospitality and Tourism
- Personal
- Vehicles
- Property
- Transport

In the 10 year period before the date of this document, Gold Band Finance breached a financial covenant in the Trust Deed relating to how large a loan can be to one borrower customer. The covenant requires that no loan to a single borrower can exceed 10% of Total Tangible Assets. The breach occurred in 2009 and again, due to interest being capitalised on the relevant loan, in 2014. The breach was remedied both times by the sale of parts of the loan on a non-recourse basis and for full value. In February 2015 a further part of the relevant loan was sold on the same basis to avoid another breach of the Trust Deed. The relevant provision in the Trust Deed is complied with at the date of this document.

Industry Sector

Gold Band Finance operates in the finance industry sector. The sector that Gold Band Finance operates in is the non-bank deposit taker sector where deposits (like the Debt Securities) are received from investors and are used by Gold Band Finance to fund loans to its borrower customers. Banks operate on a similar basis, however finance companies like Gold Band Finance differ from a bank because a finance company's operations are much smaller and a finance company can be more flexible with tailoring lending packages to its customers. Banks usually have a high proportion of their loans secured against residential properties giving better security than many business loans and often the credit risk that banks enter into with their borrower customers is stronger than for finance companies. Gold Band Finance does not seek to compete directly with banks. Furthermore, banks attract a larger range of investors and depositors because of the wide variety of investment products that banks offer. This means that banks often have a more stable deposit base.

The company has obtained from the Reserve Bank of New Zealand a Non-bank Deposit Takers licence pursuant to the Non-bank Deposit Takers Act 2013.

Aspects of the Business that are Key to Generating Income

Gold Band Finance generates its income from the interest rate margin on loans it makes above its cost of funds. It is essential to our profitability that we can invest at a higher rate of return by a sufficient amount than the cost of our funds. Our investments are made by advancing loans to our customers and the interest rate we charge reflects our cost of funds and the risk to us. Money we do not advance to borrower customers is invested with our bank at the best interest rate we can get. The more money we can have invested in well-performing loans will generate more income. Generally the interest margin above the cost of funds is higher than a bank's margin where it is necessary for Gold Band Finance to take into account a higher credit risk than might arise with a typical bank loan.

Directors and Senior Managers

Robin Standage (Chairman) LLM (Hons)

A founding director who joined the board in 1986. Robin was a commercial lawyer with Harmans Lawyers for many years including as a senior partner in the firm from 1968 until 2011, and more recently as a consultant before retiring from legal practise. Specific areas of expertise include company, commercial, banking and finance law. Robin has a background as a director of a number of other companies in various industries including investment property, mining, and warehousing. Robin is an independent director. Robin is a shareholder.

Robin Wales (Director)

A founding director who joined the board in 1986. Robin managed the company for a number of years since its establishment, and retired from his role as an Executive Director in 2012. Robin has a background initially employed with a trading bank followed by a long history as a director and shareholder of a number of small business enterprises operating in the taxi, retail, service and hospitality industries. Robin is a major shareholder in Gold Band Finance and not an independent director.

John Thompson (Director)

A director since 1988, John has an extensive background as the director and shareholder of a number of small business enterprises operating in the taxi and hospitality industries. John is a major shareholder in Gold Band Finance and therefore not an independent director.

Paul Rogers (Director) M.Bld.Sc, M.IPENZ, M.IoD

Paul joined the board in 2004 and is a shareholder and Managing Director of national management consulting firm Spire Consulting Limited. Paul has 14 years' experience as a management consultant advising local government and corporates, following his employment in senior management roles at Telecom (now Spark) and a national property firm. As a management consultant Paul specialises in strategic planning, performance improvement and commercial governance. Paul is also the Managing Director of a small – medium business mentoring company Strategic Mentors Limited, a former Director of Snow Sports New Zealand and a previous Chairman of the Facilities Management Association New Zealand. Paul is an independent director. Paul is a shareholder.

Martin Brennan (Chief Executive Officer) Master of Management (Banking) Dip Bank (Massey).

Martin commenced duties as Chief Executive Officer in November 2014. Martin is currently contracted to Gold Band Finance for a 3 year period expiring in 2020, whereupon his employment as Chief Executive Officer will roll forward on an ongoing basis. He has over 25 years' experience in the banking sector. During that time Martin has had roles in a major finance company and has been a Commercial Manager and Area Manager (Business Banking) for a major trading bank. Martin is not a Director. Martin holds shares in Gold Band Finance beneficially via a family trust.

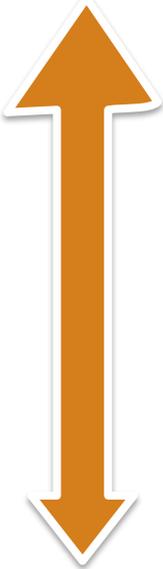
SECTION 4 KEY FEATURES OF THE DEBT SECURITIES

Ranking and Security

The features of the Debt Securities are contained in Section 2 (Terms of the Offer). In particular you should note:

- The Debt Securities are constituted and governed by the Trust Deed. Under the Trust Deed the Supervisor supervises Gold Band Finance's performance of its obligations under the Trust Deed and the Financial Markets Conduct Act 2013 .
- The Debt Securities are secured by a security interest granted to the Supervisor on behalf of the investors over all the present and further assets of Gold Band Finance. The nature of Gold Band Finance's assets are finance receivables (for example, loans made to its customers), bank deposits and office equipment. The security interest secures all the amounts that Gold Band Finance owes the holders of the Debt Securities. As at 31 August 2018 the value of the assets secured under the Trust Deed was \$25,102,577 and the amount secured was \$17,314,221. In the event of a liquidation of Gold Band Finance, the Debt Securities will rank behind all of their preferential creditors and any permitted prior securities. Debt Securities issued to you rank equally with all other Debt Securities issued to other investors.

The table below applies to the Debt Securities and illustrates the ranking of the Debt Securities on a liquidation of Gold Band Finance.

| | Ranking on liquidation of Gold Band Finance | Examples of Liabilities |
|---|--|---|
| <p>Higher ranking/priority</p>  <p>Lower ranking/priority</p> | Liabilities that rank in priority to the Debt Securities | Liabilities owed to preferential creditors, (such as the Inland Revenue for unpaid tax and employees of Gold Band Finance), permitted prior charges and the Supervisor's costs, fees and expenses |
| | Liabilities that rank equally with the Debt Securities | Debt Securities will rank equally with all other secured debt owed by Gold Band Finance |
| | Liabilities that rank below the Debt Securities | Lower ranking creditors, such as unsecured creditors |
| | Equity | The amount owed to shareholders following the distribution of surplus assets |

A ranking diagram, including indicative amounts based on the financial position of Gold Band Finance as at its most recent balance date, is incorporated by reference into this document and is available on-line on the Disclose Register (www.business.govt.nz/disclose).

After the issue of the Debt Securities, further liabilities can be created by Gold Band Finance that rank equally with (such as further Secured Debenture Stock or Secured Debenture Bonds), or in priority to, the Debt Securities on a liquidation of Gold Band Finance. The circumstances in which these further liabilities can arise, and any relevant restrictions under the Trust Deed, are set out below:

- Gold Band Finance is a continuous issuer and will issue Debt Securities from time to time as part of funding for its ordinary business activities.
- Fees, costs and expenses are owed to the Supervisor from time to time under the Trust Deed and in relation to the performance of the Supervisor's functions. Furthermore, if Gold Band Finance defaults under the Trust Deed any fees, costs and expenses of a Receiver appointed by the Supervisor would have priority over the Debt Securities. These fees, costs and expenses arise on a periodic basis as the relevant services are performed by the Supervisor or a Receiver.
- Preferential creditors (such as Inland Revenue for unpaid tax and employees for unpaid wages entitled to priority by law). Preferential creditors would arise in the liquidation or receivership of Gold Band Finance.
- Permitted Prior Charges may be created. The Trust Deed allows Gold Band Finance to grant prior ranking security (called "Prior Charges" in the Trust Deed) to certain other creditors. Under the Trust Deed the maximum amount of the liabilities that can be secured by Prior Charges cannot exceed 7.5% of Total Tangible Assets. As at the date of this document there are no liabilities secured by Prior Charges.
- The Trust Deed imposes certain other restrictions on our business activities, for example: Loans to parties related to Gold Band Finance (for example, directors and shareholders) cannot exceed 15% of Total Tangible Assets. On the Disclose Register (www.business.govt.nz/online) there are documents entitled "Quarterly Report" which set out information for the most recent quarter showing how Gold Band Finance is meeting this requirement (each of which is incorporated by reference into this document).
- A loan to a single borrower must not exceed 10% of Total Tangible Assets. At the date of this document there are no loans exceeding this limit.
- Total Liabilities are not permitted to exceed 92.5% of Total Tangible Assets.
- The aggregate of the Principal Moneys of Stock and Prior Charges must not exceed the aggregate of:
 - (i) 96% of First Category Assets; and
 - (ii) 85% of Second Category Assets; and
 - (iii) 70% of Third Category Assets; and
 - (iv) 40% of Total Other Tangible Assets or twelve times Adjusted Shareholders' Funds.
- The aggregate of assets other than finance receivables and current contracts must not exceed 5% of Total Tangible Assets.
- Capital is not permitted to be less than 12% of the sum of the amounts of risk weighted credit risk, market risk, and operational risk, as regulated by the Deposit Takers Regulations.
- The liquidity ratio (which measures expected cash inflows against contractual cash outflow obligations for periods up to 60 days) is not permitted to be less than the amount prescribed in Gold Band Finance's Risk Management Program agreed with the Supervisor from time to time.
- The liquidity mismatch ratio (which measures expected cash inflows against expected cash outflows over periods from 61 days up to 24 months) is not permitted to be less than 110%.

SECTION 5 GOLD BAND FINANCE'S FINANCIAL INFORMATION

Gold Band Finance is required by law and its Trust Deed to meet certain financial requirements. On the Disclose Register (www.business.govt.nz/online) there are documents entitled "Quarterly Report" which set out information for the most recent quarter showing how Gold Band Finance is meeting those requirements (each of which is incorporated by reference into this document) in the "Other Material Information" section. These are minimum requirements. Meeting them does not mean that Gold Band Finance Limited is safe. The section on specific risks relating to Gold Band Finance's creditworthiness sets out risk factors that could cause its financial position to deteriorate. The Disclose Register provides a breakdown of how the figures in the Quarterly Reports are calculated, as well as full financial statements.

Other limitations, restrictions, and prohibitions

The Trust Deed contains financial covenants imposed on Gold Band Finance, certain borrowing restrictions and restrictions on transactions with related parties. These are summarised in Section 4 (Key Features of the Debt Securities) and further details may be found in a copy of the Trust Deed that is publicly available at www.business.govt.nz/disclose.

SECTION 6 RISKS OF INVESTING

General Risks

The principal risk to you as an investor is that you will not be repaid some or all of the amount of your investment and/or the interest due on that investment.

You could be exposed to that risk if we became insolvent for any reason, and the amounts recovered from Gold Band Finance's assets prove to be insufficient to meet our obligations to you, notwithstanding that you have security for your Debt Securities.

There is also a general risk that, if you want to sell your Debt Securities before maturity, you won't be able to find a buyer or that the amount you will receive from a buyer will be less than the principal amount you paid for your Debt Securities when you made your investment with Gold Band Finance.

Specific Risks Relating to Gold Band Finance's Creditworthiness

Funding and Liquidity Risk

Gold Band Finance's lending activities are funded from investors through the issue of secured debenture stock and secured debenture bonds (including the Debt Securities to be issued as a result of this Product Disclosure Statement) and historically unsecured deposits and from Shareholders' funds. A material change in the availability of new funding or reinvestments from investors could significantly affect our financial performance and financial condition and our ability to meet our payment obligations under the Debt Securities.

Liquidity risk arises when:

- The amounts due from loan repayments is less than the amounts due to investors at the relevant time. This can arise when the length of term of our deposits are for a shorter term than the term of loans we make and funded by those deposits.
- Variations between the amounts due to be repaid by borrowers under loan contracts and the amounts actually paid to us, particularly when large amounts of principal are concerned.

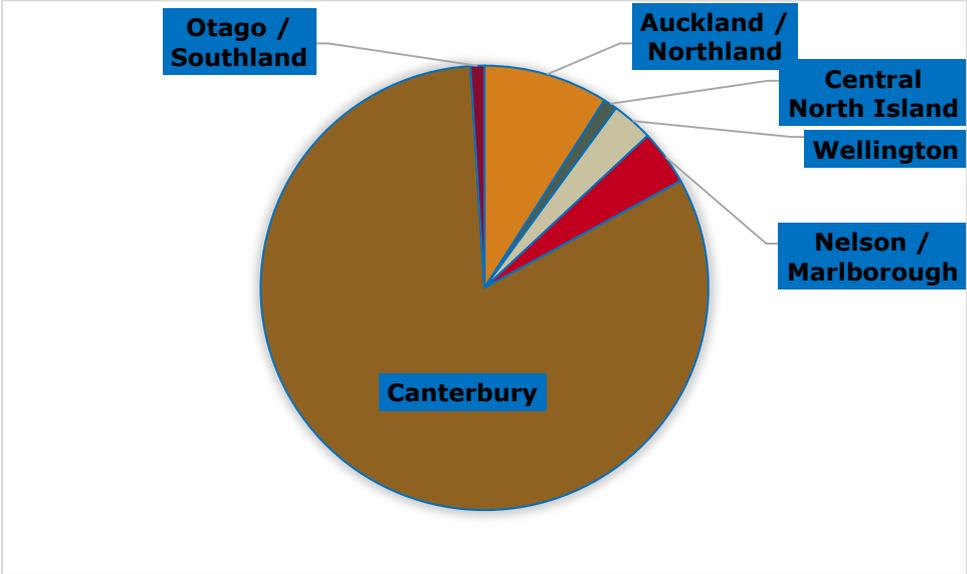
Gold Band Finance has a high level of investors from Christchurch and many aging investors. At 31 August 2018 88.9% of our investors were from Christchurch and a significant number of all investors are over the age of 50. Ideally we would have a more diversified investor base, however, the demand for our investments has continued to be strongest from Christchurch and with over 50s. If the existing levels of investor concentration in Canterbury and the age demographics remain there is a risk that Gold Band Finance will not be able to fund its new lending and repayment of your maturing investments, particularly if replacement investments cannot be found outside Canterbury. This is likely to create a significant risk of Gold Band Finance not being able to repay your investment.

We actively manage liquidity risk in accordance with our risk management policy. In particular we match the maturity dates of the investments we receive with the maturity dates of the loans we make.

Gold Band Finance considers that its funding and liquidity risk to be a significant risk because it is not a nationwide finance company and only has a limited opportunity to influence people's investment decisions and we may not be able to easily control the demographics of persons who prefer to invest in companies like Gold Band Finance. The likelihood of this risk occurring will only be known in the future and is unable to be accurately assessed at the date of this document. The nature of any impact arising from this risk would be that Gold Band Finance does not raise sufficient money from investors in Debt Securities to fund its operations. If that happened then the potential magnitude could be an orderly scaling back of Gold Band Finance's business. Gold Band Finance's aim is to spread the demographics of its deposit base to lessen the likelihood of this risk arising. However, despite Gold Band Finance's aim, reinvestment from the Canterbury region has remained strong and has shown signs of increasing.

Credit Concentration Risk By Geographic Area

As explained in the section above on Funding and Liquidity Risk, Gold Band Finance operates predominantly in the Canterbury region. At 31 August 2018, 82% of the total loans (\$17,852,061) made by us were to borrowers in the Canterbury region. This is because Gold Band Finance is based in Canterbury and regards Canterbury as its "home" market which it knows the best. At 28 February 2019 our loans (by value) were made in the areas referred to below:



| Geographic regions | |
|----------------------|-----|
| Auckland / Northland | 9% |
| Central North Island | 1% |
| Wellington | 3% |
| Nelson / Marlborough | 4% |
| Canterbury | 82% |
| Otago / Southland | 1% |

Despite the large percentage of Canterbury loans, we have not experienced any rate of loan defaults in Canterbury materially different from the rates in other areas.

Gold Band Finance considers that its credit concentration risk to be a moderate to low risk because, even if many of its borrower customers are in the Canterbury region, the region has a sizable economy with diverse businesses. Furthermore, the Canterbury market is one that Gold Band Finance knows well with most of its business being in the Canterbury area. However, if there was a major downturn in the Canterbury economy then a significant risk of not being able to repay your investment is likely to arise. Despite Gold Band Finance's efforts to attract more business from other regions, its lending operations remain mostly in Canterbury.

SECTION 7 TAX

New Zealand residents will have resident withholding tax (**RWT**) deducted from interest that is payable under the Secured Debenture Stock and Secured Debenture Bonds. At the time interest is paid, we will deduct RWT at the default rate prescribed by law unless you establish with us that another rate is applicable.

There may be other tax consequences from you acquiring or disposing of the Secured Debenture Stock or Secured Debenture Bonds.

If you have queries relating to the tax consequences of your investment, you should obtain professional advice on those consequences.

SECTION 8 WHO IS INVOLVED?

| | Name | Role |
|-------------------|-----------------------------------|--|
| Issuer | Gold Band Finance Limited | The issuer of the Debt Securities and responsible to you for repayment of the Debt Securities and interest |
| Supervisor | Covenant Trustee Services Limited | Provides supervision of Gold Band Finance's performance of its obligations under the Trust Deed and the Financial Markets Conduct Act 2013 |

SECTION 9 HOW TO COMPLAIN

Complaints about the Debt Securities can be made to any one or more of the following:

The Chief Executive
Gold Band Finance Limited
Unit 2, 6 Sir William Pickering Drive, PO Box 713, Christchurch
Tel: 03 961 3000 or 0800 55 3000

You may contact the Supervisor directly:

Covenant Trustee Services Limited
Level 6, Crombie Lockwood Building
191 Queen Street
Auckland
Tel: 0800 268 362

You may contact the Financial Markets Authority through the Authority's website at www.fma.govt.nz.

Or you can contact the Dispute Resolution Service that Gold Band Finance belongs to under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 under FSP no. FSP 32185 by contacting:

Insurance & Financial Services Ombudsman Scheme Inc
PO Box 10845
Wellington 6143
Tel: 0800 888 202

Or go to <http://www.business.govt.nz/fsp/>. The dispute resolution scheme will not charge a fee to any complainant to investigate or resolve a complaint.

You can also take advice concerning your complaint from one of your advisers, such as your lawyer, accountant or financial adviser.

There is no other Ombudsman to complain to.

SECTION 10 WHERE YOU CAN FIND MORE INFORMATION

Further information relating to Gold Band Finance and the Debt Securities is available on the Disclose Register (for example, financial statements). A copy of the Trust Deed may also be obtained from the Disclose Register. The Disclose Register is at <http://www.business.govt.nz/disclose> and the information can be obtained on request by you to the Registrar of Financial Service Providers. Gold Band Finance does not presently provide information to investors on an annual basis, other than by means of the Quarterly Interest Advice, but we do from time to time contact investors with news believed to be of interest to them and details of promotional offers.

You are entitled to request from Gold Band Finance:

- A copy of our most recent financial statements.
- A copy of our current Replacement Product Disclosure Statement.
- Certain information concerning your investment(s) (such as its principal amount, maturity date and the next date on which interest is payable).

The information is available to you free of charge by contacting Gold Band Finance using our contact details listed in section 12 (Contact Information).

SECTION 11 HOW TO APPLY

You may apply for Debt Securities by completing an application form and sending it to Gold Band Finance. The current version of an application form is available by contacting Gold Band Finance. An up to date application form will always be available to be downloaded from our website <http://www.goldbandfinance.co.nz>. Enquires about investing can be made to:

The Investments Manager
Gold Band Finance Limited
Unit 2, 6 Sir William Pickering Drive PO Box 713 Christchurch
Tel: 03 961 3000 or 0800 55 3000
Email: admin@goldbandfinance.co.nz

Applicants will be required to provide identification to comply with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

SECTION 12 CONTACT INFORMATION

The contact details of Gold Band Finance are, at the date of this Product Disclosure Statement:

Gold Band Finance Limited
Unit 2, 6 Sir William Pickering Drive, PO Box 713, Christchurch
Tel: 03 961 3000 or 0800 55 3000

GLOSSARY

Adjusted Shareholders' Funds has the meaning in the Trust Deed.

Application Form is the application form for the Debt Securities. You must fill out an application form before you can invest in Debt Securities. Further information is in Section 11 (How to Apply).

Capital means capital of Gold Band Finance as calculated under regulation 10 of the Deposit Takers Regulations.

Debt Securities means Secured Debenture Stock and/or Secured Debenture Bonds.

Deposit Takers Regulations means the Deposit Takers (Credit Ratings, Capital Ratios, and Related Party Exposures) Regulations 2010.

Disclose Register is the register for offers of regulated financial products located at <http://www.business.govt.nz/disclose>. For Gold Band Finance you find its registrations on the Disclose Register under the name "Gold Band Finance Limited." The information on the Disclose Register includes this PDS, any amendments to it and our statutory financial information.

First Category Assets has the meaning in the Trust Deed.

FMA means the Financial Markets Authority.

PDS means this Replacement Product Disclosure Statement. A Product Disclosure Statement is required under section 48 (1) of the Financial Markets Conduct Act 2013 for the offer of Secured Debenture Stock made by Gold Band Finance in this document.

Principal Moneys has the meaning in the Trust Deed.

Prior Charges has the meaning in the Trust Deed.

Second Category Assets has the meaning in the Trust Deed.

Secured Debenture Bonds means debenture bonds offered under this document and issued, or to be issued, as secured debenture bonds pursuant to the Trust Deed.

Secured Debenture Stock means debenture stock offered under this document and issued, or to be issued, as secured debenture stock pursuant to the Trust Deed.

Stock has the meaning in the Trust Deed.

Supervisor means Covenant Trustee Services Limited for the period of their appointment and any replacement supervisor licensed by the FMA.

Third Category Assets has the meaning in the Trust Deed.

Total Liabilities means the total liabilities of Gold Band Finance as more particularly defined in the Trust Deed.

Total Tangible Assets means the total tangible assets of the Charging Group and as more particularly defined in the Trust Deed.

Total Tangible Other Assets has the meaning in the Trust Deed.

Trust Deed means the Debenture Trust Deed dated 30 June 1993 between Gold Band Finance Limited and the Supervisor, as amended from time to time.

We and **us** means Gold Band Finance Limited.

You means the investor or prospective investor as the context requires.