

HSBC Home and Investment Property Loans

Booklet of Standard Terms and Conditions

Issued 15 November 2018



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HSBC CREDIT GUIDE

This Credit Guide is issued by HSBC Bank Australia Limited ABN 48 006 434 162, Australian Credit Licence Number 232595 of 100 Barangaroo Avenue Sydney NSW 2000 (“HSBC”, “we”, “our”) as part of our responsible lending obligations under the National Consumer Credit Protection Act. Please read this document carefully as it will help you.

Our legal obligations to you

As at 1 January 2011, we are obliged not to enter into a credit contract with you or increase the credit limit of a credit contract if we deem these as being unsuitable for you. We can deem a credit contract or credit limit increase to be unsuitable for you if we believe that you can only comply with its contractual terms by incurring substantial financial hardship, such as if you would have to sell your home to make repayments or if you can only make repayments with extreme difficulty, or if we believe the credit contract does not meet your requirements or objectives.

In certain circumstances, we will provide you with a copy of a written assessment of how we arrived at the decision to enter into a credit contract or credit limit increase with you. You can request a copy of our written assessment free of charge.

We are obliged to provide you with a copy of the written assessment within 7 business days if you make the request within two years of the date of your credit contract with us. If you make such request after two years of the date of your credit contract, we have 21 business days to provide you with a copy of our written assessment.

We do not have to give you a copy of the written assessment where we have not entered into a credit contract with you or have not provided a credit limit increase to you.

When you draw down your Facility, we may pay a commission or referral payment to the entity which introduced you to us. Details of the commission or referral payment, if known, will be set out in the Letter. You may obtain a reasonable estimate of the amount of the commission or referral payment and how it is worked out by contacting HSBC on 1300 306 375.

Our complaints handling process

If you have a complaint about our products, services or processes, we would like to hear about it. If you took out a product or service via one of our branches, please contact your branch at first instance. Otherwise, we can be contacted as follows:

Customer Relations Team
HSBC Bank Australia Limited
Level 36, Tower 1, International Towers
Sydney 100 Barangaroo Avenue
SYDNEY NSW 2000

Toll Free: 1300 308 188

Overseas callers: + 61 2 9005 8181

Fax: + 61 2 9255 2647

You can also lodge a complaint online by going to the "Contact Us" link on our website www.hsbc.com.au and following the link under "Complaints and Feedback".

We will investigate your complaint in confidence and aim to provide you with a response within five working days. If we cannot resolve your complaint within this period, we will provide you with regular updates as to the status of your complaint.

If we do not resolve your complaint within 45 days or if you are otherwise not satisfied with the outcome or our handling of your complaint, you can go to the Australian Financial Complaints Authority. This is an impartial, independent and free service for personal and small business customers, of which we are a member. They can be contacted as follows:

Australian Financial
Complaints Authority
GPO Box 3
MELBOURNE VIC 3001
Tel: 1800 931 678
Fax: 03 9613 6399
E: info@afca.org.au
www.afca.org.au

YOUR ACKNOWLEDGEMENT OF RISK

No reliance on Bank's enquiries or checks

You know that if we or our representative inspect any building work on any Property, we are doing so for ourselves and not you. You should not rely on that inspection.

We and our representatives are not responsible to you if any building work has not been properly done, even if we or our representative have said it is satisfied as to the work, and we lend against the work.

The same applies to any search, enquiry, review, inspection or valuation which is checked, carried out or obtained by us or our representatives with respect to any other aspect of any Property or your business or affairs.

In particular, if you are buying any Property, you are responsible for making sure you get good title. If you have one, your lawyer or conveyancer should do this. You should not rely on us or our representatives to do this.

Interest Rate and exchange rate movements

We have no liability or responsibility whatsoever to you in respect of movements in Interest Rates or exchange rates. You will make your own judgement and decision as to:

- whether to borrow at, or switch to, an Interest Rate which is a fixed rate; and
- whether to borrow in a currency other than Australian dollars.

If you choose to borrow in a currency other than Australian dollars you acknowledge that if the Australian dollar increases in value relative to the currency of your Loan Account (or if the currency of your Loan Account decreases in value relative to the Australian dollar) the Australian dollar equivalent of your Facility will increase. This will mean:

- where your Facility is an Unregulated Facility, or comprises a Home Equity Loan Account which is a Regulated Facility, you may be required to make a Prepayment to reduce the amount of your Facility; and
- where the Security for your Facility is in Australia the value of your Security may fall relative to the amount of your Facility and you may be required to provide extra Security or, in some circumstances, reduce the amount of your Facility.

We do not monitor movements in exchange rates for you – this is your responsibility. It may be possible for you to enter into hedging transactions which would limit the risk of losses.

Foreign currency withdrawals

Clause 1.1.4 lists the ways in which you may withdraw amounts from a Home Equity Loan Account or a HOME SMART® Loan Account. As withdrawals from those types of Loan Accounts may be effected using our Telephone Banking Service and our Internet Banking Service and may be processed in a currency other than Australian dollars, we draw your attention to the manner in which we process Foreign Currency Transactions using these services as set out in clause 1.6 of this Booklet and the risks involved in dealing in foreign currencies.

You acknowledge and agree that due to fluctuations in currency exchange rates a rate of exchange advised to you on inquiry may be different from the rate of exchange that you may obtain subsequently when carrying out a transaction and that there are time delays in processing transactions during which time the exchange rate may change.

Independent advice

We recommend that you seek independent financial and legal advice.

No reliance generally

You acknowledge that you did not sign any document in reliance on, or as a result of, our conduct including any promises, advice or statements except as expressly set out in writing on our behalf. The only terms which apply to your Facility are contained in the Letter HSBC sends to you and this Booklet, except for terms which are required by law and cannot be excluded.

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STANDARD TERMS

In this Booklet some terms have particular meanings. See clause 14.2 for an explanation of those terms.

1. Drawings

1.1 Drawing your Loan Accounts

1.1.1 Loan Account Purpose

You can only draw the Loan Accounts for the purpose stated in the Letter.

Unless your Loan Account is part of a Regulated Facility you can only draw the Loan Account if the purpose for which you are going to use the money is wholly or predominantly (that is, more than half) a business or investment purpose (or a combination of business and investment purposes).

We will pay your Loan Account proceeds as set out in the Letter unless you or someone authorised and nominated by you in writing tells us otherwise at least 3 Banking Days before you make a drawing.

1.1.2 When you can make a drawing

If your Loan Account is any type of Loan Account other than a Construction Loan Account, a Home Equity Loan Account or a HOME SMART® Loan Account, you must drawdown the entire Loan Account in one amount on the Settlement Date and instruct us how to disburse the Loan Account and you must make that drawing within 3 calendar months of the date of the Letter or any longer period agreed by us in writing. If you do not borrow within that period we have no obligation to lend to you.

If you have a Construction Loan Account, you can draw the Loan Account in not more than the number of instalments, and over the period, stated in the Letter opposite the heading "Construction Loan Accounts" (unless we otherwise agree in writing). The first drawing must occur within 2 calendar months of the date of the Letter or any longer period agreed by us in writing. If you do not make your first drawing within that period we have no obligation to lend to you.

Where there is more than one of you, none of you can terminate your liability in respect of a Construction Loan Account once a drawing has been made until the Bank issues a certificate saying the construction or renovation has been completed to its satisfaction.

If you have a Home Equity Loan Account:

- (a) you must make an initial drawing within 3 calendar months of the date of the Letter or any longer period agreed by us in writing. If you do not make an initial drawing within that period we have no obligation to lend to you; and
- (b) following your initial drawing, you may withdraw any amount from your Loan Account at any time. However, the total amount outstanding at any time must not exceed your Loan Account Limit.

If you have a HOME SMART® Loan Account:

- (a) You must make an initial drawing within 3 calendar months of the date of the Letter or any longer period agreed by us in writing. If you do not make an initial drawing within that period we have no obligation to lend to you;
- (b) you may withdraw any amount from your Loan Account at any time provided that:
 - you do not exceed your Loan Account Limit. Your Loan Account Limit is determined by us and will reduce on each Payment Due Date by an amount determined by us that is equal to the principal component of the Repayment due on that date; and
 - where you are assisted to make a withdrawal by our staff at a branch, you must withdraw at least \$500 where the proceeds are transferred to a third party or an account with another institution.

You agree to pay any stamp duty payable on any reborrowing if any part of the Property is real property located in Queensland. This amount is currently not ascertainable but will be calculated at the mortgage stamp duty rate which applies when you reborrow taking into consideration any exemptions available.

As prerequisites for making a drawing under any Loan Account you agree to provide the following documentation, as applicable:

- (a) statutory declaration from each guarantor stating that the guarantor has received independent advice from a solicitor

acceptable to the Bank;

- (b) a certified copy of any trust deed where you or an individual or company providing a guarantee or Security is the trustee of a trust;
- (c) the original of the insurance policy or certificate of currency for insurance of any Property which is to be or has been taken by the Bank as Security for this Facility on a replacement and reinstatement basis noting "HSBC Bank Australia Limited as mortgagee for its respective rights and interests".

1.1.3 Surplus funds

If we do not receive any instruction from you, we will:

- (a) for a Variable Rate Loan Account, credit surplus funds to the relevant Loan Account;
- (b) for a Fixed Rate Loan Account, credit surplus funds to your HSBC servicing account, or, alternatively, if an HSBC servicing account is not held, issue a cheque in your name(s) which will be forwarded to you with your settlement advice.

1.1.4 Drawing your Home Equity Loan Account or HOME SMART® Loan Account

If you have a Home Equity Loan Account or a HOME SMART® Loan Account you may withdraw amounts from those Loan Accounts by:

- (a) cheque;
- (b) HSBC ATM Card or VISA® Debit Card linked to your Loan Account, at any HSBC or HSBC Group ATM or at any ATM displaying the "Cirrus", "Maestro", "VISA®" or "VisaPLUS" logos (as applicable);
- (c) EFTPOS;
- (d) transfer through our automated Telephone Banking Service;
- (e) transfer through our Internet Banking Service;
- (f) direct debit authorising us or another institution to deduct funds from your Loan Account
- (g) at one of our branches; or
- (h) at any Post Office displaying the BANK@POST™ symbol using an

HSBC ATM Card or VISA® Debit Card linked to your Loan Account, or any other way allowed by the Bank from time to time.

1.1.5 Exceeding the Loan Account Limit – Home Equity Loan Accounts and HOME SMART® Loan Accounts

If a transaction would cause the debit balance on your Loan Account to exceed the Loan Account Limit the Bank may, without notice, decline, stop or reverse the transaction.

If for some reason the Bank does accept a cheque, or in some other way allows the debit balance in your Loan Account to exceed the Loan Account Limit, it does not mean the Bank is increasing the Loan Account Limit.

You must pay the excess immediately in addition to any scheduled Repayment. The excess will be charged interest at a Default Rate (see clause 2.12).

1.1.6 HSBC Premier Package

Where you have applied for and we agree to provide to you this service, you acknowledge that you have received and read the Bank's Statements called:

- (a) HSBC Premier Service Guide; and
- (b) HSBC Premier Global View Terms and Conditions.

You accept and must comply with the terms of these statements.

1.1.7 When there is more than one of you

Where there is more than one of you:

- (a) any one of you can make drawings from your Loan Account; but
- (b) if one of you terminates your liability in respect of your Loan Account we will not allow any further drawings to be made from your Loan Account by any of you.
- (c) See the section of the Letter headed "Where there is more than one of you" for the circumstances in which you may be entitled to terminate your liability; and

(d) if you have a HOME SMART® Loan Account or a Home Equity Loan Account and we become aware of a dispute between you, we may decide not to allow any further drawings from the Loan Account until all of you have signed an authority for us to act on the instructions of only one of you.

1.1.8 Cheques deposited

You cannot draw on any cheques deposited to a Loan Account until they have been cleared.

1.2 What needs to happen before drawing

Before you can draw under your Facility you need to:

- (a) sign and return a copy of the Letter within 1 month after the date of the Letter or any longer period agreed by us in writing;
- (b) complete and sign the necessary forms to open the Facility;
- (c) deliver the following in form and substance satisfactory to us:
 - the Security documents referred to in the Letter duly executed;
 - where a Security document has previously been given to us by another entity for another transaction, and is to be used for the Facility, consent from that entity;
 - evidence of any insurance we require; and
 - any other document listed in the Letter or any other document we reasonably require;
- (d) satisfy our requirements in relation to the Security – we will write to you or your lawyer as to what those requirements are (please note that if someone is guaranteeing your Facility one of our requirements will be that they obtain independent legal advice);
- (e) pay the fees and charges referred to in the Letter under “Initial Fees and Charges” unless we agree they can be paid out of the loan proceeds; and
- (f) give us not less than 3 Banking Days written notice of the date you want to make a drawing.

Before you can draw under your Facility we need to:

- (a) verify the information you have given us;
- (b) obtain a satisfactory valuation of the Property to ensure it meets our criteria for acceptable Security (where the Facility comprises a Construction Loan Account we will obtain a valuation of the Property in its existing state and a valuation assuming completion of the contemplated works); and
- (c) if necessary, obtain mortgage insurance.

You should not assume these conditions will be met. If they are not, you will not be able to draw the Facility.

1.3 Construction Loan Accounts

If your Loan Account is a Construction Loan Account the extra things you need to do before you first draw under your Loan Account and when you make a drawing for a progress Payment are set out in Schedule 1 to this Booklet.

1.4 No default

We are not obliged to provide an advance if on the drawdown date:

- (a) any of the statements in clause 7 is not true;
- (b) there is a Default Event which has not been waived by us, or remedied to our satisfaction;
- (c) there is a breach of other event which with notice, time or both would become a Default Event; or
- (d) any guarantor or other Security provider:
 - withdraws from or stops a guarantee or other Security taken in relation to the Facility; or
 - dies or is under Administration.

1.5 Loan Accounts

You authorise us to open the requisite Loan Accounts in your name and to debit to the relevant Loan Account any of the following without first notifying you:

- (a) each amount we lend;

- (b) any amount you redraw;
- (c) any fees and charges and any Enforcement Expenses payable under your Facility unless you pay for them by cheque or cash;
- (d) interest (including Default Interest); and
- (e) any other amount you have authorised us to debit to a Loan Account.

We will send you a statement of each Loan Account each month unless the law says we do not need to do so.

A debit or credit to a Loan Account is taken to be made, and has effect, on the date assigned to it (which may be different from the date we processed it and recorded it in the Loan Account). We may subsequently adjust debits or credits, and the Loan Account balance, to accurately reflect the legal obligations of you and the Bank (for example, if we discover an error or a cheque is refused). If we do this we may make consequential changes (including to the interest charged).

If a Loan Account is denominated in a currency other than Australian dollars then the Loan Account will be in that other currency and all fees and charges and any Enforcement Expenses payable or incurred in Australian dollars which are debited to the Loan Account will be converted to that other currency at the rate we determine before being debited. We may make such other currency conversions as we see fit to give effect to the terms of your Facility.

Unless you have a Home Equity Loan Account or a HOME SMART® Loan Account we may close any Loan Account if at any time the balance is zero.

You can ask us to split your Home Equity Loan Account into two or more sub-accounts by notifying us in writing of the name of each sub-account. If we agree to do this:

- (a) you must pay the sub-account fee shown in the Letter; and
- (b) we will issue separate cheque books and statements for each sub-account.

If we are entitled to charge an amount to a Home Equity Loan Account we may charge it to one or more sub-accounts in the proportions we decide.

1.6 Foreign Currency Transactions – Home Equity Loan Accounts and HOME SMART® Loan Accounts

An instruction provided through our Internet Banking Service to effect a currency conversion transfer that is provided to us on a Banking Day will be processed by us on the same Banking Day if we receive the instruction prior to the instruction cut-off time for the transfer of the relevant currency. The currency exchange rate that we apply is the rate that applies at the time we process the instruction. Please note that the instruction cut-off times differ depending on the currency being transferred. Information on instruction cut-off times can be obtained by calling us.

If we receive the instruction through the Internet Banking Service after the relevant instruction cut-off time or at anytime on a day that is not a Banking Day, we will process the instruction on the next Banking Day at the currency exchange rate that applies at the time we process the instruction on that day. Please note that due to fluctuations in exchange rates, if we are provided with instructions after the relevant instruction cut-off time on a Banking Day or if we are provided with instructions at anytime on a day that is not a Banking Day there will always be a risk that the exchange rate that applies to the transfer may be less beneficial to you than had we been provided with instructions prior to the relevant instruction cut-off time.

An instruction provided through our Telephone Banking Service will be processed, using the currency exchange rate that applies at the time when we process the instruction. If we are provided with instructions at the end of a Banking Day, or at any time on a day that is not a Banking Day, we may process the instructions on the next Banking Day at the currency exchange rate that applies at the time we process the instruction on that day. Please note that due to fluctuations in exchange rates, if we are provided with instructions at the end of a Banking Day, or at any time on a day that is not a Banking Day, there will always be a risk that the exchange rate that applies to the transfer may be less beneficial to you than had we been provided with instructions prior to the end of the Banking Day.

1.7 Facility Term

Notwithstanding the Facility Term where you have a Home Equity Loan Account or where your Facility is an Unregulated Facility, you

acknowledge that the Facility is repayable and terminable on demand. You acknowledge that there is no arrangement or understanding that we will only demand Repayment if a Default Event occurs or if something happens or doesn't happen.

2. Payment Obligations

2.1 Interest and fees

You must pay interest and fees as set out in the Letter and this clause 2.1.

If we have approved the Facility and you have paid an establishment fee and then you cancel your Facility without drawing it we may at our discretion refund part of the fee which represents expenses we did not incur.

Unless your Facility expressly says otherwise, all interest on a Loan Account will be payable in the same currency as the currency in which the Loan Account is denominated.

We will give you information on current fees and charges on request.

2.2 Repayments and Prepayments

You must repay the amount of the Facility as set out in the Letter and this clause 2.2.

Unless your Facility comprises:

- (a) Home Equity Loan Account;
- (b) Construction Loan Account during the Construction Period; or
- (c) any other type of Loan Account during an Interest Only Period.

You cannot reduce your Repayments even if you do not draw the Facility up to its limit or any Loan Account up to its Loan Account Limit.

You may prepay all or part of the amount drawn under the Facility or any Loan Account at any time. Partial Prepayments can be for any amount except where the Prepayment is made by debiting an account with another financial institution and you are assisted by our staff to make it, in which case it must be a minimum of \$500.00

If you prepay you may need to pay:

- (a) break costs (see the fees and charges section of the Letter);
- (b) a prepayment and switching administration fee (see the fees and charges section of the Letter);
- (c) if you have a Loan Account with a special fixed rate or an introductory variable rate, a Special Prepayment Charge (see the fees and charges section of the Letter); and/or
- (d) a deferred establishment fee, if you are not required to pay a Special Prepayment Charge (see the fees and charges section of the Letter).

2.3 Method of Payment

You can make Payments:

- (a) at any HSBC branch in Australia during business hours;
- (b) at any Post Office displaying the BANK@POST™ symbol if you have an HSBC ATM Card or VISA® Debit Card that it is linked to your Loan Account;
- (c) by transferring funds from another account with the Bank using a direct credit, our Internet Banking Service or our automated Telephone Banking Service;
- (d) unless you have a Loan Account in a currency other than Australian dollars, by direct credit from another financial institution or your employer;
- (e) unless you have a HOME SMART® Loan Account, by direct debit authorising us to deduct funds from an account with another financial institution; or
- (f) in any other way allowed by the Bank from time to time.

Whichever way you choose to repay, you will need to arrange to have the funds credited to the relevant Loan Account on or before your Payment Due Date. Unless you make your Payments by direct debit it is your responsibility to find out what your Payments will be.

Payments must be in cleared funds and free of any set-off or deduction, except for taxes where required by law. This means you will need to pay any money you are required to pay under this Facility without deducting amounts you claim are owing to you by us or any other person.

Payments must be paid in the currency in which the loan is denominated at the time of Payment.

2.4 Stopping payments

You may stop payment on a cheque written on your Home Equity Loan Account or HOME SMART® Loan Account by giving the Bank instructions in writing before the cheque has been paid. Those instructions must clearly identify the cheque in question.

When you have authorised us to make regular automatic payments from your Home Equity Loan Account or HOME SMART® Loan account, and you want to stop these payments, you must provide us with written instructions at least 3 Banking Days before the next payment is scheduled to be made. Full details of the payment (amount, due date, payee) will be required.

Transactions through our:

- (a) Telephone Banking Service;
- (b) Internet Banking Services (including BPAY® Payments);
- (c) HSBC ATM Card (including EFTPOS); or
- (d) VISA® Debit Card (including EFTPOS),

cannot be stopped once you have given your instruction. The only exception to this is to transfer to another account with the Bank which may be able to be stopped or reversed if you contact our operator assisted Telephone Banking Service.

If you ask us to cancel a direct debit authorising:

- (a) us or another institution to deduct funds from your Loan Account where you have a Home Equity Loan Account or a HOME SMART® Loan Account; or
- (b) us to make payments to your Loan Account by deducting funds from an account with another financial institution,

we will do so promptly. However, where we cancel a direct debit for your Repayments you will need to make other arrangements to make your Repayments and if you do not you will be in default under this Facility. The cancellation of a direct debit in favour of another party may put you in breach of your contract with the other party. We will not be responsible for any such breach or for any loss or damage you

may suffer in connection with any such breach.

We will promptly process any complaints by you that a direct debit was unauthorised or otherwise irregular.

There will be a fee for stopping a cheque, payment or direct debit (see the fees and charges set out in Schedule 3 to this Booklet).

2.5 Time of Payment

All Payments must be made before the end of a Banking Day. Payments made after the end of a Banking Day may not be treated as received, or credited, until the next Banking Day.

Unless otherwise stated, amounts payable under this Facility are payable on demand.

If the Letter says your Payments are due monthly that means they are due on the same day in each calendar month. If a Payment is due on the 29th, 30th or 31st day of the month but a month does not have that many days, you must make that Payment on the last day of that month.

However, if a Payment is due on a day which is not a Banking Day, you must pay on the following Banking Day.

2.6 Calculation of interest

Interest accrues daily on the unpaid balance of each Loan Account at the Interest Rate divided by 365.

2.7 Converting to a fixed rate

Unless your Loan Account is a Home Equity Loan Account, a HOME SMART® Loan Account, a Bridging Loan Account, a Home Rewards Loan Account or a Construction Loan Account during the Construction Period you may apply to convert your Interest Rate to a fixed rate.

If you have:

- (a) a Market Linked Rate you may only convert at the end of an Interest Period; or
- (b) a special fixed rate or an introductory variable rate you may only apply to convert to fixed rate after the first 3 years (if you do it earlier you will need to pay a Special Prepayment Charge (see the

fees and charges section of the Letter).

Otherwise, you may apply to convert to a fixed rate at any time, but if you convert during a Fixed Rate Period you will need to pay break costs (see the fees and charges section of the Letter).

It is in our discretion whether we agree to a conversion to a fixed rate. To apply, you must give us at least 5 Banking Days notice in writing:

- (a) that you want to convert; and
- (b) nominating your chosen Fixed Rate Period.

Once we agree, you:

- (c) must pay the fixing fee shown in the Letter; and
- (d) may not change your mind.

If you convert, your Repayments may change to reflect the changed Interest Rate but your Repayments remain due at the same intervals as before unless we tell you otherwise.

The conversion becomes effective on the Banking Day we specify when we agree to the conversion (where you are converting from a Market Linked Rate that will always be the next Banking Day after the end of the Interest Period during which we receive your notice to convert).

We will confirm to you in writing on or before the date the conversion takes effect:

- (a) the date the Interest Rate changes;
- (b) the new Interest Rate; and
- (c) the term of the Fixed Rate Period.

We will notify you of your new Repayments and when they are first due.

2.8 Paying interest in advance – not available for some Regulated Facilities

If you have a Facility which:

- (a) is an Unregulated Facility or is a Facility that is used wholly or predominantly for the purpose of investment in residential property by a natural person;

(b) has a Fixed Rate Period; and

(c) has an Interest Only Period for some or all of the Fixed Rate Period,

you can apply to pay interest in advance for a period of up to 12 months (an Interest in Advance Period).

If you apply to pay interest in advance you must give us not less than 5 Banking Days notice of the date on which you intend to pay the interest in advance (which, for a new Loan Account, could be the drawdown date for the Loan Account) and the length of the Interest in Advance Period. It is our discretion whether we approve your application.

Once you have given that notice and we approve your application you cannot change your mind and you must pay interest in advance in accordance with it.

The Interest in Advance Period must end on or before the earlier of:

(a) the last day of the relevant Fixed Rate Period; and

(b) the last day of the Interest Only Period.

We may (but are not obliged to) discount the Interest Rate applicable for the Interest in Advance Period from the Interest Rate specified in the Letter or otherwise applicable (to take into account the fact that we are receiving interest early). If we do, that discount applies only for the Interest in Advance Period, and not for the remainder of the Fixed Rate Period (if any) after the Interest in Advance Period.

2.9 Interest on credit balances in Home Equity Loan Accounts and HOME SMART® Loan Accounts

HSBC need not make payment of interest on credit balances in the Loan Account.

2.10 Debiting of interest

Interest will be debited:

(a) if you have a Bridging Loan Account and you have chosen to capitalise the interest for the Account Term, to your Loan Account monthly on the same day of the month that your Loan Account was opened and on the date your Loan Account is repaid in full;

and

(b) if your Loan Account is any other type of Loan Account, to your Loan Account on the dates your Payments are due (or if you have paid interest in advance on the date you made the Payment) and on the date on which your Loan Account is repaid in full.

The interest debited will be all interest calculated up to and including the day before the date on which the debit is made (excluding interest which has already been debited).

2.11 Banking Days

If Interest is to be debited on a day which is not a Banking Day, it will be debited on the following Banking Day.

2.12 Default Interest

If you have a HOME SMART® Loan Account or a Home Equity Loan Account and you exceed your Loan Account Limit then the Bank may charge you interest on the excess from the day you exceed the Loan Account Limit until the excess is repaid.

If you have any other type of Loan Account and you do not make a Payment when due then the Bank may charge you interest on the overdue amount from the day it was due until it was paid.

That interest will be calculated daily at the Default Rate divided by 365. That interest accrues before and after any judgment. You must pay the interest on demand.

We may debit your Loan Account with accrued interest under this clause on any day. Unless we do so more often, we will be taken to have done so at the end of each month. That interest will then itself bear interest.

2.13 What happens to Payments we receive?

We may apply any money we receive or recover in any way in respect of money you owe, in paying whatever of the money you owe we choose (despite any direction to the contrary) but may first pay anyone who we believe ranks ahead of us.

2.14 Interest calculation for Offset Savings Accounts

If you have a Balance Offset Arrangement, under which an HSBC Offset Savings Account is linked to your Loan Account, for each day* when the balance of the Offset Savings Account is greater than its Minimum Offset Threshold your interest charge for this day on your Loan Account will be reduced by an 'offset amount'. The 'offset amount' for that day is calculated as follows:

- (a) we take the amount by which the balance of the Offset Savings Account exceeds the Minimum Offset Threshold (or the balance of the Loan Account, if that is less than the amount by which the balance of the Offset Savings Account exceeds the Minimum Offset Threshold);
- (b) we then take the Interest Rate currently applicable to your Loan Account and multiply it by the offset percentage of your Offset Savings Account, which is 100%;
- (c) Multiply (a) and (b) and divide the result by 365 (being the number of days in the year).

Example

$$(a) = \$5,000$$

$$(b) = 0.067 (6.7\% \text{ p.a.}) \times 100\% = 0.067$$

$$(c) = (\$5,000 \times 0.067)/365$$

Therefore the offset amount for that day = \$0.917

- * If an existing HSBC customer opens an HSBC Offset Savings Account prior to the first interest Payment Due Date of the Loan Account, interest charges on the Loan Account will not be reduced by offset amounts under the Balance Offset Arrangement during the period prior to that first interest Payment Due Date.

If you default on your Loan Account, HSBC may at any time and without prior notice transfer or apply all or part of the credit balance of your Offset Savings Account towards your Loan Account. HSBC may also freeze your Offset Savings Account at any time.

Additional terms and conditions apply to Offset Savings Accounts. Refer to the HSBC Offset Savings Account Product Disclosure Statement set out in Schedule 5 to this Booklet and which can be found on Our Website.

3. Redrawing Amounts Prepaid (Cash Back)

This clause does not apply to Home Equity Loan Accounts, HOME SMART® Loan Accounts or Bridging Loan Accounts or to Construction Loan Accounts during the Construction Period.

You may reborrow any part of a Prepayment:

- (a) at any time while the Interest Rate is a variable rate (including an introductory variable rate); or
- (b) on an Interest Review date if your Interest Rate is a Market Linked Rate,

If we allow you to reborrow:

- (c) you must reborrow at least \$500;
- (d) you must pay the fee shown in the Letter under the heading "Redraw Fee" if you make a request to reborrow via one of our branches;" and
- (e) there must not be any breach or other event which with notice, time or both would become a Default Event.

While you have an Interest Rate which is a fixed rate (including a special fixed rate) you may not reborrow any part of a Prepayment at any time.

We may refuse any request for a reborrowing or further borrowing of any unused Loan Account Limit at any time. We may also cancel your ability to reborrow or to borrow any unused Loan Account Limit at any time.

You agree to pay any stamp duty payable on any reborrowing if any part of the Property is real property located in Queensland. This amount is currently not ascertainable but will be calculated at the mortgage stamp duty rate which applies when you reborrow taking into consideration any exemptions available.

4. Costs and Additional Payments

4.1 Yield protection

This clause 4.1 does not apply to Regulated Facilities

Whenever we determine that a Change in Law has the effect of:

- (a) increasing our costs of funding or maintaining the Facility, or reducing our return or amounts received in respect of the facility; or
- (b) reducing our return on capital allocated to the Facility (including because more capital needs to be allocated to the Facility or cannot be used elsewhere),

then we will promptly notify you, and you must pay us the amount we certify is necessary to compensate us. That certificate will give an outline of the calculation, and will be conclusive and bind you in the absence of manifest error.

If you so request, we will negotiate in good faith with a view to finding a means of minimising the effect, but it is not a defence that the effect could have been avoided or minimised.

4.2 Enforcement Expenses

You may have to pay Enforcement Expenses after a default. All Enforcement Expenses are payable on demand or when we debit your Loan Account for them.

4.3 Currency indemnity

If for any reason, including liquidation, any amount is received by us in a currency other than that in which it is payable, you must indemnify us for any exchange loss.

4.4 Tax

If you are required to deduct any tax from any Payment (except a tax on our overall net income), then:

- (a) you must pay that amount to the appropriate authority and promptly give us evidence of Payment; and
- (b) the amount payable is increased so that (after deducting that tax and paying any taxes on the increased amount) we receive the same amount we would have received had no deduction been made.

The following applies in relation to goods and services or similar tax and any related interest, penalties, fines or other charges (GST):

- (a) amounts stated in the Financial Table in the Letter are the full amounts payable by you and include GST where it applies. If we notify you of a new or changed fee or charge the amount we notify you will include any applicable GST; and
- (b) in relation to other amounts you may be required to pay us under or in relation to this Facility (for example, Enforcement Expenses) if all or any part of a Payment you are required to make does incur GST, then you must pay us an amount which includes GST on that Payment. Where you have to reimburse or indemnify us for an amount, that amount will be inclusive of any GST or other tax payable by us.

The following applies if you are liable for any reason (including because you are resident of another country) for the Payment of a tax (including a withholding tax) or charge in respect of the amount of interest paid to HSBC in respect of this Facility:

- (a) you must pay that amount to the appropriate authority and promptly give us evidence of Payment; and
- (b) where because of your failure to make that Payment HSBC assumes liability or is for whatever reason liable for that Payment, you will upon demand reimburse or indemnify us for any amount paid, that amount will be inclusive of any other amounts we are liable for (including without limitation any fines or penalties imposed) in making that Payment.

4.5 Other fees and charges

You must pay the fees and charges set out in the Letter.

You must also pay all government duties and charges on receipts or withdrawals in relation to your Facility, any Loan Account and any Security and any transaction under them. This includes debits tax (if applicable). They may be debited by the Bank to the relevant Loan Account.

You will pay any fines and penalties in connection with Payment of any stamp duty payable under your Facility unless they result from a failure by us to lodge a document for stamping in sufficient time, having received the amount of stamp duty and all necessary documents in good time. You shall reimburse us for all such amounts

paid by us.

4.6 Services

Other than government duties and charges, the fees and charges we debit to your Facility or any Loan Accounts from time to time, are debited by us for the provision, to you, of a Service. We will debit these fees and charges in the event that we believe you require us to provide a Service for instance in the event that you make a Payment late, we will debit the amount of the late payment reminder fee from the relevant Loan Account and in return we will monitor your Loan Account and that of any other Loan Account more closely and an operator will attempt to contact you to bring this matter to your attention and assist you with a possible remedy. If you remedy the situation before we are able to bring it to your attention we will still charge the fee and allow you to avail yourself of the Service any time before a similar event occurs again.

4.7 Insurance premiums

At your request and cost, we will arrange the insurances specified in the Letter or required by us in respect of each Security. In doing so we will act as the agent of the insurer under an authority from it to do so and not as your agent. Alternatively you may arrange the insurance yourself. If you do not pay a premium for any insurance required under your Facility or any Security, we may debit it to the relevant Loan Account or any of your transaction accounts.

4.8 Lenders' mortgage insurance

If the Letter says you need to pay a charge for lenders' mortgage insurance this means we will be taking out lenders' mortgage insurance.

Alternatively, we may decide to pay for lenders' mortgage insurance ourselves.

IMPORTANT WARNING: This insurance protects us and not you.

If we receive a Payment from a lenders' mortgage insurer you will remain liable to the insurer.

5. Security

5.1 Valuation

We may obtain or require you to obtain at any time and from time to time a valuation of any Property. Any such valuation will be at your cost but for our sole benefit. If we obtain it you authorise us to debit the cost to the relevant Loan Account or any of your transaction accounts.

We are not liable to you in respect of the contents of any valuation we obtain or ask you to obtain under this Facility.

5.2 Ratio of Facility to value of Property

The following applies if the balance owing on your Facility (or, in the case of a Home Equity Loan Account or a HOME SMART® Loan Account, your Loan Account Limit) expressed as a percentage of:

- (a) for any Loan Account other than a Bridging Loan Account, the total value of all the real property or interests in real property that the Bank has Security over; or
- (b) in the case of a Bridging Loan Account, the Sale Property, (as determined by us) exceeds the relevant maximum valuation ratio set out in the Letter under "Security".

Where the circumstances in the preceding paragraph occur you must (within 5 Banking Days of our asking for it):

- (a) if your Loan Account is an Unregulated Facility or is a Home Equity Loan Account which is a Regulated Facility, either make a Prepayment of your Loan Account or provide us with additional Security in a form acceptable to us over a freehold interest in real estate or funds on deposit with us so that the valuation ratio is not exceeded; or
- (b) if your Loan Account is a Regulated Facility other than a Home Equity Loan Account provide us with additional Security in a form acceptable to us over a freehold interest in real estate or funds on deposit with us so that the valuation ratio is not exceeded.

If the Loan Account is not denominated in Australian dollars, then it is to be calculated for any day as its Australian dollar equivalent converted at the average of our buy and sell rates of exchange for that day.

5.3 Further Security

If at any time any Security is not effective to our satisfaction we may require you to provide us with further Security acceptable to us. However if your Loan Account is a Regulated Facility and clause 5.2 above does not apply we will only require you to provide us with a new mortgage over the same Property, and we may require a new guarantee.

We can refuse to provide further credit to you under this Facility until any mortgage or guarantee we ask for is provided.

5.4 Your Security obligations

You must do everything you promise to do under any mortgage or other Security for the Facility. You will ensure all of your statements in that mortgage or Security are true.

5.5 Security for Regulated Facilities

If any Security given by you is regulated by the Consumer Credit Code or any other consumer credit law, then the following will apply in spite of anything in that Security:

- (a) our rights and powers under or in relation to that Security are limited as required by that law;
- (b) the amounts which you are required to pay under that Security, and which are secured by that Security, will not be more than we are allowed to charge you, or may be secured, under that law; and
- (c) we agree not to rely on or to enforce in relation to this Facility any Security we hold from you or another person which is expressed to secure all money you may owe us from time to time unless that Security is described in the Letter opposite the heading "Security". This undertaking by us applies notwithstanding anything in that Security, but does not vary the terms of, or in any way affect the enforceability of, that Security insofar as it relates to other moneys owing by you or any other person.

5.6 Set-off

You give the HSBC Group the right to apply money in any of your accounts towards any amount payable by you to the HSBC Group under this Facility or any other account.

5.7 Proceeds of insurance policy

Any real property mortgage Security which is to be or has been taken by the Bank as Security for this Facility also mortgages to us any proceeds of insurance policies related to the Property.

6. Currency Conversion and Security for Exchange Rate Movement

6.1 One currency

The whole of the Facility must be in one currency at any one time. If the Facility is not in Australian dollars and your Interest Rate is a Market Linked Rate you may convert it to Australian dollars. You may not convert an Australian dollar Facility into another currency.

6.2 Conversion

The following provisions apply to a conversion of your Facility from a currency other than Australian dollars to Australian dollars:

- (a) it can only take place on a day when the Interest Rate can be changed by us or you;
- (b) you must give us at least 5 Banking Days' notice;
- (c) the balance owing under your Facility is converted at our telegraphic transfer selling rate of exchange;
- (d) the balance owing under your Facility immediately after the conversion is the Australian dollar amount resulting from the conversion; and
- (e) the Interest Rate then becomes the variable rate offered by us for comparable Australian dollar Facility, unless we otherwise agree with you.

6.3 Prepayment if exchange rates move

If the Facility is not denominated in Australian dollars we may

on any day calculate its Australian dollar equivalent using the average of our buy and sell rates of exchange. If the Australian dollar equivalent exceeds the amount specified as the Total Australian Dollar Exposure Limit in the Letter you must (within 5 Banking Days of our asking for it):

- (a) if your Facility is a Regulated Facility comprising other than a Home Equity Loan Account, provide us with additional Security in a form acceptable to us over a freehold interest in real estate or funds on deposit with us so that the Australian dollar equivalent of your Facility minus the value of the additional Security (as assessed by us) is less than the specified Total Australian Dollar Exposure Limited; or
- (b) if your Facility is an Unregulated Facility, or comprises a Home Equity Loan Account, make a Prepayment of your Facility or Loan Account which results in the Australian dollar equivalent of your Facility or Loan Account being less than the specified Total Australian Dollar Exposure Limit.

7. Representations and Warranties

7.1 Your Statements

You tell us the following. You are taken to repeat these statements each time you request an advance or you redraw amounts prepaid under a Loan Account. You should check they are true. These are warranties which means we can sue you if they are not true:

- (a) If you give any Security, you own the relevant Property alone or will do so on completion of your purchase. You do not own it as trustee except as stated in the Letter or as you have told us in writing.
- (b) No one else has any:
 - interest in; or
 - rights over or to use,the Property, except:
 - as set out in the Security or noted on the titles register;
 - as you have told us in writing (and we have consented to such

interest or use); and

- where the Property is a company title unit. In that case the relevant company owns the unit, but you have an exclusive right to occupy the unit.

(c) The Facility and any Security expressed to be given by you:

- is binding and enforceable against you;
- does not breach any obligation binding on you; and
- in the case of any Security, is effective Security over any properties or assets which it is expressed to cover, with the priority (if any) stated in it.

(d) No Default Event has occurred.

(e) You are not Insolvent.

(f) All information you have given us is true and complete. It is not misleading, by omission or otherwise.

7.2 Your Warranties

You are taken to repeat the following statement each time you transact upon a Loan Account. You should check that it is true. The following statement is a warranty which means we can sue you if it is not true:

(a) Where you are resident or during the term of this Facility become a resident of a country other than Australia ("Home Country") then unless otherwise permitted by law:

- interest payable on this Facility is not claimed as a deduction (or other relief) against any income tax payable by you in the Home Country or any country other than Australia;
- the benefit of this Facility is not used in the support of a business in the Home Country;
- no part of the benefit of this Facility is brought into the Home Country;
- the Payment of interest for which you are liable pursuant to the conditions of this Facility is not sourced from income derived by you in the Home Country nor will it be remitted by you from the Home Country; and

- the benefit of this Facility is not used to buy income producing assets in the Home Country.

8. Undertakings

You promise to do all of the following at all times:

- (a) Look after any Property the subject of any Security given by you – protect and maintain it and its value.
- (b) Make sure all building work on any Property is completed properly.
- (c) Make sure any business or other activity carried on by you anywhere, or by anyone on or with the Property, is carried out properly and efficiently.
- (d) Keep proper records and accounts. If you are a company, partnership or trust:
 - prepare accounts in accordance with the law and current accounting practice and, if we or the law so requires, have them audited. The auditor must be a qualified person approved by us; and
 - give us copies of your financial statements (including all notes), within 120 days of the end of each of your financial years.
- (e) Give us promptly any information we reasonably request.
- (f) Notify us promptly of any Default Event, any actual or material litigation affecting you or anything else we require notice of.
- (g) Pay when due all your tax.
- (h) Pay when due all outgoings and other amounts relating to any Property. For example:
 - council rates, water rates and land tax;
 - rent (if the Property is leasehold); and
 - levies, calls, fees and other amounts payable to a corporation, an association or an owners' corporation, body corporate or proprietor of a strata tile, unit title or similar plan.
- (i) Pay all amounts due under other mortgages or charges over any Property.
- (j) Comply with the law and make sure everything built or done with

or on any Property (or any land on which any Property is built) complies with the law and any legal requirements.

(k) Not:

- let any Property for more than one year (you will not have power to let the Property except for leases of a year or less than a year);
- sell or otherwise dispose of any Property or any interest in it;
- give anyone an interest in or a right over or to use any of the Property;
- consent to a caveat over the Property; or
- give or allow another mortgage, charge, pledge or lien or other Security arrangement over any Property (except as stated below in relation to Queensland), unless we first give our consent.

(l) If any Property is in Queensland, you may give or allow a second or subsequent mortgage or charge over the Property to any other party, but before you do, you must make sure the other party signs and gives to us a priority agreement as required by us.

(m) Comply with all obligations which comprise or relate to any Property or your interest in it. For example, this might include any other mortgage or charge over the Property.

(n) If your Facility comprises a Construction Loan Account, comply with the provisions set out in Schedule 1 to this Booklet.

(o) Comply with all your obligations in any Security or in any other agreement or arrangement with the Bank (whether or not any other persons or entities are also parties) which is secured over any Property.

(p) Ensure all of your statements in this Facility or in any Security or any other agreement or arrangement with the Bank are true.

(q) Do all things and sign all documents as are required by us to give effect to the terms of the Facility.

9. Companies and Trusts

If you are a trustee and sign this Facility or any Security as trustee of

a trust you give the promises and undertakings set out in Schedule 6 to this Booklet.

If you are a company you give the promises and undertakings set out in Schedule 7 to this Booklet.

10. Default Events

If your Facility is a Regulated Facility a Default Event occurs if you fail to pay us an amount due, or fail to do anything else you promise us under this Facility or any Security.

If your Facility is an Unregulated Facility a Default Event occurs if:

- (a) any one or more of you or anyone who gives a Security:
- does not pay us any amount due under, or breaches, this Facility or any Security;
 - have given or do give misleading or incorrect information to us; or
 - becomes Insolvent;
- (b) for any reason, all or a material part of this Facility or any Security is terminated or of no or limited force and effect, or you or anyone who gives a Security alleges that it is so;
- (c) any court, government or governmental agency does anything (for example giving an order resuming any Property, or revoking any licence or approval) which, in our opinion may materially adversely affect our Security or your ability to perform your obligations to us; or
- (d) in our opinion there is a material adverse change in or affecting any Security, or the business, capital assets or financial condition of any one or more of you or anyone who gives a Security.

11. Bank's Remedies and Powers

11.1 Default Event

11.1.1 Regulated Facilities

If a Default Event occurs in relation to a Regulated Facilities and:

- (a) the default continues for at least 31 days after service of a notice

telling you what the default is; or

- (b) we believe on reasonable grounds that we were induced to enter into this contract by fraud; or
- (c) we cannot locate you after making reasonable efforts to do so; or
- (d) a court authorises the following without any notice to you.

Then, subject to clause 11.1.3.

- (a) all amounts lent under the Facility, all accrued interest, and all other amounts outstanding under the Facility shall become immediately due and payable without further notice; and
- (b) we may terminate the Facility and cancel our obligations to make any further advances.

11.1.2 Home Equity Loan Accounts and other Unregulated Facilities

If a Default Event occurs in relation to a Home Equity Loan Account or other Unregulated Facility then:

- (a) all amounts lent under the Facility, all accrued interest, and all other amounts outstanding under the Facility shall become immediately due and payable;
- (b) we may terminate the Facility and cancel our obligations to make any further advances; and
- (c) you will pay all amounts referred to in this sub-clause upon demand.

11.1.3 Special rules for some Default Events on Regulated Facilities

Where the Default Event in relation to a Regulated Facility comprising other than a Home Equity Loan Account is a failure to comply with clause 5.2(b) or clause 6.3(a) we may, as an alternative to the actions in clause 11.1.1, by notice to you require immediate Payment of:

- (a) where the Default Event is a failure to comply with clause 5.2(b), such amount as is necessary to ensure the valuation ratio is not exceeded; or
- (b) where the Default Event is a failure to comply with clause 6.3(a), such amount as results in the Australian dollar equivalent of

your Facility being less than the specified Total Australian Dollar Exposure Limit.

11.2 Currency conversion

If:

(a) Default Event occurs; or

(b) your Facility is repayable on demand and we demand Repayment, and the Facility is not in Australian dollars, we may convert the balance owing under your Facility into Australian Dollars without notice to you. We convert at our telegraphic transfer selling rate of exchange. The balance owing under your Facility immediately after the conversion is the Australian dollars amount resulting from the conversion.

11.3 Application of money – set-off

If you do not pay an amount when due, the HSBC Group may apply any deposits or money in any Loan Account under this Facility or in any of your accounts (whether or not matured) in Payment of that amount. The HSBC Group need not do so. If the HSBC Group do so, the balance of the account will reduce by the amount used for this purpose.

The HSBC Group may convert currencies using our normal procedures.

11.4 Our rights

We may exercise a right or remedy or give or refuse consent in any way we consider appropriate including by imposing conditions.

We can, but need not, do anything under this Facility or a Security, even after a delay, or more than once.

We can exercise all other rights and powers we have under law even if they overlap with any in this Facility or a Security.

If we do not do something when we are entitled to, that does not mean we are giving up that right and cannot do it later.

11.5 Statement

A written statement by us as to any amount due under the Facility will be sufficient evidence of that amount unless you prove it wrong.

12. Variations to Your Facility

12.1 Variations we may make under the Facility

We may introduce new fees and charges and vary:

- (a) the Interest Rate;
- (b) the Default Margin;
- (c) the Margins;
- (d) any Loan Account Limit;
- (e) the Facility Term;
- (f) the amount, frequency and number of Repayments, and time for Repayments or the method of calculation of Repayments;
- (g) the existing fees and charges and their times for Payment;
- (h) the Facility or any Loan Account number; and
- (i) any other term or condition of your Facility, without your consent.

We will not take any action pursuant to this clause 12.1 which:

- (a) is inconsistent with clause 12.5 if you have a Loan Account with a fixed rate or a Market Linked Rate; or
- (b) would increase any Loan Account Limit without your approval.

12.2 Telling you of the changes

We will notify you of, or advertise, any changes to your Facility as follows:

- (a) any change in the Indicator Rate or Margins – we will notify you or advertise on or before the day the change happens;
- (b) any change in the amount of fees or charges, or the introduction of any new fee or charge – we will notify you or advertise the change and will give you:
 - if your Facility is a Regulated Facility, whatever period of notice

is required by the Consumer Credit Code, but in any event not less than 20 days; and

- if your Facility is an Unregulated Facility, whatever period of notice we are required to give under any applicable law or code of conduct or, if there is no mandatory notice period, whatever period of notice we determine;
- (c) any other change – we will notify you or advertise the change, and will give you:
- if your Facility is a Regulated Facility, whatever period of notice is required by the Consumer Credit Code, but in any event not less than 20 days; and
 - if your Facility is an Unregulated Facility, whatever period of notice we are required to give under any applicable law or code of conduct or, if there is no mandatory notice period, whatever period of notice we determine.

However, where the change reduces your obligations or extends the time for Payment, we will only give you details of the change before or when we send you the next statement of account after the change takes effect unless any applicable law or code of conduct requires us to do something different.

Any advertisements of changes will appear in The Australian Financial Review or another national newspaper. If we advertise a variation, we will give you the details when we send you the next statement of account.

We may also publish any changes on Our Website.

12.3 Changes in Repayments or Facility Term following changes in Interest Rate

This does not apply to Home Equity Loan Accounts or any other Loan Account (including a Bridging Loan Account) while Repayments do not include principal.

If the Interest Rate changes we may, but need not, change the amount of your Repayments by the proportional increase or decrease in your Interest Rate.

If we do not immediately change the amount of your Repayments, we may do so later.

If the Interest Rate increases and your Repayments do not increase, it will take you longer to repay the loan and your Facility Term will automatically be longer. Please note that we do not need to notify you of this.

12.4 Home Loan Accounts – changing to an investment property rate

This applies if at the time you take out your Facility you tell us you intend to occupy the Property.

You must let us know if at any time you do not occupy the Property as your home (if you are building this applies after construction is completed).

We may then change the annual percentage rate to one which is, or is based on, our equivalent investment property rate.

If you later move back into the Property, please notify us in writing. We will then change the annual percentage rate to the rate it would have been if you had stayed in the Property as your home.

12.5 Fixed Rates and Market Linked Rates

While any Loan Account has an Interest Rate which is a fixed rate or a Market Linked Rate we will not vary any of the following other than on the last day of the relevant Fixed Rate Period or the Interest Review Date:

- (a) the Repayments, unless, you make a Prepayment or you do not make a Payment when due;
- (b) the Interest Rate; or
- (c) the method of calculation of a fee, cost or charge payable on Prepayment.

12.6 Interest Rate information

Unless the Letter says otherwise we will advertise our current Indicator Rate in The Australian Financial Review or another national newspaper under the heading “HSBC Lending Rates” each Monday. If Monday is a public holiday in New South Wales the advertisement will appear on the next Banking Day in New South Wales.

You can also get information about a current Indicator Rate or rates by phoning us on 1300 308 008 from anywhere within Australia or from Our Website.

13. General

13.1 Review

We may review your Facility at any time. We are likely to do so at least every three years. You must provide any information we reasonably request about your financial affairs. This could include tax returns, tax assessments, financial records, bank or financial institution statements and, if you are borrowing for business purposes, balance sheets, profit and loss statements and cash flow statements.

13.2 Transfer of Facility

You may not transfer or assign your rights under the Facility or any Security.

We may transfer to someone else the Facility, any Security and the debts secured by any Security.

If we want to do so, we can give anyone all information that privacy laws allow us to give.

If we transfer the Facility and the Security, they will apply to the transferee as if the transferee were us.

To the maximum extent allowed by law, any transfer will be free of any set-off, equity or cross claim which you would have had against us or transferees of the Facility but for this paragraph.

13.3 No deduction

To the maximum extent allowed by law, you give up any right to set-off any amounts we owe you (for example, credit balances in your accounts) against amounts you owe under this Facility or any Security.

13.4 Notices

Any notice, demand, statement, certificate or other communication by us may be given by any secretary or director, any person whose title includes the word manager, head, counsel, director, president, officer, executive, legal adviser or solicitor or any attorney authorised to do so.

If you are a company, communications from you must be signed by a director or any other person whom you have notified to us in writing as a person who may sign communications from you and for whom you have provided us with a specimen signature.

Subject to the provisions of clause 13.16, notices must be in writing.

Notices to you may be given by post or personal delivery to your address set out in the Letter, your residential address (or, if you are a company, place of business) last known to us or any other address or the facsimile number notified to us by you or where you have authorised us to provide you with Documents Electronically, by email to your nominated email address. Court Documents may be served the same way.

Notices to us, except court notices, are to be given by post or personal delivery to our address on the Letter or to our branch where you arranged your Facility. Court notices are to be served on us at Level 36, Tower 1 - International Towers Sydney, 100 Barangaroo Avenue, Sydney NSW 2000 Australia

A notice is taken to be given:

- (a) in the case of one given personally – on the date it bears or the date it is received by the person to whom it is addressed, whichever is the later;
- (b) in the case of one sent by post – on the date it bears or the date when it would have been delivered in the ordinary course of post, whichever is the later;
- (c) in the case of one sent by facsimile transmission – on the date it bears or the date on which the machine from which the transmission was sent produces a report indicating that the communication was sent to your facsimile number of the person to whom it is addressed, whichever is the later; or
- (d) in the case of one sent Electronically – on the date it bears or the date it is received at your nominated email address, whichever is the later.

13.5 Information to guarantors

You consent to us giving information to any guarantor(s) or their financial and legal advisers. This includes copies of documents concerning you, the Facility and any Security.

13.6 Changes in Law affecting the Facility

If there is a Change in Law setting a maximum annual percentage rate, or a maximum fee or charge, you will not be required to pay more than that maximum.

If there is a Change in Law prohibiting a fee or charge under the Facility, you will not be required to pay that fee or charge.

13.7 Severability of provisions

If part of the Facility is not legally enforceable in a relevant place that part will be ignored in that place, but in all other respects the Facility has full effect.

If your Facility is a Regulated Facility then the following applies:

- (a) the Bank's rights and powers under the Facility and any Security are limited as required by the Consumer Credit Code; and
- (b) the amounts that you are required to pay under the Facility, and which are secured by the Security, will not be more than the Bank is allowed to recover from you, or that may be secured, under that law.

This applies despite anything in the Facility. It does not affect the Facility if your Facility is an Unregulated Facility. It does not affect any Security to the extent it secures arrangements which are not regulated by the Consumer Credit Code.

13.8 Authority to complete

You authorise us to date and complete any document comprising the Facility or any Security, including:

- (a) making any alterations, additions or amendments required to place a Security in registrable form (including initialling same on your behalf);

- (b) amending any obvious typographical error or omission in any documents executed by you; and
- (c) completing any blanks.

13.9 Code of Banking Practice

General descriptive information about our banking services and the use of cheques is set out in the Bank's statement "Your Personal Banking Guide". The statement includes the following information:

- (a) the Bank's account opening procedures;
- (b) the Bank's obligations regarding the confidentiality of your information;
- (c) complaint handling procedures;
- (d) general descriptive information regarding cheques including bank cheques;
- (e) a recommendation that you inform the Bank promptly if you are in financial difficulty; and
- (f) a recommendation that you read the applicable terms and conditions (which in relation to your Facility means you should carefully read this Booklet and the Letter before signing it).

A copy of the statement "Your Personal Banking Guide" is available on request.

Each relevant provision of the Code of Banking Practice will apply to your Facility from the date the Bank adopts that provision.

The Code of Banking Practice requires us to tell you the following if we provide a foreign exchange service other than by credit or debit card or travellers cheque:

- (a) the exchange rate or commission charges that will apply, or if these are not known at the time you enter into your Facility, the basis on which the transaction will be completed – the fees and charges section of the Letter sets out (under "Ongoing Fees and Charges") any commission charges which apply, and Schedule 3 to this Booklet sets out how the rates to be used for Telegraphic Transfers, Demand Drafts and cheque/drafts purchased by the Bank will be determined where a currency conversion is involved;

and

- (b) an indication of when money sent overseas on your instructions would normally arrive at the overseas destination – funds sent by telegraphic transfer will normally be received by the beneficiary bank within 48 hours, but this is an indication only and the Bank will not be responsible if the funds are received later, or for any delays in processing by the beneficiary bank. Demand drafts are sent by mail and delivery will depend on mailing times.

13.10 Acknowledgment

You acknowledge that the terms and conditions of the Bank's statements called:

- (a) Banking Electronically Terms; and
- (b) Combined Financial Services Guide and Product Disclosure Statement,

which are Schedules 4 and 5 respectively to this Booklet are incorporated into this Booklet and the Facility.

If there is any inconsistency between the statements you have received and the Letter and this Booklet, the Letter and this Booklet will prevail. However:

- (a) "Banking Electronically Terms" will prevail over the Letter and this Booklet in respect of EFT transactions (as defined in those terms) to the extent there is any inconsistency; and
- (b) "Combined Financial Services Guide and Product Disclosure Statement" if you can effect a currency conversion transfer from your Loan Account or, if you open an HSBC Offset Savings Account will prevail over the Letter and this Booklet in respect of foreign currency transfers or Offset Savings Account transactions to the extent there is any inconsistency.

You must comply with the conditions that apply to any method you use to access your Loan Account or any other terms and conditions statements that the Bank may issue from time to time that apply to the methods by which you can access your Loan Accounts.

You acknowledge that you have received and read the Bank's statements called:

- (a) "HSBC Internet Banking Product Disclosure Statement" if

you use or are entitled to use our Internet Banking Service for individuals and businesses;

13.11 Inconsistency

Where the Disclosure Date in the Letter is on or before 30 November 2008 and there is an inconsistency between the Letter and this Booklet, then to the extent of any inconsistency, the Facility Agreement shall comprise the Letter and this Booklet with any inconsistent terms replaced by the appropriate terms from the version of this Booklet entitled HSBC Home and Investment Property Loans Booklet of Standard Terms and Conditions provided to you on or before the Settlement Date.

13.12 Governing law and jurisdiction

The Letter and this Booklet are governed by the law of the state or territory in which the Property is located (or, if there is more than one Property, and not all Properties are in the same state or territory, the law of the state or territory of the Property listed first in the Letter opposite the heading "Security" will apply). You accept the non-exclusive jurisdiction of courts exercising jurisdiction there.

Any court cases involving your Facility or any Security for it can be held in courts of any state or territory of Australia. You submit to the non-exclusive jurisdiction of those courts. If you do not live or have a business address in Australia you must ensure that at all times during the Facility Term a person or entity acceptable to us in validly appointed as your agent to accept notices and court documents on your behalf in Australia and consents to act as your agent.

13.13 Anti-money laundering & counter-terrorism financing obligations

HSBC, like other financial institutions, is required to comply with Australian anti-money laundering and counter-terrorism financing laws, sanctions implementation laws, and the regulations, requests, directives and policies of Australian and overseas regulators as well as HSBC Group policies associated with enforcing these laws. HSBC must comply with financial and suspicious matter and reporting requirements under these laws that:

(a) may prohibit us from entering, conducting or concluding

transactions or parts of transactions involving certain persons, entities or services; or

- (b) may require us to report transactions of a certain amount or of a suspicious nature, or a suspicious matter to a local or overseas regulatory authority;

Transactions impacted include those that may:

- (a) involve the provision of finance to any person or entity involved or suspected of involvement in terrorism, money laundering or any terrorist or money laundering act;
- (b) be relevant to the investigation of an actual or attempted evasion of a taxation law, investigation of or prosecution of a person for a money laundering or terrorist financing offence or an offence against the Commonwealth, State or a Territory, or the enforcement of the Proceeds of Crime Act 2002 (Commonwealth), its State or Territory equivalent or its equivalent upon another part of the HSBC Group; or
- (c) involve persons, or entities or services which may be the subject of sanctions.

We, and other members of the HSBC Group are required to appropriately verify the identity of any authorised signatory or other party that you are associated with in the transaction that we deem appropriate in accordance with our anti-money laundering risk assessment criteria;

We, and other members of the HSBC Group, may intercept and investigate any payment messages, information or communications sent to or by you or on your behalf via our systems and may delay, block, withhold all or part, or refuse to do any transaction. Transaction screening may cause delay in processing certain information; and

Neither HSBC or any other member of the HSBC Group will be liable for any loss (whether direct or consequential and including without limitation loss of profit or interest) or damage suffered by any party, arising out of any action taken or any delay or failure by HSBC or any member of the HSBC Group, in performing any of its duties or other obligations, caused in whole or in part by any steps taken as set out under the section headed "Anti-Money laundering and counter-terrorism financing obligations".

To help improve our services, and in the interests of security, we may monitor and/or record any telephone calls between HSBC and you or any authorised signatory. Any recording may be used as evidence.

13.14 Your confidential and personal information

This clause operates in addition to the consent you provided us in the privacy consent and declaration when you applied for a product or service with us. In this clause:

- *Personal Information* means information or an opinion about you.
- *Credit information* means information that licensed credit providers are allowed to give or receive from each other, or provide to or receive from credit reporting bodies pursuant to the *Privacy Act 1988* (Cth) about an individual's commercial or consumer credit, and may include: information that may identify you such as your name, address and date of birth; the name of the credit provider providing such credit; credit limit amounts; repayment information and whether or not your repayments are made on time; information about defaults under a credit contract; payments relating to such defaults; payments made under a variation to a defaulted loan or a new contract entered into as a result of your default; serious credit infringements arising from deception or attempted deception committed by the individual or on the individual's behalf; credit worthiness, credit standing, credit history, credit capacity and information derived from certain credit information.
- *Credit reporting body* means either of the below organisations or any other credit reporting body that HSBC may enter into contractual arrangements from time to time:

Dun & Bradstreet PO Box 7083 Sydney NSW 2001 Tel: 13 23 33 or +61 3 9828 3333 www.dnb.com.au	Experian GPO Box 1969 North Sydney NSW 2059 Tel: +61 3 8699 0100 www.experian.com.au	Veda PO Box 964 North Sydney NSW 2059 Tel: 1300 762 207 www.veda.com.au
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In order for us to provide or to consider providing you products or services to you (including an account) and/or to enter into any transactions with you for or on your behalf, we are required to,

and will collect and hold information about you, including credit information and Personal Information (*customer information*). We are also required to collect and verify information that may identify you under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) before we provide or consider providing you with a product or service, as well as update such details from time to time.

Subject to law all customer information will (whether within or outside of Australia) be used, stored, disclosed, transferred, obtained, or exchanged with all such persons as we may consider necessary in order to provide you with products and services and comply with our legal obligations, including any member of the HSBC Group in Australia or overseas or third parties, such as: our service providers (and their contractors); your advisers; joint borrowers, guarantors, or Authorised Signatories; any person through whom you applied for a product or service; payments systems operators, cards schemes; for purposes including the processing of data and transactions by us and to facilitate the storing of customer information within an HSBC Group member's systems (where those systems may be located outside Australia and owned or licensed to another HSBC Group member); to facilitate transactions entered into between you and us, or performed by us at your or any additional signatory's request and for or on your or any additional signatory's behalf; and to aid in our or an HSBC Group member's compliance with anti-money laundering and counter-terrorism financing laws, in Australia or any other country or with disclosure requirements under any law binding on us.

Being a global organisation, the HSBC Group leverages its global synergies in providing products, or services to you. Whether it is used, stored or processed in Australia or elsewhere, the customer information will be protected by strict confidentiality and security, of which all HSBC Group members, their staff and any third party service providers, agents, or contractors are subject and will only be used in accordance with our instructions unless otherwise required or allowed by law or any governmental agency or regulatory agency or authority or for the purpose of preventing or detecting fraud or other violations or suspected violations of the law.

As such, HSBC may disclose your customer information to members of the HSBC Group located overseas in countries where we operate. A list of these countries can be found on Our Website and may be

updated from time to time. If you apply for, or we provide you with, a product or service, you consent to the disclosure of your customer information to our offshore HSBC Group entities. We will manage your personal information in accordance with strict confidentiality and security requirements which are designed in compliance with the United Kingdom's *Data Protection Act 1999* (UK), whose privacy standards are comparable with the Australian privacy legislation. For this reason, we will not have to take such steps as are reasonable in the circumstances to ensure that *our group* comply with the Australian Privacy Principles.

You or any additional signatory can access the information we hold about you or them at any time by contacting us. A fee may apply. We will comply with requests for access unless we are required to refuse to do so under any applicable laws or regulations.

To find out more about our handling of Personal Information please refer to our Privacy Policy which is available on Our Website, in branch or on request to the Privacy Officer, HSBC Bank Australia Limited, GPO Box 5302, Sydney, NSW, 2001. Our Privacy Policy contains information on how you may access and correct your customer information and how you can make a complaint in relation to your Personal Information.

In addition to the above and subject to law, you authorize HSBC and any other licensed credit provider or credit reporting body in respect of you to give credit information about you, and information about your commercial activities and commercial credit worthiness, to, and obtain it from, any of the following:

- credit reporting bodies, who may include the credit information disclosed to them by us in reports provided to credit providers to assist them to assess your credit worthiness. HSBC may also disclose to a credit reporting body instances where you fail to meet your payment obligations in relation to credit or where you commit a serious credit infringement;
- any third party (such as your employer or accountant) to check that the information you have given us is correct;
- another credit provider from which it may seek information (for example, to assess this application and other applications

you make, to conduct subsequent reviews of credit provided to you, and to assist you avoid defaulting on your credit obligations), from whom you may seek credit (for example, to notify of a default by you, to assess your credit worthiness or to ascertain the status of your credit arrangements);

- debt collections agencies, your insurers, additional signatories and guarantors;
- HSBC Group members in other countries who may be providing services to HSBC so to facilitate the provision of services to you; and
- where we decide to sell or merge any aspect of our business, any person considering purchasing or who purchases, funds or manages that business or an interest in your credit card account or their advisers.

HSBC may also conduct periodic reviews of your credit arrangements after HSBC has provided credit to you. To do this, HSBC will give your credit information to, and obtain a credit report from, a credit reporting body. You authorize HSBC, and any other licensed credit provider, to obtain a consumer credit report, together with any other reports as to your credit worthiness, for this purpose.

You can request these credit reporting bodies to not use information they hold about you for pre-screening of direct marketing by credit providers. You can also request these credit reporting bodies not to use or disclose information they hold about you where you believe on reasonable grounds that you have been or are likely to be a victim of fraud.

If you fail to meet your repayment obligations in any one month, or you commit a serious credit infringement, then we are entitled to disclose this fact to credit reporting bodies, which may in turn affect your credit worthiness and ability to obtain credit in future.

Subject to legal requirements, you have the right to access credit information we hold about you and request us to correct any incorrect information about you. You also have a right to make a complaint to us. To find out more about our handling of credit information and the corrections and complaints process for credit information, please refer to our Credit Information Handling Policy which is available on Our Website, in branch or on request to the Privacy Officer, HSBC Bank Australia Limited, GPO Box 5302, Sydney, NSW, 2001.

Our Credit Information Management Policy contains information: (a) about how you can access your credit information held by us; (b) how you can seek the correction of credit information held by us; and (c) how you may complain about a failure by us to comply with the Privacy Act in relation to credit reporting or our compliance with the Credit Reporting Privacy Code and how we will deal with such complaint.

13.15 Facsimile Instructions and indemnity

We are not obliged to act upon any Facsimile Instructions.

If we receive Facsimile Instructions, you agree, so far as it is permissible by law and the ePayments Code:

- (a) that all risks of unauthorised instructions of fraud lie with you and are not borne by us;
- (b) you agree to indemnify us and hold us harmless against any and all claims which you or any third party may have against us for any damage, loss, cost or expense which you or that a third party may suffer or incur (whether directly or indirectly and whether foreseeable or not) as a result of or in connection with:
 - us acting upon any instructions sent by facsimile purporting to be from you or persons authorised by you from time to time;
 - us not acting upon any Facsimile Instructions purporting to be from you; or
 - persons authorised by you from time to time where we (in our subjective determination) consider or suspect that such instructions may have been fraudulently communicated to us, mistakenly or without authority or contain material omissions or errors.

Nothing in these paragraphs shall be construed as requiring us to make enquiries as to the genuineness or validity of an instruction.

- (c) The indemnity contained in the proceeding is subject to us acting upon instructions from persons purporting to be you or persons authorised by you from time to time by notice to us. For the purposes of this paragraph a person shall be deemed a person authorised by you if you have held out that person to us as a person authorised by you and have not notified us in writing that

such person has ceased to be authorised.

- (d) If there is any inconsistency with the terms of this Facsimile Instructions indemnity and the ePayments Code and/or our Banking Electronically Terms, the ePayments Code will prevail.

13.16 Electronic Communication

Where you have authorised us to provide you with Documents Electronically relating to your Facility:

- (a) we will provide them to you by email to your nominated email address;
- (b) you will not receive a paper copy of the Documents unless you specifically request it;
- (c) you will need to regularly check to see if you have received any emails from us;
- (d) you will need to maintain and check your Electronic Equipment and your nominated email address regularly to ensure it is always capable of receiving Electronic Communication; and
- (e) you are responsible for printing or saving important Documents, and we strongly recommend that you do so.

We will send all Documents Electronically to the most recent email address that you have nominated. You must ensure that you notify us of any change in your email address. You may do this by notifying us in writing in accordance with clause 13.4.

You may cancel your authorisation to receive Documents relating to your Facility Electronically at any time, by notifying us in writing in accordance with clause 13.4.

13.17 Reviewing statements of account

For the purpose of identifying errors and ensuring that the account balance is correct, you must carefully examine all statements supplied by us and promptly advise us in writing of any error contained in or any omission or irregularity in the statement.

If you do not notify us within 30 days of the date you receive a statement that there was an error, omission, irregularity or you did not authorise the transaction appearing on a statement then the

statement will be deemed correct, authorised and binding on you and to the extent permitted by law, you release us from all liability for any claim including for any lack of authority or forgery.

If you fail to review the statements in a timely manner as required by this clause and your conduct or omission causes or contributes to a loss on any account (losses of any kind whatsoever, taxes, levies, fines, fees or penalties suffered and/or incurred by, or brought against us), then you agree we will not have any responsibility to you with respect to such loss.

You agree that your failure to review statements in a timely manner as required by this clause will be deemed to cause or contribute to the loss on the account to the extent of any loss appearing subsequent to the time that any error or omission would have been discovered if the statement had been reviewed.

You acknowledge that we will only be liable for any loss caused by any wrongful or erroneous withdrawal from an account caused by our gross negligence or wilful misconduct and in that event, our maximum liability to you will be limited to the actual direct loss in the principal amount withdrawn.

13.18 Commissions, referral payments etc

When you draw down your Facility, we may pay a commission or referral payment to the entity which introduced you to us. Details of the commission or referral payment, if known, will be set out in the Letter.

14. Reading this Booklet and the Letter

14.1 Location of definitions

Terms are defined in each of :

- (a) this Booklet;
- (b) Schedule 4 – Banking Electronically; and
- (c) Schedule 5 – Combined Financial Services Guide and Product Disclosure Statement.

Terms defined in this Booklet or the Schedules have the same meaning when used in any other part of the Offer.

To the extent of any inconsistency, the meaning given to the term in this Booklet or Schedule where it is defined shall prevail.

14.2 Definitions

In this Booklet and the Letter:

Account Term means for any Loan Account the Facility Term or such lesser term specified in the Letter.

Administration includes bankruptcy, administration (including arising out of insolvency, mental illness or incapacity), compromise or arrangement with creditors, assignment of creditors, receivership, winding up, dissolution or anything similar.

ATM means automatic teller machine.

Australian Dollars, A\$ or \$ means the lawful currency of Australia.

Authorised Signatory means a person who you have authorised us to accept instructions from in respect of your Facility.

Balance Offset Arrangement means an arrangement linking an HSBC Offset Savings Account with a Loan Account for the purpose of calculating an offset amount which reduces the interest charges on the Loan Account. This arrangement is only available in respect of a Variable Rate Loan Account and if you have authorised HSBC to establish an HSBC Offset Savings Account.

BANK@POST™ means the personal banking service provided by Australia Post.

Banking Day means a day other than a Saturday or Sunday or a national public holiday. For the avoidance of doubt, the Queen's Birthday in New South Wales is deemed a national public holiday. If the Facility is in a currency other than Australian dollars, a day other than a Saturday or Sunday or a national public holiday of the country of the currency.

However for the purposes of this Facility, a Banking Day ends at 3.00 in the afternoon Sydney Time (or any later time we agree). Withdrawals made after that time by ATM, EFTPOS or other electronic means may be debited to your Loan Account on the day you make them in accordance with our processing procedures applying at the relevant time.

Biller means an organisation which tells you that you can make payments to it through the BPAY® Scheme.

Booklet means this booklet entitled “HSBC Home and Investment Property Loans Booklet of Standard Terms and Conditions”

BPAY® Payment means a payment you instruct HSBC to make on your behalf to a Biller through the BPAY® Scheme.

BPAY® Scheme means an electronic payments scheme through which you can ask HSBC, while HSBC remains a member of the scheme, to make payments on your behalf to Billers. HSBC will tell you if it ceases to be a member of the scheme.

Bridging Loan Account means the Loan Account identified as such and the terms of which are set out in the Letter.

A Change in Law is the introduction of, or a change in, any law, official directive, ruling or request or a change in its interpretation or application. If it does not have the force of law, it must be one with which responsible banks or financial institutions would comply. Without limitation, it includes any of these circumstances which relates to capital adequacy, special deposit, liquidity, reserve, prime assets, tax or prudential requirements (except a change in tax on overall net income).

Combined Financial Services Guide and Product Disclosure Statement means the Combined Financial Services Guide and Product Disclosure Statement – HSBC Offset Savings Account, Deposit Facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts and Currency Conversion Transfers.

Construction Loan Account means a Loan Account approved for the purpose of construction or renovation drawn in a number of instalments. If your Loan Account is a Construction Facility the Letter will say so (under the heading “Other Important Information”).

Construction Period has the meaning given in the Letter opposite the heading “Construction Loan”.

Conversion Date means the earlier of the day after the date your Facility is fully drawn and the day after the last day of the Construction Period. This applies only to Construction Loan Accounts.

Customer Information has the meaning given to it in clause 13.14.

Default Event has the meaning given in clause 10.

Default Interest means interest charged on any overdue Repayment.

Default Margin means the Default Margin described in the Letter opposite the heading "Default Interest".

Default Rate means the aggregate of the Indicator Rate, any Product Margin then applicable on the Loan Account and the Default Margin and is described in the Letter under the heading "Default Interest".

Documents means and includes those documents and notices relating to your Facility as are permitted to be given Electronically under the Consumer Credit Code.

EFTPOS means electronic funds transfer at point of sale.

Electronic Communication or *Electronically* means the electronic communication of information in the form of data, text, images including email from HSBC to you which you can retain or later reference such as by printing or storing for later display.

Electronic Equipment includes, but is not limited to, a computer, telephone or other electronic device, which is capable of receiving Electronic Communication.

Enforcement Expense means any reasonable amount we reasonably spend or incur in relation to:

- (a) the enforcement or exercise of our powers under the Facility or any Security (including any guarantee or any Security for a guarantee); or
- (b) any Property, including amounts claimed against us or our officers/representatives relating to that Property and any goods and services or other tax payable by us in connection with the sale of any Property.

Facility or *Facility Agreement* means the agreement for the provision of financial accommodation by HSBC to you comprising one or more Loan Accounts pursuant to the accepted Offer. Where the context permits, Facility also means the aggregate of the Loan Account Limits.

Facility Term means the Facility term described in the Financial Table.

Facsimile Instructions means instructions or directions relating to the

operation of your Loan Account provided to HSBC by way of telefax machine.

Financial Table means the table headed Financial Table in the Letter.

Fixed Rate Loan Account means the Loan Account identified as such and the terms of which are set out in the Letter.

Fixed Rate Period means the period described in the Financial Table opposite the heading "Interest Rate" for each Loan Account.

Home Country has the meaning given to it in clause 7.2.

Home Equity Loan Account means the Loan Account described as such and the terms of which are set out in the Letter.

Home Rewards Loan Account means the Loan Account identified as such and the terms of which are set out in the Letter.

HOME SMART[®] Loan Account means the Loan Account described as such and the terms of which are set out in the Letter.

HSBC ATM Card means a credit card, debit or charge card issued to a customer that may be accepted at an ATM or EFTPOS terminal.

HSBC, Bank, we, us and our means HSBC Bank Australia Limited (ABN 48 006 434 162).

HSBC Group means HSBC and all related bodies corporate.

HSBC Offset Savings Account Product Disclosure Statement means Part B of the Combined Financial Services Guide and Product Disclosure Statement – HSBC Offset Savings Accounts, Deposit Facilities for HOME SMART[®] Loan Accounts and Home Equity Loan Accounts and Currency Conversion Transfers set out in Schedule 5 to this Booklet.

HSBC Offset Savings Account or Offset Savings Account means an account with HSBC described as an HSBC Offset Savings Account.

Indicator Rate means the indicator rate described in the Financial Table under the heading "Interest Rate" for each Loan Account (as varied in accordance with the Facility).

Insolvent means when you or anyone who gives a Security:

(a) commits an act of bankruptcy or enters into any assignment,

arrangement or composition with any creditors;

(b) are a company, partnership or other entity, or trustee of a trust, and:

- an administrator, receiver, receiver and manager, liquidator or similar officer is appointed;
- are placed under Administration, terminated, wound up or dissolved or steps are taken towards this (for example, a resolution is passed or an application is made to a court);
- there is in our opinion a substantial change (direct or indirect) in your management, ownership or control; or
- you reduce share or other capital, buy back shares or other capital or receive financial assistance for the acquisition of your shares or units in shares, or resolve to do so or to approve doing so;
- does not pay when due any debt owed to a financier (including in respect of money borrowed or raised and including any other money owed to us) or is, or under the relevant document could be, required to pay such debt in advance of its stated maturity; or
- is taken, presumed or assumed under law to be insolvent; or
- has a creditor or secured creditor enforce or take out a distress or execution against any of your assets.

Interest in Advance Period means a period for which interest on any Loan Account is prepaid to us and for a maximum period of 12 months.

Interest Only Period means a period during which your Payments cover interest, but do not include any amount to reduce the principal balance of your Loan Accounts. If you have an Interest Only Period it will be the period described in the Financial Table in the Letter opposite the heading "Repayments" for each Loan Account.

Interest Period means a period for the fixing of the Interest Rate. Each period will be the number of days stated in the Letter (opposite the heading "Interest Rate") or such other period as we agree. It will begin on the date you first draw your Loan Account or any other date on which a Market Linked Rate starts to apply to your Loan Account

(for the first Interest Period) or the last day of the previous Interest Period (for all Interest Periods after that). This only applies to Loan Accounts with a Market Linked Rate.

Interest Rate means the Interest Rate comprised of the Indicator Rate and Margin described in the Financial Table opposite the heading "Interest Rate" for each Loan Account (as varied in accordance with the Facility)

Interest Review Date means the last day of an Interest Period. This only applies to Loan Accounts with a Market Linked Rate.

Internet Banking Service or *Internet Banking* means the service the Bank makes available through the internet network to enable the electronic receipt and transmission of information and instructions.

Introductory HOME SMART[®] Loan Account means a Loan Account identified as such and the terms of which are set out in the Letter.

Introductory Period means the period described in the Financial Table opposite the heading "Interest Rate" for each Loan Account.

Introductory Rate Loan Account means the Loan Account identified as such and the terms of which are set out in the Letter.

Letter means the letter that HSBC sends to you entitled "Letter of Offer".

Loan Account means the Loan Account(s) in your name opened for the purposes of the Facility.

Loan Account Limit means the amount set out in the "Facility" section of the Financial Table, reduced as specified in this Booklet.

Margins means the Product Margin and Package Margin.

Market Linked Base Rate means, in relation to an Interest Period and a Loan Account in a currency:

- (a) where the first day of the Interest Period is a day on which we advertise our current Interest Rates in The Australian Financial Review or another national newspaper under the heading "HSBC Lending Rates" (a Publication Date), the rate published as our Market Linked Base Rate on that Publication Date for that currency; or
- (b) where the first day of the Interest Period is not a Publication Date,

the rate published on the last Publication Date before the first day of the Interest Period as our Market Linked Base Rate for that currency.

Market Linked Rate means an Interest Rate determined by adding a margin to the relevant Market Linked Base Rate.

Minimum Offset Threshold means the minimum amount you need to have in your HSBC Offset Savings Account to enable the calculation of the offset amount under the Balance Offset Arrangement to take place, as specified in the Product Schedule for the HSBC Offset Savings Account as set out in Schedule 5 to this Booklet or, if no such amount is specified, \$nil.

National Credit Code means the National Credit Code as contained in Schedule 1 of the National Consumer Credit Protection Act 2009 (Cth) as amended.

Offer means all of the terms and conditions set out in the Letter and this Booklet.

Our Website means www.hsbc.com.au.

Package Margin means the Package Margin described in the Financial Table under the heading "Interest Rate" for each Loan Account (as varied in accordance with the Facility).

Payment or Repayment means a payment of interest or fees and charges or a repayment of principal and interest under a Loan Account.

Payment Due Date means the date(s) notified to you from time to time upon which a Payment or a Repayment is to be made under each Loan Account.

Prepayment means any Payment made in excess of your obligations set out in the Letter.

Product Margin means the Product Margin described in the Financial Table under the heading "Interest Rate" for each Loan Account (as varied in accordance with the Facility).

Property means any property mortgaged or charged, or to be mortgaged or charged, by a Security. Where the Security is over land or any interest in land it includes:

(a) any part of the Property;

(b) the unit or the house and all the other buildings, improvements and additions to the land; and

(c) all rights attaching to the land.

Where the Security is over a lease of land, the Property includes the land the subject of the lease, the unit or house and all other buildings or improvements on the land and all rights under the lease.

Regulated Facility means a Facility which the Bank is treating as regulated by the Consumer Credit Code. The Letter says whether the Bank is treating your Facility that way.

Remaining Period means the period from and excluding the date of Prepayment or switch to and including the last day of the Interest Period or Fixed Rate Period (as applicable).

Sale Property has the meaning given in the Letter. This only applies to Bridging Loan Accounts.

Security means any Security (for example, a mortgage, charge, lien or guarantee), claim or other right we hold against you or anyone else in relation to your obligations under this Facility, now or in the future.

Service(s) means those actions we take or may take, on your behalf in order to ensure that you properly maintain your Facility or any Loan Account including, but not limited to, those actions we take for you in the event you require assistance with the maintenance of your Facility or any Loan Account.

Settlement Date means the date you first draw under any Loan Account.

Special Prepayment Charge has the meaning given to it in the Fees and Charges section of the Letter.

Split Loan Account applies where the Letter states a "Total Maximum Amount of Credit" and then details Facility Limit, Interest Rate, Facility Term and Repayment details for more than one Loan Account.

Telephone Banking Service or *Telephone Banking* means the telephone instruction and information service made available by the HSBC's Direct Service Centre.

Total Australian Dollar Exposure Limit has the meaning given to it in the Letter.

Unregulated Facility means a Facility which is not a Regulated Facility.

Variable Rate Loan Account means the Loan Account identified as such and the terms of which are set out in the Letter.

VISA® International Inc. Card Scheme means the card scheme run by VISA® International Inc.

You, your and *Borrower* means the person or legal entity to whom the Letter is addressed. If there are more than one, it means each of them separately and every two or more of them jointly.

14.3 Interpretation

Mentioning something after include, includes, included or including does not limit what appeared before. Examples do not limit what else may be included.

A singular word means the plural, and vice versa.

If there is any inconsistency between the Letter and this Booklet, the Letter prevails.

14.4 Split Loan Accounts

Where you have a Split Loan Account, the terms in this Booklet apply separately to each Loan Account and, where the context permits, to all Loan Accounts. However:

- (a) we will open a separate Loan Account for each split account;
- (b) you will receive a separate statement for each Loan Account (or separate details on a consolidated statement);
- (c) the ratio of Facility to value of the real property or interests in real property that the Bank has Security over will be determined by testing the aggregate of the balances on all your Loan Accounts (or, if one or more of the Loan Accounts is a Home Equity Loan or a HOME SMART® Loan Account, the aggregate of the Loan Account Limits on all Home Equity Loan Accounts and all HOME SMART® Loan Account plus the aggregate of the balances on all the other accounts) against the total value of all the real property or interests in real property that the Bank has Security over. However, where you have a Bridging Loan Account its Loan Account balance will be separately tested against the value of the Sale Property.

- (d) if any Loan Account is in a currency other than Australian dollars, we may calculate the Australian dollar equivalent of the balance outstanding of all Loan Accounts in another currency plus the outstanding balance of all Loan Accounts in Australian dollars and test that against your Total Australian Dollar Exposure Limit for the purpose of clause 6.3;
- (e) Default Interest will be calculated separately in relation to each Loan Account at the Interest Rate then applicable to that Loan Account plus the Default Margin (in accordance with clause 2.12); and
- (f) we may charge amounts which do not relate specifically to one Loan Account (for example fees and charges and Enforcement Expenses) to one or more Loan Accounts in the proportions we decide.

14.5 Currency

In the Letter and in this Booklet all stated amounts are Australian dollars unless otherwise specified.

SCHEDULE 1

Construction Loan Accounts

This Schedule only applies if your Loan Account is a Construction Loan Account. Please note that we do not permit a Construction Loan Account to be used:

- *to build a proposed dwelling when you are an owner builder; or*
- *to build a kit home.*

Before you draw the Loan Account

As well as the other things you need to do before you draw your Loan Account you need to send us the following documents and we need to be satisfied with them:

- a copy of the proposed fixed price building contract with a licensed builder;
- a copy of the council's development and building approval and conditions;
- a copy of a construction certificate issued by the local authority or such equivalent certificate issued by a permitted private certifier to confirm that the building work may commence;
- a copy of stamped council approved plans including engineering details;
- a copy of the specifications for the proposed dwelling;
- confirmation of payment of bonds or other performance securities to the consenting authority;
- a copy of the builder's tender price/bill of quantities;
- a copy of the builder's licence;
- a certificate of currency of the builder's construction risk insurance and public liability insurance with a minimum cover of \$5,000,000;
- a copy of the owner's building insurance evidencing cover for the full on completion value of the Property and the improvements being constructed on it or the renovation being carried out on it. The insurance must be endorsed to include HSBC as an interested party;
- where the Loan Account is for renovation an acknowledgement by the insurance company that it is aware that building works are being undertaken and that the Property may be vacant for a specified amount of time; and
- acknowledgement from the builder of the Bank's interest in the Property

and that progress payments will only be made if the Bank's requirements are met.

Before you can make any drawing your contribution to purchase and/or construction/renovation on the Property must be used.

How do you draw the Loan Account

- your Loan Account will be drawn according to the progress / event payment schedule contained in your fixed price building contract and as authorised by you prior to payment to your builder.
- Once construction is complete and all progress payments have been made according to the progress / event payment schedule and your instructions we will:
 - (a) pay any remaining funds in accordance with your written instructions; or
 - (b) if no instructions are received, credit those remaining funds to your Loan Account.

Progress Payments

- We need not make a progress payment if any of the things set out in clause 1.4 of the Booklet has happened.
- We may make progress payments conditional on any matter we reasonably require.
 - (a) Any drawing to assist in the purchase of the Property must not exceed the approved Facility to value ratio as determined by us.
- At no time should the cost to complete the works ever exceed the undrawn portion of the Loan Account.
- A drawing can only be made for a purpose other than purchase of the Property if:
 - (a) you give us a request for a progress payment completed and signed by the builder providing full details of all building works completed (and for which payment is requested);
 - (b) your request states that you are satisfied with the quality of the workmanship and the value of the claim;
 - (c) our assessor certifies to us that he or she is satisfied with:

- (i) the claim, variation and the progress of the works; and
- (ii) the cost so far incurred in respect of the works; and
- the total of all drawings plus the amount requested and the cost to complete the works does not exceed 75% of the on completion value of the Property and improvements on it as assessed by the Bank's assessor. Before we make the final progress payment we require:
 - (a) an original policy of insurance for the full insurable value of the improvements on the Property on a replacement and reinstatement basis noting HSBC as first mortgagee for its respective rights and interests; and
 - (b) a certificate from the local authority of satisfactory completion (where applicable)

Other conditions

- Any variations to the building contract which increase the total amount of the contract price by 10% or more will require our prior approval.
- The builder specified in the building contract cannot be replaced without our prior approval.
- You consent to us or our agents having access to the Property when reasonably required by us.
- The building works on the Property must be completed to the specifications and within the Construction Period.
- All buildings works must be carried out in accordance with the:
 - (a) council's building approval and conditions;
 - (b) council's approved plans including engineering details; and
 - (c) specifications for the proposed dwellings,
 you are required to provide to us. Any changes to these approvals, plans or specifications will require our prior approval.
- Upon completion of the proposed dwelling, a final inspection is required to be carried out by our assessor to confirm:
 - (a) the building work has been completed in accordance with the approved

plans and specifications referred to in the above paragraph; and
 (b) the current market value of the Property.

SCHEDULE 2

Powervantage/HSBC Premier Package

The Interest Rate discount referred to in the Letter will no longer apply:

- while any Loan Account is in arrears or while any amount due to the Bank remains unpaid;
- if you fail to pay the monthly access fee for the package; or
- if you cease to be eligible for the package (eligibility criteria may change from to time and are at the Bank’s discretion).

SCHEDULE 3

Fees and Charges

The following fees and charges together with others set out in the Letter are or may become payable by you under this Facility.

If you have paid any amount to us on account of stamp duty or other government charges and you are either eligible for and have been granted a stamp duty exemption or the amount paid to us is in excess of the government charge then we will refund to you the amount of the stamp duty exemption or excess payment.

Fees and Charges Applicable to all Accounts

Fee	Amount or Method of Calculation	Payable by you
ATM Operator Fee	Unascertainable, at cost NOTE: This fee will be disclosed at the time of the transaction with an option to discontinue the transaction without charge	At the time you conduct a cash withdrawal or balance enquiry transaction within Australia at any non - HSBC ATM

General Loan Accounts Fees and Charges

Fee	Amount or Method of Calculation	Payable by you
Redraw fee	\$20	Payable when you make a request via one of our branches to reborrow any prepayment made on your Standard Variable Loan Account, or for every redraw you make in a month after the first redraw in that month on a Home Value Loan Account. This fee will not apply if you make a redraw request via Internet Banking.
Revaluation Fee	Unascertainable, at cost	At the time of revaluation. The amount will be the amount charged to us by the relevant valuer.
Discharge Registration Fee	Unascertainable, at cost	At the time you ask us to lodge for registration any discharge or partial discharge or release of a Security.
Release of Charge Registration Fee	Unascertainable, at cost	At the time you ask to lodge for registration any discharge or partial discharge or release of a charge.
Loan Variation Fee	\$300	At the time we agree to a variation of this contract or any Security for this contract.
Fixing Fee	\$300	At the time we agree to allow you to convert your Interest Rate to a Fixed Interest Rate.
Sub Account Fee	\$100	At the time you ask us to split your Home Equity Loan into more than one sub-account.
Production of Title at Land Titles Office	\$100	At the time we produce a title deed to any authority.
Lease Consent Fee	\$100	At the time we consent to the registration of a lease.

Specific Loan Account Fees and Charges

Construction Loan Accounts

Fee	Amount or Method of Calculation	Payable by you
Valuer's Certification Fee	Unascertainable, at cost	At the time of each progress payment request
Final Valuation Fee	Unascertainable, at cost	At the time of the final progress payment request

HSBC Offset Savings Account and Deposit Facilities for HOME SMART[®] Loan Accounts and Home Equity Loan Accounts Fees and Charges

Fee	Amount or Method of Calculation	Payable by you
Stop Payment Request Fee	\$8.00	When you ask us to stop a payment made from or cheque drawn on your account
Branch or Telephone Initiated Periodic Payment to an HSBC account	Nil	
Branch or Telephone Initiated Periodic Payment to a non HSBC account	\$5.00	At the time each periodic payment from your account is made
Internet Initiated Periodic Payment	Nil	
Overseas Transaction Fee	\$4.50	At the time of the transaction but billed monthly
Overseas transaction charge	3 % of the total value amount of each such transaction	<p>When you make a transaction on your account in a currency other than Australian dollars, or you make a transaction on your account in any currency (including AUD) that is processed/billed by either the merchant or its financial institution/payment processor outside of Australia.</p> <p>Note: Sometimes it may not be clear that the merchant or its financial institution/payment processor is located outside of Australia. HSBC has no influence over whether the merchant or ATM operator chooses to convert a transaction into local currency. You should check this with the merchant or ATM operator.</p>

Fee	Amount or Method of Calculation	Payable by you
BPAY® Payment Investigation Fee	\$20.00	At the time you ask us to investigate any BPAY® Payment.
Outward Telegraphic Transfers (including RTGS)	\$25.00 \$20.00 Nil	At the time the payment is made: Standard and telephone initiated international funds transfer Internet initiated instructions and PowerVantage or HSBC Premier customers Funds transfer for HSBC Premier customers between pre-defined HSBC accounts in the same name via Internet Banking
Outward Telegraphic Transfer (including RTGS) to another bank where customer requests fee debited to own account	\$30.00 plus applicable TT fee	At the time payment is made.
Outward Telegraphic Transfers (including RTGS) Tracing Fee	\$25.00	At the time you request us to trace payment.
Outward Telegraphic Transfers (including RTGS) Remittance Amendment or Cancellation Fee	\$25.00 plus the costs levied by the receiving bank.	At the time you request us to stop or amend a payment.
Sale of Demand Drafts	\$18.00	At the time the payment is made
Replacement, Repurchase and Cancellation of Demand Drafts	\$30.00	At the time you provide us with instructions

Fee	Amount or Method of Calculation	Payable by you
Inward Cheque Return Fee	\$5.00 plus any fees charged by the paying institution.	Each time a cheque deposited into your account is refused by the paying institution.
Other Bank Inward Payment Return Fee	\$5.00 plus any fees charged by the paying institution.	Each time a direct payment paid into your account is refused by the paying institution.
HSBC Inward Payment Return Fee	\$10.00	Each time a direct payment from your HSBC account paid into your Loan Account or Offset Savings Account is refused by us.
Outward Return Fee	\$40.00	Each time a payment from your account is not paid upon presentation.
Coin Handling Fee	2.00% (min \$10.00)	At the time when you make a cash deposit or withdrawal (or daily aggregate cash deposits or withdrawals) of more than \$100.00
Record Search Fee	\$50.00 per hour and/or \$30.00 per part hour	At the time when you ask us to search for a credit card voucher, cheque, deposit or withdrawal slip or other document.
Document Copying Fee	\$5.00 per page	At the time when you ask us to photocopy a card voucher, cheque, deposit or withdrawal slip or other document
Duplicate Statement Fee	\$7.00 per statement	At the time you ask us to give you another copy of a previously issued statement of your account
Branch Collection Fee	\$5.00	On the 1st day of each month and where you request that we make statements issued on your account available at one of our branches
National Australia Bank Deposit Fee	\$4.17	At the time you make a deposit or repayment at a National Australia Bank branch

Fee	Amount or Method of Calculation	Payable by you
National Australia Bank Cheque Cashing Fee	1.5% of the cheque amount (min \$10.00)	At the time when you present a cheque for encashment at a National Australia Bank branch plus any return charges which may subsequently be levied by National Australia Bank and which are currently unascertainable.
Audit/Balance Certificate	\$25.00 \$30.00	At the time you ask us to give you a certificate of balance in respect of your account: If borrower is individual If borrower is company or corporate trustee.
Special Clearance Fee	\$15.00 \$50.00 per hour plus costs (minimum \$30.00)	At the time when you ask us to clear a cheque by mail, fax or telephone. At the time when you ask us to clear a cheque by presenting it via courier to the paying institution.

Fee	Amount or Method of Calculation	Payable by you
Inward Telegraphic Transfer	\$10.00	At the time the payment is credited to your account.
	\$15.00	If paid in cash
	\$10.00	If proceeds are transferred to another bank and BSB and account number supplied
	\$15.00	If proceeds are transferred to another bank and BSB and account number not supplied
	1% of amount (\$10.00 minimum fee, \$200.00 maximum fee)	If paid by foreign currency draft – same foreign currency as the TT
	\$10.00	If paid by foreign currency draft – third foreign currency
	1% of amount (\$10.00 minimum fee, \$200.00 maximum fee)	If paid by foreign currency TT – same foreign currency as the inward payment
	\$10.00	If paid by foreign currency TT – Telegraphic Transfer Fee
Nil	A\$ DD drawn on HSBC credited to existing account.	
Transfer of Funds from Overseas Accounts within the HSBC Group	\$20.00	At the time the payment is: Credited to your account
	\$30.00	Paid to another HSBC Group account
	\$50.00	Paid in cash
	\$50.00	Paid by Bank Cheque.
	plus costs of remitting office	

Fee	Amount or Method of Calculation	Payable by you
Purchase of Drafts Issued by HSBC Group offices	\$10.00 0.25% of amount (min \$10.00, \$200 max)	At the time the payment is credited to your: A\$ Loan Account, Offset Savings Account or third currency Loan Account; Same Currency Loan Account.
Purchase of Drafts not issued by HSBC Group offices	\$20.00 0.25% of amount (min \$10.00, \$200 max)	At the time the payment is credited to your: A\$ Loan Account, Offset Savings Account or third currency Loan Account; Same Currency Loan Account.
Transaction Verification Fee	Nil \$50.00 per hour	At the time we provide you details of a historic transaction on your account: Less than 1 year since transaction; 1 year or more since transaction.
Foreign Currency Handling Fee	1.25% of the amount (min \$20.00)	At the time when you make a cash deposit or withdrawal in a currency other than A\$
Emergency encashment	\$25.00 Nil plus any interest payable and any conversion fees	At the time you ask us to provide you with the encashment service: Non-HSBC Premier customer HSBC Premier customer
International Banking	\$200.00 Nil	When you asked us to provide you with a reference to another member of the HSBC Group: Non-HSBC Premier customer HSBC Premier customer

Fee	Amount or Method of Calculation	Payable by you
Bank Cheque Fee	\$8.00	At the time when you ask us to provide you with a cheque drawn on the Bank. Additional fees are payable if you ask us to replace (\$25.00) or repurchase (\$10.00) a bank cheque

HSBC Offset Savings Account Fees and Charges

Fee	Amount or Method of Calculation	Payable by you
Balance Enquiries	ATM Operator fees which are not currently ascertainable may be payable for all transactions if you use a non-HSBC ATM	At the time of the transaction.
Deposits	Nil	
HSBC ATM, EFTPOS and BANK@POST™(Within Australia)	Nil	
Non-HSBC ATM	ATM Operator fees which are not currently ascertainable may be payable for all transactions if you use a non-HSBC ATM	At the time of the transaction.

Fee	Amount or Method of Calculation	Payable by you
Internet Banking, Automated Telephone Banking & BPAY® Payments	Nil	
Cheque withdrawals (per cheque) and branch withdrawals and transfers e.g. direct debits and cash withdrawals	Nil	

NOTES:

- If the transactions are paid for in the same foreign currency as the transfer then an additional 0.25% commission is charged (maximum \$200.00).
- For amounts below \$50,000.00, where the Bank is unable to provide a further exchange rate quotation, the Bank shall effect the remittance on the basis of a provisional exchange rate, which shall be subject to adjustment when the actual exchange rate is ascertained. Any difference between the provisional rate and the actual rate shall be debited/credited (as the case may be) to your account.
- The applicable exchange rates are:
 - (a) The Bank's TT/DD buying rate for the relevant currency where a foreign transfer is paid in A\$.
 - (b) The Bank's TT/DD selling rate for the relevant currency where a transfer is paid in a currency other than A\$.

SCHEDULE 4

Banking Electronically Terms

1. Introduction

These Banking Electronically Terms form part of your contract relating to an account if that account can be accessed using one or more of the following

HSBC services:

- Telephone Banking (including use of the service to make a BPAY® Payment)
- HSBC ATM Card
- VISA® Debit Card

If there is any inconsistency between the Deposit Account Terms and these Banking Electronically Terms, these Banking Electronically Terms prevail in respect of EFT Transactions.

2. Definitions used in relation to EFT Transactions.

The meaning of some terms used in this Schedule are set out in Schedule 5 to the Booklet.

The following terms have the following meaning where used anywhere in this Schedule:

Additional Cardholder means a person who has been nominated by you and to whom we have issued a Card and PIN to access your EFT Account.

EFT System means the shared system under which EFT Transactions are processed.

Instruction means any request or instruction to HSBC which is effected through an Electronic Service by use of an Access Method.

Non HSBC ATM means an ATM which is not branded by HSBC Bank Australia Limited.

Payment Cut-off Time means the time in Sydney after which HSBC will not process or make any further payments in that currency on that day. The cut-off time varies between currencies. The list of specific cut-off times for specific currencies is available at www.hsbc.com.au.

RTGS means Real Time Gross Settlement, a payment system in operation between HSBC and other banks.

Telegraphic Transfer or *TT* means a payment which is transmitted directly by telecommunication methods from HSBC to a beneficiary's bank. Funds sent overseas this way will normally be received by the beneficiary bank within 48 hours.

Unauthorised means without the knowledge or consent of a User.

Unauthorised EFT Transaction means an electronic funds transfer from an Account initiated through Electronic Equipment using an Access Method with-out the knowledge or consent of a User.

VISA® Credit Card means a credit card issued by HSBC pursuant to the rules of the VISA® International Inc. Card Scheme.

You or your means:

- (a) for HSBC Offset Savings Accounts the person(s) named as customer in the relevant Account Opening Document;
 - (b) for the deposit facilities for Loan Accounts and Home Equity Loan Accounts the person(s) defined as such in clause 14.2 of the Booklet,
- and where the context permits, it includes all of them. If there is more than one person named as customer or account holder, references to you mean each person separately and every two or more persons jointly. "You" includes your successors and assigns.

3. ePayments Code

HSBC warrants that it will comply with the requirements of the ePayments Code in relation to EFT Transactions.

4. Acceptance

The first use of an Access Method by a User after receiving this Schedule will constitute your agreement to the Banking Electronically Terms in respect of the Electronic Service which is accessed.

5. Additional Users

If HSBC agrees, you may authorise another person to access and operate your EFT Accounts using an Electronic Service.

A User's access to your EFT Accounts using an Electronic Service is governed by the relevant provisions of these Banking Electronically Terms as well as the Authorised Signatory and other relevant sections of the Deposit Account Terms. You must ensure that each User protects their Access Method in the same way these Banking Electronically Terms require you to protect your Access Method.

You will be liable for all transactions carried out on your accounts by any

person authorised by you. Your cancellation of a User’s authority will not be effective until your notification of the cancellation is received by HSBC and the User’s Card (if any), has been returned to HSBC or HSBC is satisfied that you have taken reasonable steps to have it returned.

6. Agreed limits

Users must not use an Access Method to withdraw funds in excess of any limit agreed with HSBC. If an EFT Account goes over the agreed limit, HSBC may permit a User to use the Access Method, but you must deposit funds to bring the EFT Account within its agreed limit without unreasonable delay.

7. Daily Limits for Electronic Banking

If you transfer funds through our Telephone Banking Service, your limits are as follows:

	Telephone Banking Service– daily limit per User *
Transfer between EFT Accounts	\$500,000
Transfer between <ul style="list-style-type: none">EFT Accounts and third party HSBC accounts, and	\$3,000 Automated
BPAY® Payments	\$20,000

* The maximum daily limit figures in this table refer to the daily limits that apply to each User. For example, if you have two Users, each User may each effect daily transfers “between EFT Accounts” of up to \$500,000.

If we are the Biller in HSBC’s VISA® Credit Cards then we will limit the transaction into your Account to A\$10,000 per day.

8. Termination

You may stop your use of any Electronic Service at any time by giving written notice to HSBC.

HSBC may terminate any Electronic Service at any time by giving you a

written notice.

HSBC may suspend or cancel an Access Method at any time without notice if it believes the Access Method is being misused, there is a concern as to the security of the Access Method or there is noncompliance with the Terms and Conditions.

When an Access Method has been cancelled by you or HSBC, Users must not attempt to use the cancelled Access Method again and must return any cancelled Cards (where applicable).

Bill payments or funds transfers for which Instructions have been given and which are scheduled to be made after your use of the Electronic Service is terminated may not be effected by HSBC.

9. Receipt of a Card and PIN

Each Card or its replacement will be sent to Users by mail. Each Card should be signed upon receipt. Soon after receipt of a Card, a User will receive a PIN for the Card. This will be in a specially sealed envelope to ensure that it is secure.

Where we give you a Card from an HSBC branch, the PIN will be received in the specially sealed envelope at the same time as the Card. If travelling overseas, both the Card or replacement Card and PIN will be made available to Users at an HSBC branch or other location acceptable to HSBC. Each Card is for the sole use of the person named on it and is only valid from the "valid from" date (when shown or, if not shown, the issue date) to the "valid end" date shown on it.

Each Card remains our property.

We may issue replacement Cards at any time.

10. Telegraphic Transfers

Where you request an outward TT to be effected from an account, you acknowledge and agree that the following applies:

In the absence of any specified instructions to the contrary, HSBC may either effect a TT in the currency of the country in which payment is to be made or in our sole discretion, choose not to effect the TT until further instructions are obtained from you in which case, HSBC will not be responsible for any loss or delays which you may suffer.

Depending on your instructions, we may be required to use intermediaries in order to effect a TT on your behalf. These intermediaries may levy fees and charges in addition to those levied by us. A beneficiary's bank may also levy fees and charges. Unless you provide instructions to the contrary, all charges incurred outside Australia are for the account of the beneficiary.

We reserve the right to draw any TT on a different place from that specified by you if operational circumstances so requires.

Payment requests delivered to HSBC (in any form including Electronically or otherwise) are subject to cut-off times. These cut-off times vary depending on the geographical location of the destination and are subject to change from time to time.

A list of cut-off times is available from us on request.

Any requests received by us within the cut-off time for the relevant currency, will be processed on the requested value date. However, while we will remit your funds on value date so long as they are in a form acceptable to us, we cannot confirm the actions of the receiving bank nor guarantee that the funds will be received by the beneficiary on the same day. Funds sent by TTs will usually be received by the beneficiary bank within 48 hours from the time the TT is processed.

We will not be liable for any delays in processing by the beneficiary bank.

Any requests received by us after the cut-off times for the relevant currency, will not be processed on the same day.

Where we are unable to provide a firm exchange rate quotation at the time of your request for a TT, we will provide you with a provisional exchange rate. However, we will effect a TT on the basis of our actual selling rate for the relevant currency against the A\$ (or another currency in which your account is denominated where applicable) at the time of processing the TT. The applicable amount will be debited from your account at the time the TT is processed.

TTs are dispatched entirely at your own risk.

We are at liberty to send any TT either literally or in cipher and we accept no responsibility for any loss, delay, error, omission or mutilation, which may occur in the transmission of any message or for its misinterpretation when received.

You may only cancel or amend a TT if we agree in our absolute discretion.

In effecting a TT from an account, we may be required by law or other rules, policies or guidelines by which we are bound, to disclose certain information which we hold about you to the beneficiary and/or the beneficiary's bank or intermediary service providers in the course of effecting the payment, and by requesting us to perform the TT, you consent to our disclosure of your information.

Where you receive an inward payment into your account by way of TT and that payment is made in a foreign currency, we will convert that payment into A\$ unless your account is denominated in that currency.

Fees and charges are payable in respect to your receipt of an inward or request for payment of an outward TT. These are set out in either the Letter or Schedule 3 to the Booklet.

11. Use of a Card at an ATM or EFTPOS

You authorise us to act on the Instructions entered into an EFT Terminal when:

- an HSBC ATM Card is used with the PIN at the EFT Terminal;
- a VISA® Debit Card is used with the PIN at the EFT Terminal and the "savings", "cheque" or "credit" button is selected;
- a VISA® Debit Card is used without a PIN at an EFT Terminal and the "CR" or "credit" button is selected; or
- a VISA® Debit Card is used at a contactless EFT Terminal.

If it is not possible to carry out the Instructions given using a VISA® Debit Card at an EFT Terminal on your EFT Account, the transaction may be directed to any other account you have with us.

Money is at your risk from when it becomes visible or available to a User at an ATM.

With the exception of contactless EFT transactions, unless there is a system malfunction or the transaction is a VISA® Debit Card transaction using the "CR" or "credit" button, an EFT Terminal will only accept a Card if the correct PIN is entered on the keypad of the EFT Terminal. If the PIN is not accepted by an EFT Terminal, the sale and/or provision of cash will be refused.

If, for any reason other than a malfunction, a Merchant does not accept a

Card, or if a User has a complaint about the goods or services provided, this must be taken up with the Merchant and not with HSBC.

12. Daily Card Limits

You must not use an Access Method to withdraw funds in excess of the Account balance. If the Account balance is exceeded without our approval, you must immediately repay the excess and the terms relating to Overdrawn Accounts will apply to your Account.

We will advise you separately of any other transaction limits that might apply.

Merchants, our agents and other financial institutions may impose their own restrictions on the amount of funds that may be withdrawn, paid or transferred.

Daily Withdrawal Limit

Your Daily Withdrawal Limit is:

- (a) where your Card is an HSBC Premier Debit Card or HSBC Premier ATM Card – AUD\$2,000.00;
- (b) where your Card is not an HSBC Premier Debit Card or HSBC Premier ATM Card – AUD\$1,000.00; or
- (c) where the Card holder is a minor – AUD\$100.00

Daily VISA® Debit Transaction Limit

Your Daily VISA® Debit Transaction Limit is:

- (a) where your Card is an HSBC Premier Debit Card – AUD\$10,000.00;
- (b) where your Account is not an HSBC Premier Debit Card – AUD\$10,000.00; or
- (c) where the Card holder is a minor – AUD\$500.00

13. Overseas transactions

Withdrawals made using a Card in an overseas country are subject to fees. The fees may change from time to time at HSBC's discretion. The account in Australia will be debited with the amount of the overseas withdrawals at the prevailing foreign exchange rates, as determined by the relevant

member of the HSBC Group or by HSBC's agents on the day of conversion to Australian currency.

The use of a Card in an overseas ATM or EFTPOS terminal displaying the VISA®, VisaPLUS, Cirrus or Maestro logos (as applicable) is governed by the regulations of the country in which the Electronic Service is used and by these Terms and Conditions.

Transactions with a VISA® Debit Card are converted from the currency of the transaction to the Australian Dollar equivalent as at the date they are processed. If you use your VISA® Debit Card and/or HSBC ATM Card for purchases including online purchases or withdrawals from ATMs in an overseas country, we will charge fees as set out in Schedule 3 to the Booklet. All transactions are listed on your statement in the currency of the transaction and the Australian Dollar equivalent.

14. Non HSBC ATM Transactions

Withdrawals or balance enquiry transactions made using a non HSBC Group ATM may be subject to ATM Operator Fees. The ATM Operator Fees are imposed by the ATM owner or operator and will be disclosed at the time of the transaction with the option to discontinue that transaction free of charge. Your account will be debited with the amount of the ATM Operator Fees in addition to any amount withdrawn, or in the case of a balance enquiry, the ATM Operator Fees will appear as a stand alone debit transaction to the account.

15. Receipts

Withdrawals or balance enquiry transactions made using a Non HSBC ATM are subject to fees. The fees are imposed by ATM owner or operator and will be disclosed at the time of the transaction with the option to discontinue that transaction free of charge. your Account will be debited with the amount of the Non-HSBC ATM change in addition to any amount withdrawn (or in the case of a balance enquiry transaction will appear as a stand alone debit transaction to the Account).

16. Access to the Telephone Banking Service

You agree that any person who supplies HSBC with your PBN or account number and PIN, or a User's PBN (or your account number) and PIN, may be allowed access to the Telephone Banking Service and to any EFT

Account. You acknowledge that HSBC will not make a payment to another person using the Telephone Banking Service unless the correct PIN and PBN or account number are supplied to it.

You agree that HSBC may delay acting upon an Instruction or ask for more information before acting on an Instruction.

HSBC may specify limits on transaction types and values in respect of certain accounts or the use of an Electronic Service and may refuse to act on an Instruction if a transaction exceeds a particular limit .Please refer to HSBC's Telephone Banking limits for details of limits imposed upon the Service. When BPAY® Payments are made, other participants in the BPAY® Scheme may impose additional restrictions.

Where HSBC has Instructions for more than one payment from an EFT Account, it will determine the order or priority in which the payments are made.

HSBC may change a User's PBN and account number or PIN at any time, by notifying the User in writing. Users may change their PIN at any time.

17. Processing instructions

If a User gives an Instruction on a Banking Day to make a payment from an EFT Account after the Payment Cut-off Time it may be processed on the next Banking Day.

If a User gives an Instruction to make an Australian Dollar payment between any accounts with HSBC on a day when any branch of HSBC is open for business it will be made on that day. If no branch of HSBC is open for business the transfer will be made on the next day upon which such a branch is open for business.

If a User gives an Instruction to make an Australian Dollar transfer to any account not held with HSBC on any day which is not a Banking Day, it will not be made until the next Banking Day.

If a User gives an Instruction to transfer a currency (other than Australian Dollars) after the Payment Cut-off Time, it will be made on the next day which is both a Banking Day and a day upon which banks in the country of the relevant business are open for business other than a day which is Saturday or Sunday in Australia.

A BPAY® Payment may take longer to be credited to a Biller if a User gives an Instruction to make the payment on a day that is not a Banking Day or if

another participant in the BPAY® Scheme does not process the request as soon as they receive its details.

18. Recording telephone calls

HSBC may record telephone calls made to HSBC's Direct Service Centre for training, verification, security, authentication and quality control purposes.

To help improve our services, and in the interests of security, we may monitor and/or record any telephone calls between us and you or any User. Any recording may be used as evidence.

19. Bill payments – BPAY® Scheme

The following information must be given to HSBC to instruct it to make a BPAY® Payment:

- the PBN (or account number) and PIN;
- the EFT Account from which the payment is to be made;
- the amount to be paid
- the Biller's code number (found on the bill); and
- the Customer Reference Number (eg. the account number with the Biller).

HSBC will then debit your EFT Account with the amount of that BPAY® Payment. HSBC will not be obliged to effect a BPAY® Payment Instruction if the information given is incomplete and/or inaccurate.

Generally, a BPAY® Payment will be treated as received by the Biller to whom it is directed:

- on the date HSBC is told to make it, if this occurs before the Payment Cut-off Time on a Banking Day; or
- otherwise, on the next Banking Day.

A delay might occur in the processing of a BPAY® Payment where:

- there is a public or bank holiday on the day after HSBC is told to make a BPAY® Payment; or
- a Biller, or another financial institution participating in the BPAY® Scheme, does not comply with its obligations under the BPAY® Scheme.

While it is expected that any delay in processing a payment for any of these reasons will not continue for more than one Banking Day, any such delay may continue for a longer period. It is the User's responsibility to allow for sufficient time for processing of payments to the Biller.

Users must be careful to tell HSBC the correct amount to be paid. If the amount HSBC was instructed to pay was less than the amount needed to be paid, another BPAY® Payment should be made for the shortfall. If the amount HSBC was instructed to pay was greater than the amount intended, the Biller should be contacted to obtain a refund.

HSBC will attempt to ensure that BPAY® Payments are processed promptly by Billers and other participants in the BPAY® Scheme.

HSBC will not accept an order to stop a BPAY® Payment once it has been instructed to make that BPAY® Payment.

If HSBC is advised by a Biller that a BPAY® Payment cannot be processed, HSBC will:

- (a) advise you of this;
- (b) credit the relevant EFT Account with the amount of that BPAY® Payment; and
- (c) take all reasonable steps to assist in making the BPAY® Payment as quickly as possible.

A mistaken BPAY® Payment is a BPAY® Payment to a person or for an amount which is not in accordance with the Instructions given to HSBC, if any. If your EFT Account is debited with the amount of a mistaken BPAY® Payment, HSBC will credit that amount to your EFT Account.

However, you must pay HSBC the amount of a mistaken BPAY® Payment if a User is responsible for a mistake resulting in that payment and HSBC cannot recover the amount from the person who received it within 20 Banking Days of attempting to do so.

You acknowledge that the receipt by a Biller of a mistaken or erroneous payment does not or will not constitute under any circumstances part or whole satisfaction of any underlying debt owed between you and that Biller.

If you notify HSBC that a BPAY® Payment made from your EFT Account is Unauthorised, you must provide HSBC with a written consent addressed to the Biller who received that BPAY® Payment, allowing HSBC to obtain from that Biller information about your account with that Biller or the BPAY®

Payment, including your customer reference number and such information as is reasonably required to investigate the BPAY® Payment. If you do not give that consent to HSBC, the Biller may not be permitted under law to disclose to HSBC the information it needs to investigate or rectify that BPAY® Payment.

Subject to any applicable terms and conditions set out in Schedule 5 to the Booklet and the ePayments Code:

- (a) HSBC is not liable for any consequential loss or damage you may suffer as a result of using the BPAY® Scheme, other than due to any loss or damage you suffer due to the negligence of HSBC, or in relation to any breach of a condition or warranty implied by law in contracts for the supply of goods and services and which may not be excluded, restricted or modified at all or only to a limited extent; and
- (b) you indemnify HSBC against any loss or damage it may suffer due to any claim, demand or action of any kind brought against it arising directly or indirectly because you:
 - (i) did not observe any of your obligations under; or
 - (ii) acted negligently or fraudulently in connection with this Schedule.

HSBC may at any time suspend your right to participate in the BPAY® Scheme and will do so without notice if HSBC suspects a User, or someone acting on your behalf, of being fraudulent.

BPAY® Payments for which Instructions have been given and which are scheduled to be made while your right to participate in the BPAY® Scheme is suspended will not be processed by HSBC.

20. Security of Access Methods

Users must keep their Access Methods secure to prevent Unauthorised use of EFT Accounts.

Users must take care to ensure that Access Methods are not misused, lost or stolen and that the PIN does not become known to anyone else.

These guidelines should be followed by Users to ensure the security of an Access Method. These guidelines provide examples only of security measures and will not determine your liability for any losses resulting from Unauthorised EFT Transactions on your EFT Account. Liability for such

transactions will be determined under the ePayments Code rather than these guidelines.

To protect a Card, Users must:

- Sign the Card as soon as it is received.
- Carry the Card whenever possible.
- Always keep the Card in a safe place and check regularly to ensure that it has not been lost or stolen.
- Do not lend the Card to anyone.
- When an EFT Transaction is complete, remember to take the Card and any receipt.

To protect the PIN, Users must:

- Memorise the PIN when it is received and destroy HSBC's notification of the PIN.
- Do not tell or show the PIN to another person or allow it to be seen by another person (including family and friends).
- Do not keep a record of a PIN in a way in which it can be determined by another person.
- Do not record a PIN and Identifier together, or record a PIN on the Card.
- Do not record the PIN on Electronic Equipment or related articles without making a reasonable attempt to disguise the PIN or prevent Unauthorised access to the record.
- Users should not select a PIN which represents their birth date as a numeric code, or an alphabetical code which is a recognisable part of their name, their telephone number or anything else that could be associated with them.
- Be ready to use the Card and enter the PIN when at Electronic Equipment.
- Do not allow anyone to watch the PIN being entered at Electronic Equipment.
- Do not leave anything behind after making an EFT Transaction, such as the Card or transaction receipt.

- Press the 'cancel' or 'correction' button or symbol immediately if a mistake is made. It is not possible to stop a transaction once it has been accepted.
- Notify HSBC immediately by calling 1300 308 008 at any time if a record of a PIN is lost or stolen or if a User suspects that someone else may know a PIN.

If a memory aid is required to recall the PIN such a record may be made provided the record is reasonably disguised.

Examples which we **do not** consider provide a reasonable disguise are:

- recording the PIN as a series of numbers with any of them marked, circled or highlighted to indicate the PIN;
- recording the PIN with surrounding information which makes it stand out from its context;
- disguising the PIN using alphabetical characters or numbers eg A = 1, B = 2, C = 3, etc, or in any other easily understood code;
- recording the PIN as a string of digits in isolation from other information unless the context provides adequate disguise;
- recording the disguised PIN on the Card;
- disguising the PIN by reversing the number sequence;
- describing the disguised record as a "PIN record" or similar;
- if we allow Users to select or change the PIN, selecting or disguising the PIN using any of the following combinations (or parts of them), with the PIN in its correct sequence within the combination:
 - dates of birth;
 - personal telephone numbers;
 - car registration numbers;
 - family members' names;
 - social security numbers; or
 - licence numbers;
- recording the PIN as a:
 - date of birth;

- postcode; or
 - telephone number,
- without additional features of disguise;
- storing the PIN in any low security electronic device of any kind, such as (but not limited to):
 - calculators;
 - personal computers; or
 - electronic organisers.

There may be other forms of disguise which may also be unsuitable because of the ease of another person discerning the PIN.

21. Cancellation and return of Cards

We may cancel a Card, ask for its return, retain a Card presented to us or another person or otherwise cancel access to an EFT Account at any time without notice.

A Card must not be used after it is cancelled nor, in respect of an account, if access to that account is cancelled or that EFT Account is closed and when we give you notice of the cancellation of a Card you must return the Card to us (cut diagonally in half, through the magnetic stripe and through any embedded chip) or satisfy us that all Cards have been destroyed. You will be liable for any use of a Card until all Cards are returned to us. If access to an account is cancelled or an account is closed, Users must also cancel any periodic debit authorities in respect of that account.

You must also return all Cards (cut diagonally in half, through the magnetic stripe and through any embedded chip), or satisfy us that all Cards have been destroyed, if we request you to do so.

You may cancel a Card at any time by telling us in writing and returning it to us (cut diagonally in half, through the magnetic stripe and through any embedded chip), or satisfying us that the Card has been destroyed.

Access to an account is automatically cancelled if, in relation to the account, there is more than one account holder or authorised Signatory and each is no longer authorised to operate the account alone.

Reporting loss, theft, Unauthorised use of a Card, breach of PIN security, etc

Users must notify HSBC immediately if a Card is lost, stolen or misused, if a PIN becomes known to someone else or if a transaction is suspected to have been made on an EFT Account without a User's authority.

Users should also notify HSBC if they believe they may have made a mistake in instructing HSBC to make a BPAY® Payment, if there are any delays or mistakes in processing BPAY® Payments, if a BPAY® Payment that has been made from an EFT Account is Unauthorised, or if a User has been fraudulently induced to make a BPAY® Payment.

Users should also notify HSBC immediately if they believe they have made a Mistaken Internet Payment.

Users should notify HSBC in Australia by calling the Direct Service Centre at any time on 1300 308 008. If overseas, Users should report to any branch of an HSBC Group member bank or call +612 9005 8187.

If you do not you may be liable for any loss incurred on your account.

For VISA® Debit Cards you may also call the nearest VISA® Global Assistance Centre.

HSBC will acknowledge the notification by giving the User a reference number that verifies the date and time HSBC was contacted. The number is proof that HSBC was advised according to these Banking Electronically Terms and should be kept for future reference. HSBC will then cancel the Access Method and arrange for the User to select a new one.

If for any reason HSBC's hotline is unavailable and this prevents notification, you will not be liable for any Unauthorised transaction which could have been prevented during this period if the hotline had been available, provided HSBC is notified within a reasonable time of the hotline becoming available again.

If a User recovers a Card that has been reported lost or stolen, the Card must not be used again.

Instead, the recovery should be reported to us or, where the relevant Card is a VISA® Debit Card and the User is overseas, to any financial institution displaying the VISA® card symbol. The Card should then be cut in half and returned to us.

You agree that HSBC may disclose information about you or your EFT Account to the police or other third parties if it thinks it will help prevent or recover losses or if it is legally obliged to do so.

22. Mistaken Internet Payments

ADIs must investigate

Where a User reports a Mistaken Internet Payment, HSBC will investigate whether a Mistaken Internet Payment has occurred.

If HSBC is satisfied that a Mistaken Internet Payment has occurred, HSBC will send the Receiving ADI a request for return of the funds.

If HSBC is not satisfied that a Mistaken Internet Payment has occurred, HSBC will not take any further action.

Process where funds are available and report is made within 10 business days

Where a User reports a Mistaken Internet Payment within 10 business days of making the payment and:

- (a) HSBC and the Receiving ADI are satisfied that a Mistaken Internet Payment has occurred; and
- (b) HSBC is advised by the Receiving ADI that there are sufficient credit funds available in the account of the Unintended Recipient to the value of the Mistaken Internet Payment,

the Receiving ADI must forward the funds to HSBC no later than 10 business days after receiving our request to return the funds.

Process where funds are available and report is made between 10 business days and seven months

Where a User reports a Mistaken Internet Payment between 10 business days and seven months after making the payment and:

- (a) HSBC and the Receiving ADI are satisfied that a Mistaken Internet Payment has occurred; and
- (b) HSBC is advised by the Receiving ADI that there are sufficient credit funds available in the account of the Unintended Recipient to the value of the Mistaken Internet Payment,

the Receiving ADI must:

- (a) prevent the Unintended Recipient from withdrawing the funds for 10 further business days; and
- (b) if the Unintended Recipient does not establish that they are entitled

to the funds during this period, the Receiving ADI must return the funds to HSBC within two business days after the expiry of the 10 business day period referred to above.

Process where funds are available and report is made after seven months

Where a User reports a Mistaken Internet Payment more than seven months after making the payment and:

- (a) HSBC and the Receiving ADI are satisfied that a Mistaken Internet Payment has occurred;
- (b) HSBC is advised by the Receiving ADI that there are sufficient credit funds available in the account of the Unintended Recipient to the value of the Mistaken Internet Payment; and
- (c) the Unintended Recipient consents to return of the funds,

the Receiving ADI must forward the funds to HSBC.

Process where funds are not available

Where HSBC and the Receiving ADI are satisfied that a Mistaken Internet Payment has occurred, but there are insufficient credit funds available in the account of the Unintended Recipient to the full value of the Mistaken Internet Payment, the Receiving ADI must use reasonable endeavours to retrieve the funds from the Unintended Recipient for return to the holder.

If the Receiving ADI is unable to recover the funds from the Unintended Recipient, the account holder will be liable for losses arising from the Mistaken Internet Payment.

Unintended Recipient

If you receive a Mistaken Internet Payment into your account, you authorise HSBC, as Receiving ADI, to withdraw the funds from your account and return the funds to the Sending ADI in order to comply with our obligations under the ePayments Code.

23. Liability for Unauthorised EFT Transactions

You are liable for all EFT Transactions carried out in respect of your EFT Accounts with the knowledge and consent of a User.

You will not be liable for losses in respect of an EFT Account caused by an Unauthorised EFT Transaction:

- (a) resulting from Unauthorised use of a Card or PIN before the User has received the Card or PIN which forms part of their Access Method;
- (b) after HSBC receives notification that a Card has been misused, lost, stolen or the PIN has become known to someone else;
- (c) relating to any component of an Access Method that is forged, faulty, expired or cancelled;
- (d) caused by the fraudulent or negligent conduct of employees or agents of:
 - (i) HSBC;
 - (ii) any organisation involved in the provision of the EFT System; or
 - (iii) any Merchant;
- (e) where it's clear the User has not contributed to the loss;
- (f) caused by the same transaction being incorrectly debited more than once to the same EFT Account; or
- (g) where the transaction can be made using an Identifier without a PIN or Card. Where a transaction can be made using a Card, or a Card and an Identifier, but does not require a PIN, you will be liable only if the User unreasonably delays reporting the loss or theft of the Card.

Where HSBC proves on the balance of probabilities that the User has contributed to losses in respect of an EFT Account resulting from an Unauthorised EFT Transaction by:

- (a) the User's fraud;
- (b) voluntarily disclosing the PIN to anyone, including a family member or friend;
- (c) indicating the PIN on the Card;
- (d) keeping a record of the PIN with any one article or several articles carried with the Card or liable to loss or theft simultaneously with the Card, without making any reasonable attempt to carefully disguise the PIN or taking reasonable steps to prevent Unauthorised access to that record;
- (e) where the Access Method comprises a PIN without a Card, keeping a record of the PIN on one article or on several articles so that they are liable to loss or theft simultaneously, without making any reasonable

attempt to disguise the PIN or taking reasonable steps to prevent Unauthorised access to that record;

- (f) when changing a PIN, selecting a PIN which represents as a numeric code the User's birth date or an alphabetical code which is recognisable as part of the User's name; or
- (g) acting with extreme carelessness in failing to protect the security of the PIN,

you will be liable for the losses which occur before HSBC is notified of the Unauthorised use, loss or theft of the Card or breach of PIN security.

Where more than one PIN is required to perform a transaction and HSBC proves that a User breached the security requirements in clause 20 for one or more, but not all, of the required PINs, you are liable under the preceding clause only if HSBC also proves on the balance of probability that the breach of the security requirements in clause 20 was more than 50% responsible for the losses, when assessed together with all the contributing causes.

Effective from 12 March 2014, you are liable for losses arising from unauthorised transactions that occur because a User contributed to losses by leaving a Card in an ATM, except where the ATM did not contain reasonable safety standards that would mitigate the risk of a Card being left in the ATM.

Where HSBC proves on the balance of probabilities that the User has contributed to losses in respect of an EFT Account resulting from an Unauthorised EFT Transaction by unreasonably delaying in notifying HSBC of the Unauthorised use, loss or theft of the Card or that the PIN has become known to someone else, you will be liable for the losses which occur between when the User became aware of the loss, theft or Unauthorised use (or should reasonably have become aware in the case of a lost or stolen Card) and when HSBC was actually notified.

However, even if HSBC proves on the balance of probabilities that the User has contributed to losses in respect of an EFT Account resulting from an Unauthorised EFT Transaction you will not be liable for:

- that portion of the loss incurred on any one day which exceeds any applicable daily transaction limits;
- that portion of the loss incurred in a period which exceeds any other periodic transaction limits applicable to that period;
- that portion of the loss on an EFT Account which exceeds the balance

of that account (or where you have any prearranged credit, exceeds the approved credit limit);

- losses incurred on any accounts which you had not agreed with HSBC could be accessed using the Access Method; or
- where the Unauthorised EFT Transaction relates to a VISA® Debit Card, losses that would exceed the amount of your liability to us had we exercised our rights (if any) under the rules of the VISA® International Inc. Card Scheme against other parties to that scheme.

Where a PIN was required to perform the Unauthorised EFT Transaction and we do not prove that you have contributed to losses, your liability for any loss in respect of an EFT Account arising from an Unauthorised EFT Transaction is the lesser of:

- (a) \$150 or a lower figure determined by HSBC;
- (b) the balance of the relevant EFT Account (or where you have any pre-arranged credit, the approved credit limit) but only if you had agreed with HSBC that the EFT Account could be accessed with the Access Method;
- (c) the actual loss at the time HSBC is notified of the Unauthorised use, loss or theft of the Card or the breach of PIN (except that portion of the loss incurred on any one day that exceeds any daily or periodic transaction limits applicable to the use of the Access Method or EFT Account); or
- (d) where the Unauthorised EFT Transaction relates to a VISA® Debit Card, the amount of your liability had we exercised our rights (if any) under the rules of the VISA® International Inc. Card Scheme against other parties to that scheme.

24. Using a VISA® Debit Card

The VISA® Debit Card can normally be used to obtain goods and services at Merchants (such as shops, vehicle repairers, restaurants and theatres) in Australia and overseas where the VISA® card symbol is displayed.

Users can use the VISA® Debit Card to obtain goods and services through mail order, by telephone, over the internet and by other means accepted by us from time to time, where the Merchant accepts that form of payment.

We have no control over the hours a Merchant may be open for business.

The hours during which an EFT Terminal will be available may therefore vary in accordance with the Merchant's opening hours.

Some transactions need authorisation from us. We may choose not to authorise a proposed transaction.

We are not responsible for goods or services obtained by using a VISA® Debit Card, unless the law makes us liable. Therefore, if a User has any complaints about goods or services, they must be taken up with the Merchant.

You agree that the amounts shown on each sales voucher are sufficient evidence of the cash price of the goods or services to which the voucher relates.

The fact that card promotional material or the VISA® symbol is displayed at a Merchant's premises cannot be taken as a warranty by the Merchant or a guarantee by us that all goods and services available there may be obtained by using the Card.

We are not responsible if a Merchant refuses to accept or honour the Card, does not allow cash withdrawals or places other limitations on using the Card.

Users must check that the correct amount is entered in an EFT Terminal or written in the "total" box on a voucher before authorising a transaction or signing a voucher.

Users may be able to obtain cash on your relevant EFT Account by presenting the VISA® Debit Card at a branch counter of a financial institution with whom we are associated.

When obtaining cash at a branch of any associated financial institution, Users may be required to produce suitable identification which identifies the holder of the Card (such as photographic driver's licence or passport).

We do not warrant that ATMs will always have money available.

The minimum and maximum amount of cash that can be obtained using the Card may vary depending on which financial institution the Card is used at.

25.Liability for other Unauthorised transactions on a VISA® Debit Card

If, in cases not involving EFT Transactions, a VISA® Debit Card is used without a User's authority, you are liable for the actual loss arising from the Unauthorised transaction(s) before we are notified of the Unauthorised use (except that portion of the loss incurred on any one day which exceeds any applicable daily or other periodic transaction limit) less any amount recovered by us in the exercise of our rights (if any) under the rules of the VISA® International Inc. Card Scheme against other parties to that scheme.

26. Electronic system malfunctions

If the electronic system for processing transactions initiated using a VISA® Debit Card malfunctions, alternative manual procedures may be available from the Merchant for retail point-of-sale transactions by using a VISA® Debit Card and signing a User's authorisation of the transaction.

We will make all reasonable efforts to ensure that the Electronic Equipment or system provided by or on behalf of us is operational and is functioning correctly. We are not liable to you if that Electronic Equipment or system does not accept a User's Instructions, or if an Access Method fails to operate the Electronic Equipment or system.

If the Electronic Equipment or system provided by or on behalf of HSBC to facilitate EFT Transactions malfunctions, HSBC will account to you for any loss caused by the equipment or system accepting a User's Instructions but failing to complete the transaction. However, if the User should have known that the equipment or system was unavailable for use or malfunctioning, HSBC will only be responsible for correcting errors in the account and refunding to you any associated fees or charges.

Users should make a note of the location of the relevant Electronic Equipment or system, the time of the malfunction and the amount involved and report the malfunction to HSBC.

You should also check your next account statement to verify that the necessary corrections have been made to the account.

SCHEDULE 5

Combined Financial Services Guide and Product Disclosure Statement

HSBC Offset Savings Accounts

Deposit Facilities for Home Smart® Loan Accounts, Home Equity Accounts, Standard Variable Loan Accounts and Home Value Loan Accounts

Currency Conversion Transfers

12 March 2014



PART A – the Financial Services Guide (“FSG”) contained in Part A of this document applies to HSBC Offset Savings Accounts and deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts, and to all Currency Conversion Transfers for those products.

PART B – the Product Disclosure Statement (“PDS”) contained in Part B of this document applies to HSBC Offset Savings Accounts and deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts, and to all Currency Conversion Transfers for those products.

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Part A

Financial Services Guide

About this Financial Services Guide

This FSG provides you with information to assist you in deciding whether to use any of the services described in it.

The following pages provide you with information about:

- who we are;
- how we can be contacted;
- an outline of the financial services we provide in relation to HSBC Offset Savings Accounts and deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts and currency conversion transfers that are foreign exchange contracts;
- what remuneration, commissions and other benefits are payable to us or other persons, in respect of the financial services noted in this FSG;
- what relationship we have with any other organisations affiliated with us or with product issuers, which might influence us in providing the services; and
- information about the dispute resolution system that covers complaints by customers and what to do if you have a dispute or wish to register a complaint about any of our products or services.

Capitalised terms in this FSG are defined in the Glossary at the end of the PDS contained in Part B of this document.

This FSG contains only general information on the HSBC Offset Savings Account and deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts and currency conversion transfers that are foreign exchange contracts that we offer in Personal Financial Services.

If you require more information, please ask us. This FSG contains general advice. The advice has been prepared without taking into account your objectives, financial situation or needs and because of that you should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs.

If we provide you with personal advice or further assistance in selecting products or services that suit your circumstances and needs, we will, where

we are required to do so under the law, issue you with a Statement of Advice that will set out the personal advice we have given you, including any recommendations we offer along with our rationale for our recommendations and information about any fees, commissions, associations or relationships which might influence the provision of that advice.

If we provide you with further advice, you may request a record of such advice (if you have not already been provided with a record of that advice) by contacting the adviser who gave you the further advice within a reasonable time after the further advice has been given.

The Product Disclosure Statement for the HSBC Offset Savings Account, the deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts and currency conversion transfers that are also foreign exchange contracts is contained in this document at Part B. However, if you are interested in another product, you should obtain a Product Disclosure Statement relating to the product which contains details of the product and consider the Product Disclosure Statement before making any decision about whether to acquire the product.

If we make a recommendation for you to acquire a particular product or offer to provide or arrange for the provision of a particular product, you will also receive a Product Disclosure Statement containing details of the particular product so that you can make an informed decision whether to acquire the product.

An introduction to the HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group has approximately 296,000 employees in around 8,500 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa and serves over 100 million customers worldwide. With assets of US\$2,422 billion at 30 June 2009, HSBC is one of the world's largest banking and financial services organisations and is marketed worldwide as 'the world's local bank'.

In Australia, the HSBC Group offers an extensive range of financial services through a network of 35 branches and offices. This includes personal banking, financial planning and retail credit card alliances, as well as commercial, corporate and institutional banking, payments and cash management, trade and supply chain, project and export finance, treasury and global markets, corporate finance and securities services.

Licencees

Services described in this FSG are provided by the Bank. The Bank holds an Australian Financial Services Licence (AFS Licence) number 232595. The Bank acts for itself when it provides the financial services referred to in this FSG.

HSBC's contact details

You can contact us by phone, mail or fax:

Our head office is: Level 36, Tower 1 - International Towers Sydney,
100 Barangaroo Avenue, Sydney NSW 2000 Australia

Our postal address is: GPO Box 5302 Sydney NSW 2001

Our phone number is: 1300 308 008 Monday to Friday from 8.00am to
6.00pm (AEST)

Our fax number is: (02) 9006 5440

Or visit [Our Website](#)

A complete list of our branches and their addresses is listed at the end of this PDS and also on [Our Website](#).

Customer Instructions

You can give us instructions in respect of the financial services referred to in this Financial Services Guide by verbal communication, telephone, or (where we agree in writing) facsimile or other electronic means.

Services we may provide to you

We may provide financial product advice in relation to, and/or deal in, deposit products, being the HSBC Offset Savings Account and the deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts, and currency conversion transfers that are foreign exchange contracts.

Participation in licensed markets and clearing and settlement facilities

The Bank participates in the Sydney Futures Exchange Corporation Limited.

Our financial partners

Companies within the HSBC Group manage, market, issue and provide products and services that you may acquire through us.

The Bank also deals and advises in products provided by external product issuers. For an up-to-date list of external product issuers, visit Our Website.

Where other companies in the HSBC Group introduce us, we may share our commission or fees or pay them a referral fee.

When you invest in any product offered by a company within the HSBC Group or any external product issuer, that company will receive fees in relation to your investment in the product. These fees may include commission, referral fees, entry fees, management fees, exit fees and any other fees specified in the Product Disclosure Statement or other disclosure documents for the particular product. In some instances, companies or employees within the HSBC Group may benefit by way of discounts.

How we are remunerated for products and services we provide

Our employees receive a base salary. In addition to the base salary, our employees can also receive bonuses and other rewards for the sales and referrals they make. The quantum of these additional payments will usually depend on the type of referrals made, the products they have sold and on the various sales targets that employees may have. The amount of these payments will range between \$50-\$1000 depending on the type of business referred. Our employees may also be eligible for trips away, team dinners and various vouchers or tickets such as movie tickets. Our employees may also receive benefits such as tickets to cultural and sporting events, corporate promotional merchandise or other similar benefits provided by external product issuers whose products they may sell or for business they may refer to those external product issuers. Unless otherwise stated, all fees, charges and commissions disclosed in this FSG are inclusive of the Goods and Services Tax (GST).

What to do if you have a dispute or complaint

For a summary of our complaints handling and dispute resolution procedures, please refer to the Dispute Resolution section of the PDS contained in Part B of this document.

Part B

Product Disclosure Statement and Terms and Conditions for HSBC Offset Savings Account and deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts and for Currency Conversion Transfers

Important Information

This PDS has been prepared and issued by HSBC in accordance with the financial product disclosure requirements under the Corporations Act 2001 Cth (“Corporations Act”).

Capitalised terms used in this PDS are defined in the Glossary at the end of this PDS.

This PDS is Schedule 5 to the Booklet. The Booklet contains the standard terms and conditions for HOME SMART® Loan Accounts and Home Equity Loan Accounts, and also comprises Schedule 3 -Fees and Charges and Schedule 4 containing Banking Electronically Terms. The Booklet (other than Schedule 5) is incorporated by reference into this PDS. A copy of the Booklet may be obtained from HSBC on request, for no charge.

This PDS is dated as of the date stated on the cover of this document. This PDS also forms the Terms and Conditions of use for the HSBC Offset Savings Account and the deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts. A reference in this PDS to a deposit facility for a HOME SMART® Loan Account or a Home Equity Loan Account is a reference to the circumstance where the balance of the relevant loan account is a credit balance in the customer’s favour.

This PDS sets out the terms and conditions that apply to a number of products issued by HSBC. This PDS should be read in full before you make a decision to acquire any of those products from HSBC. All information provided in this PDS is general and does not take into account your individual objectives, financial situation or specific needs. We recommend that after reading this PDS you establish whether, given your circumstances, an HSBC product is suitable to you. Before making a decision whether to acquire an HSBC product referred to in this PDS, HSBC strongly recommends that you obtain your own legal, tax and investment advice, taking into account your particular needs and financial circumstances.

If you do acquire an HSBC product referred to in this PDS, then we strongly recommend you retain this PDS for future reference.

Information in this PDS is subject to change from time to time and may be updated as described in this PDS. If you received this document electronically or if you received any updated information other than in writing, we will provide a paper copy free on request.

Where new information is materially adverse information HSBC will either issue a new PDS or a supplementary PDS setting out the updated information. Where the new information is not materially adverse information HSBC will not issue a new PDS to you, but you will be able to find the updated information on Our Website or you can call 1300 308 008.

Introduction

Purpose of a Product Disclosure Statement

This PDS is an important legal document setting out information about HSBC Offset Savings Accounts, deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts and currency conversion transfers for these products. The information in this PDS should assist you to:

- decide if the product meets your needs
- compare the product with similar products.

If you intend to apply to use this product, please read this PDS thoroughly, then keep it, together with all other documentation which you receive from HSBC in connection with this product, for future reference.

If you have any questions or need more information, please contact HSBC on: 1300 308 008.

Issuer details

This PDS is issued by HSBC Bank Australia Limited (AFSL 232 595). Our contact details are set out in the FSG.

Additional information about HSBC and the HSBC Group is available at Our Website.

HSBC Offset Savings Account

Product Schedule - key features and benefits

Minimum opening deposit – There is no minimum opening balance.

Maximum deposit – There is no maximum deposit.

Balance Offset Arrangement – The HSBC Offset Savings Account can only be linked to an HSBC Variable Rate Loan Account for the purpose of calculating an offset amount which reduces the interest charges on the loan.

Minimum account balance – There is no minimum account balance after opening. However as the account balance falls, the benefit of the interest offset to your HSBC Variable Rate Loan Account interest payments will decrease.

Minimum Offset Threshold – \$0.

Interest rate – There is no interest rate applicable to your HSBC Offset Savings Account.

When is interest credited – Interest is not accrued on your HSBC Offset Savings Account.

Where is interest credited – Interest is not credited to your HSBC Offset Savings Account.

Minimum amount of withdrawal – No minimum amount applies.

Statements of account – Will be provided once every month unless you request otherwise. In the event HSBC determines that your account is an Inactive Account then statements will be provided once every six months regardless of any prior request for more frequent statements.

How deposits and withdrawals can be made:

	Deposit	Withdrawal
In person at HSBC branches	✓	✓
By Internet Banking	✓	✓ ¹
By Telephone Banking	✓	✓ ²
By BANK@POST™	✓ ⁴	✓ ³
By periodic payment from another account with us	✓	✗
By periodic payment from an account with another bank	✓	✗
By automatic direct deposit (eg. from your salary)	✓	✗
By direct credit	✓	✗
By writing a cheque against the Account	✗	✓

By giving written instructions to us to make regular payments to third parties on your behalf (periodical payments)	✘	✔
EFTPOS [†]	✘	✔ ³
ATM (HSBC and other bank ATM) [†]	✘	✔ ^{3,5}
Other VISA [®] Debit Transactions ^{††}	✘	✔ ⁶
By direct debit	✘	✔

Withdrawals of Available Funds can be made by you or any Authorised Signatory.

Notes

1. Including BPAY[®] Payments. BPAY[®] Payments made after 4pm Friday, Sydney (AEST) will not be processed until Monday morning
2. Either automated (including BPAY[®] Payments) or staff assisted
3. Daily Card Limit applies
4. Allow up to 10 working days for cheques to be cleared and the funds credited to your account
5. ATMs outside Australia: VISA[®] Debit Cards may be used at ATMs displaying the VisaPLUS logo; HSBC ATM Cards may be used at ATMs displaying the Maestro or Cirrus logos
6. Daily Visa Transaction Limit applies

[†] HSBC ATM Card or VISA[®] Debit Card required

^{††} VISA[®] Debit Card required

Deposit facility for HOME SMART[®] Loan Account

Product Schedule - key features and benefits

Minimum opening deposit – There is no minimum opening balance.

Maximum deposit – There is no maximum deposit.

Minimum account balance – There is no minimum account balance after opening.

Interest rate – At the date of this PDS, there is no interest rate applicable to the deposit facility for your HOME SMART[®] Loan Account. If any interest rate applies to the deposit facility for the HOME SMART[®] Loan Account, the interest rate is a variable rate and different rates may apply to different account balances. These rates and the level of account balances to which they apply are set by HSBC and may change at any time. Should we apply an interest rate to deposit balances we will notify you and you may also find details of those rates

by ringing 1300 308 008 or by visiting Our Website at any time.

When is interest credited – At the date of this PDS, interest is not accrued on the deposit facility for your HOME SMART® Loan Account. If any interest rate applies to the deposit facility for the HOME SMART® Loan Account, interest will be credited monthly in arrears and on closure of the HOME SMART® Loan Account.

Where is interest credited – At the date of this PDS, interest is not credited to the deposit facility for your HOME SMART® Loan Account. If any interest rate applies to the deposit facility for the HOME SMART® Loan Account, interest will be credited to your HOME SMART® Loan Account.

Minimum amount of withdrawal – No minimum amount applies.

Statements of account – Will be provided once every month unless you request otherwise. In the event HSBC determines that your account is an Inactive Account then statements will be provided once every six months regardless of any prior request for more frequent statements.

How deposits and withdrawals can be made:

	Deposit	Withdrawal
In person at HSBC branches	✓	✓
By Internet Banking	✓	✓ ¹
By Telephone Banking	✓	✓ ²
By BANK@POST™	✓ ⁴	✓ ³
By periodic payment from another account with us	✓	✗
By periodic payment from an account with another bank	✓	✗
By automatic direct deposit (eg. from your salary)	✓	✗
By direct credit	✓	✗
By writing a cheque against the Account	✗	✓
By giving written instructions to us to make regular payments to third parties on your behalf (periodical payments)	✗	✓
EFTPOS†	✗	✓ ³
ATM (HSBC and other bank ATM)†	✗	✓ ^{3,5}
Other VISA® Debit Transactions††	✗	✓ ⁶
By direct debit	✗	✓

Withdrawals of Available Funds can be made by you or any Authorised Signatory.

Notes

1. Including BPAY® Payments. BPAY® Payments made after 4pm Friday, Sydney (AEST) will not be processed until Monday morning
 2. Either automated (including BPAY® Payments) or staff assisted
 3. Daily Card Limit applies
 4. Allow up to 10 working days for cheques to be cleared and the funds credited to your account
 5. ATMs outside Australia: VISA® Debit Cards may be used at ATMs displaying the VisaPLUS logo; HSBC ATM Cards may be used at ATMs displaying the Maestro or Cirrus logos
 6. Daily Visa Transaction Limit applies
- † HSBC ATM Card or VISA® Debit Card required
- †† VISA® Debit Card required

Deposit facility for Home Equity Loan Account

Product Schedule – key features and benefits

Minimum opening deposit – There is no minimum opening balance.

Maximum deposit – There is no maximum deposit.

Minimum account balance – There is no minimum account balance after opening.

Interest rate – At the date of this PDS, there is no interest rate applicable to the deposit facility for your Home Equity Loan Account. If any interest rate applies to the deposit facility for the Home Equity Loan Account, the interest rate is a variable rate and different rates may apply to different account balances. These rates and the level of account balances to which they apply are set by HSBC and may change at any time. Should we apply an interest rate to deposit balances, we will notify you and you may also find details of those rates by visiting Our Website at any time.

When is interest credited – At the date of this PDS, interest is not accrued on the deposit facility for your Home Equity Loan Account. If any interest rate applies to the deposit facility for the Home Equity Loan Account, interest will be credited monthly in arrears and on closure of the Home Equity Loan Account.

Where is interest credited – At the date of this PDS, interest is not credited

to the deposit facility for your Home Equity Loan Account. If any interest rate applies to the deposit facility for the Home Equity Loan Account, interest will be credited to your Home Equity Loan Account.

Minimum amount of withdrawal – No minimum amount applies.

Statements of account – Will be provided once every month unless you request otherwise. In the event HSBC determines that your account is an Inactive Account then statements will be provided once every six months regardless of any prior request for more frequent statements.

How deposits and withdrawals can be made:

	Deposit	Withdrawal
In person at HSBC branches	✓	✓
By Internet Banking	✓	✓ ¹
By Telephone Banking	✓	✓ ²
By BANK@POST™	✓ ⁴	✓ ³
By periodic payment from another account with us	✓	✗
By periodic payment from an account with another bank	✓	✗
By automatic direct deposit (eg. from your salary)	✓	✗
By direct credit	✓	✗
By writing a cheque against the Account	✗	✓
By giving written instructions to us to make regular payments to third parties on your behalf (periodical payments)	✗	✓
EFTPOS†	✗	✓ ³
ATM (HSBC and other bank ATM)†	✗	✓ ^{3,5}
Other VISA® Debit Transactions††	✗	✓ ⁶
By direct debit	✗	✓

Withdrawals of available funds can be made by you or any Authorised Signatory.

Notes

1. Including BPAY® Payments. BPAY® Payments made after 4pm Friday, Sydney (AEST) will not be processed until Monday morning
2. Either automated (including BPAY® Payments) or staff assisted
3. Daily Card Limit applies
4. Allow up to 10 working days for cheques to be cleared and the funds credited to your account
5. ATMs outside Australia: VISA® Debit Cards may be used at ATMs displaying the

How deposits and withdrawals can be made:

	Deposit	Withdrawal
In person at HSBC branches	✓	✓
By Internet Banking	✓	✓ ¹
By Telephone Banking	✓	✓ ²
By periodic payment from another account with us	✓	✗
By periodic payment from an account with another bank	✓	✗
By automatic direct deposit (eg. from your salary)	✓	✗
By direct credit	✓	✗

Withdrawals of available funds can be made by you or any Authorised Signatory.

Notes:

1. Including BPAY® Payments, BPAY® Payments made after 4pm Friday, Sydney (AEST) will not be processed until Monday morning.
2. Either automated (including BPAY® Payments) or staff assisted

Deposit facility for Home Value Loan Account

Product Schedule - key features and benefits

Minimum opening deposit – There is no minimum opening balance.

Maximum deposit – There is no maximum deposit.

Maximum account balance – There is no minimum account balance after opening.

Interest rate – At the date of this PDS, there is no interest rate applicable to the deposit facility for your Home Value Home Loan Account. If any interest rate applies to the deposit facility for the Home Value Home Loan Account, the interest rate is a variable rate and different rates may apply to different account balances. These rates and the level of account balances to which they apply are set by HSBC and may change at any time. Should we apply an interest rate to deposit balances, we will notify you and you may also find details of those rates by visiting Our Website at any time.

When is interest credited – At the date of this PDS, interest is not accrued on the deposit facility for your Home Value Home Loan Account. If any interest rate applies to the deposit facility for the Home Value Home Loan Account, interest will be credited monthly in arrears and on closure of the Home Value Home Loan Account.

Where is interest credited – At the date of this PDS, interest is not credited to the deposit facility for your Home Value Home Loan Account. If any interest rate applies to

the deposit facility for the Home Value Home Loan Account, interest will be credited to your Home Value Home Loan Account.

Minimum amount of withdrawal – No minimum amount applies.

Statements of account – Will be provided once every month unless you request otherwise. In the event HSBC determines that your account is an Inactive Account then statements will be provided once every six months regardless of any prior request for more frequent statements.

How deposits and withdrawals can be made:

	Deposit	Withdrawal
In person at HSBC branches	✓	✓
By Internet Banking	✓	✓ ¹
By Telephone Banking	✓	✓ ²
By periodic payment from another account with us	✓	✗
By periodic payment from an account with another bank	✓	✗
By automatic direct deposit (eg. from your salary)	✓	✗
By direct credit	✓	✗

Withdrawals of available funds can be made by you or any Authorised Signatory.

Notes:

1. Including BPAY® Payments, BPAY® Payments made after 4pm Friday, Sydney (AEST) will not be processed until Monday morning.
2. Either automated (including BPAY® Payments) or staff assisted

Currency Conversion Transfers

If you have an HSBC Offset Savings Account, a HOME SMART® Loan Account or a Home Equity Loan Account with us, you may, subject to the terms and conditions applying to those accounts, withdraw amounts from those accounts. You can give us instructions to effect a withdrawal in many ways including at a branch, through our Telephone Banking Service or through our Internet Banking Service.

A withdrawal of the kind referred to in the paragraph above may be effected in a currency other than in Australian Dollars. For the purposes of this document, such a withdrawal in a currency other than Australian Dollars is described as a "currency conversion transfer". A currency conversion transfer can be executed in respect of a wide range of currencies.

VisaPLUS logo; HSBC ATM Cards may be used at ATMs displaying the Maestro or Cirrus logos

6. Daily Visa Transaction Limit applies

† HSBC ATM Card or VISA® Debit Card required

†† VISA® Debit Card required

Deposit facility for Standard Variable Home Loan Account.

Product Schedule - key features and benefits.

Minimum opening deposit – There is no minimum opening balance.

Maximum deposit – There is no maximum deposit.

Maximum account balance – There is no minimum account balance after opening.

Interest rate – At the date of this PDS, there is no interest rate applicable to the deposit facility for your Standard Variable Home Loan Account. If any interest rate applies to the deposit facility for the Standard Variable Home Loan Account, the interest rate is a variable rate and different rates may apply to different account balances. These rates and the level of account balances to which they apply are set by HSBC and may change at any time. Should we apply an interest rate to deposit balances, we will notify you and you may also find details of those rates by visiting Our Website at any time.

When is interest credited – At the date of this PDS, interest is not accrued on the deposit facility for your Standard Variable Home Loan Account. If any interest rate applies to the deposit facility for the Standard Variable Home Loan Account, interest will be credited monthly in arrears and on closure of the Standard Variable Home Loan Account.

Where is interest credited – At the date of this PDS, interest is not credited to the deposit facility for your Standard Variable Home Loan Account. If any interest rate applies to the deposit facility for the Standard Variable Home Loan Account, interest will be credited to your Standard Variable Home Loan Account.

Minimum amount of withdrawal – No minimum amount applies.

Statements of account – Will be provided once every month unless you request otherwise. In the event HSBC determines that your account is an Inactive Account then statements will be provided once every six months regardless of any prior request for more frequent statements.

Instruction times and exchange rates

For information on how we process instructions and the exchange rate that is used, please refer to clause 1.6 of the Booklet.

Payment Methods

Key features and benefits

A short description of each of the payment methods available with the HSBC Offset Savings Account and the deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts follows. This description should be read in conjunction with the Product Schedule for the relevant product which appears earlier in this PDS.

HSBC ATM Card

The following transactions can be performed by using your HSBC ATM Card and PIN to access an account:

- cash withdrawals;
- purchases of goods and services using EFTPOS;
- obtain the balance on an account;
- deposit funds at Australia Post Offices using the BANK@POST™ service.

In Australia, the HSBC ATM Card can be used to withdraw cash and purchase goods and services using EFTPOS wherever the “EFTPOS”, “Cirrus”, “Maestro” or “BANK@POST™” signs are displayed.

The Card can be used overseas at any ATM displaying the “Cirrus” or “Maestro” signs.

References elsewhere in this PDS to an HSBC ATM Card include HSBC Premier ATM cards.

Telephone Banking Service

A telephone instruction and information service is made available by HSBC’s Direct Service Centre 24 hours, 7 days a week, every day of the year. It is a

fast and efficient way to do all your banking – all you need is a telephone, PBN or 12-digit account number and your Telephone Banking PIN to:

Check your account balances including:

- cheque and savings account balances;
- loan balances;
- term deposit balances.

Receive transaction information including:

- recent transactions;
- request a copy of an interim statement;
- enquire about the status of a cheque;
- stop or cancel a cheque.

Make transfers and payments including:

- transfer between your own HSBC accounts;
- pay bills displaying the BPAY® symbol;
- make loan repayments;
- transfer funds to other HSBC Australia accounts.

Rate enquiries and term deposit services including:

- foreign exchange rate enquiries;
- term deposit rate enquiries;
- renew or change your maturity instructions for your term deposits.

Other services including:

- change your Telephone Banking PIN;
- order a cheque book;
- request forms and product information;
- change your personal details;
- contact staff;
- amend and delete electronic standing order payment instructions in relation to any account;

- place an order for the purchase or sale of foreign currency which is to be transferred between accounts;
- select or de-select specific accounts to be linked to the Internet Banking Service, on certain conditions.

The Telephone Banking Service features may change from time to time.

Internet Banking Service

A service that HSBC makes available through the internet network to enable the electronic receipt and transmission of information and instructions (including in relation to an account). It is an alternative way to do all your banking when it suits you, 24 hours a day, 7 days a week. In order for you to use the Internet Banking Service, you must sign-up online. Your use of the Internet Banking Service will be governed by the terms and conditions contained in the HSBC Internet Banking Product Disclosure Statement. Depending on the authority given to them Users can use the Internet Banking Service to perform the following:

- check the balance of linked accounts held with HSBC;
- check currency rates;
- transfer funds to any accounts within HSBC;
- transfer funds to other accounts in Australia and overseas;
- set up and manage re-occurring payments;
- pay bills displaying BPAY® symbol;
- request a copy of a previous statement;
- stop or cancel a cheque;
- request a new Telephone Banking PIN;
- change your Password;
- place an order for the purchase or sale of foreign currency which is to be transferred between linked accounts held with HSBC;
- request a document, staff contact or interview with an HSBC representative;
- send secure emails to HSBC via the Internet Banking secured site.

(Note: Depending on the account you hold, you may not be able to access all

the features listed for Internet Banking Services. Features may be amended and may change from time to time)

Telegraphic Transfer

A payment order which is transmitted directly by telecommunication methods from HSBC to a beneficiary's bank. Funds sent overseas this way will normally be received by the beneficiary bank within 48 hours.

Cheque

A convenient way to pay a bill, particularly if you obtain a cheque book rather than visit a branch to purchase a bank cheque. Cheques are debited to your account.

EFTPOS

All you need is your HSBC ATM Card and your PIN and you can access your account/s at most retail outlets around Australia, and some overseas countries, to pay for goods and/ or withdraw cash from your account, depending on the retailer's policy.

Direct Debit

A withdrawal from your account made by a third party when you have given that third party authority to debit your account.

VISA® Debit Card

Gives you access to up to 2 of your HSBC accounts.

The following transactions can be performed by using your VISA® Debit Card and PIN to access an account:

- Cash withdrawals at an ATM
- Cash withdrawals using EFTPOS and selecting the "SAV" (savings) or "CHQ" (cheque) button on the keyboard
- Purchases of goods and services using EFTPOS
- Obtain the balance on an account
- Deposit funds at Australia Post Offices using the Bank@Post™ service

- Other Visa Debit Transactions using your 16-digit VISA® Debit Card number.

In Australia, the VISA® Debit Card can be used to:

- withdraw cash using EFTPOS wherever the “EFTPOS” or “Bank@Post™” signs are displayed; and
- purchase goods and services using EFTPOS wherever the “EFTPOS”, “VISA®” or “VisaPLUS” signs are displayed.

The VISA® Debit Card can be used in Australia or overseas at any HSBC ATM, any ATM of an HSBC Group member bank or wherever the “VISA®” or “VisaPLUS” signs are displayed.

- References elsewhere in this Booklet to a VISA® Debit Card include HSBC Premier Debit Cards.

Periodic payment

A regular withdrawal from your account in favour of a third party in accordance with an instruction you have given us.

Significant risks and costs

Significant risks

Deposits with HSBC – HSBC is an authorised deposit-taking institution in Australia. In order to qualify for this status, HSBC has to operate in accordance with the requirements of the Australian Prudential Regulation Authority (APRA), as well as the Reserve Bank of Australia.

HSBC is bound by provisions protecting depositors that can be found under Sections 12-16 of Division Two of Part II of the Banking Act 1959. We are also required to hold assets in Australia that will meet all our deposit liabilities. Depositors are therefore assured of exactly the same protection with HSBC as they would receive with any other Australian bank.

Electronic transactions – If you have a VISA® Debit Card or an HSBC ATM Card, for maximum protection of your assets, it is important to keep safe the card and any secret codes such as the PIN or identification reference. The same applies to the PIN you use for Internet Banking and Telephone Banking.

Examples of security measures you should take are set out in the Banking Electronically Terms set out in Schedule 4 to the Booklet, under the heading

“Security of Access Methods” and our statement “HSBC Internet Banking Product Disclosure Statement”. If you do not take these security measures you may be liable for unauthorised transactions.

You should also consider the inherent risks in:

- giving us instructions by facsimile, and where permitted by us, by our Internet Banking Service, as non signatures may be forged or instructions may be transmitted to the wrong number and address. This information may become known to third parties thus losing their confidential nature;
- in sending instructions, passwords and updating your details by our Internet Banking Service, you need to consider the security of the email and ensure you are only connecting to Our Website; and
- you need to be aware of internet and email scams which may mislead you into providing your financial details to an unknown party.

Currency conversion transfers – A currency conversion transfer may present the following risks:

- fluctuations in exchange rates may adversely impact on your funds when converting currencies;
- past performance of a currency is not necessarily an indication of its future performance;
- due to fluctuations in currency exchange rates, if a rate of exchange is advised to you on inquiry, it may be different from the rate of exchange that you may obtain subsequently when carrying out a currency conversion transfer;
- there are time delays in processing transactions during which time the exchange rate may change;
- the risk of loss from disruptions to internal processes, people and systems or disruptions arising from external events, which may affect the ability of HSBC to price and settle your currency conversion transfer in a timely and accurate manner, and which may result in a rate applying to a currency conversion transfer that is less favourable to you;
- performance of a currency conversion transfer will depend on HSBC being ready, willing and able to meet its obligations under the currency conversion transfer. The risk that HSBC is unable to do so is sometimes described as counterparty risk, credit risk or default risk. You should

satisfy yourself that HSBC is capable of meeting its obligations to you under currency conversion transfers.

Therefore, you must use your own independent judgment in respect of currency conversion transfers and not rely on any advice, opinions or data supplied by us.

Costs

HSBC regularly reviews the fees and charges that apply to its financial services to ensure that its products and services remain competitive. For that reason, the specific fees applicable to each of the products and services described in this PDS and the general fees and charges that apply to those products and services are set out in Schedule 3 to the Booklet.

That Schedule (included in the Booklet) forms part of this PDS and therefore should be read in full before you make a decision to acquire any of those products or services from HSBC.

If you need another copy of the Booklet, please ask a staff member of any HSBC branch for a copy or call our Direct Service Centre on 1300 308 008.

When you give HSBC instructions to effect a foreign currency transfer, you agree to pay one currency in exchange for another currency. Exchange rates vary depending on a range of factors such as interest rate differentials, economic conditions and government actions.

Although you will not be charged to effect a currency conversion transfer, other fees or charges may apply for related transactional services such as telegraphic transfers of funds. Information about these costs is contained in the product disclosure statement or other document relating to these products or services including our fees and charges set out in Schedule 3 to the Booklet.

Cooling-off period and taxation

No Cooling-off

There is no cooling-off regime that applies to any of the accounts or services described in this PDS.

Taxation

The summary of taxation considerations in this section is necessarily general in

nature and does not take into account specific circumstances of each individual customer. HSBC recommends that you obtain independent taxation advice in respect of your specific circumstances before acquiring any product referred to in this PDS.

Income tax – Any income from your account which is assessable must be declared at tax time. Interest credited to your account during each financial year may be assessed for income tax purposes. In some circumstances (eg. if you are tax exempt) this interest may not be included as part of your income tax assessment.

Withholding tax – Notwithstanding that it is contemplated no interest should be payable under the HSBC Offset Savings Account, if you are an Australian resident you may, but are not obliged to, provide HSBC with your Tax File Number (TFN) or Australian Business Number (ABN). If you do not provide your TFN or ABN, HSBC must withhold tax calculated at the top marginal tax rate applicable to Australian resident individuals plus 1.5% Medicare Levy from the interest and remit the withheld amount to the Australian Taxation Office.

If you are not an Australian resident, HSBC must withhold non-resident withholding tax (10.00% at the date of this PDS) from the interest and remit the withheld amount to the Australian Taxation Office.

If you have taxation obligations to a foreign regulatory or tax authority (“Tax Authority”) you agree that we shall be entitled without incurring any liability to you: (a) to deduct or withhold tax or any other sum or levy from your Account or from any payment or benefit that is payable to you by us or credited to your Account; and (b) to pay over or otherwise account for any such tax or equivalent sum to the relevant Tax Authority in accordance with the HSBC Group’s tax and accounting obligations (including reporting) and whether calculated by us or as specified by a Tax Authority or by any law, legislation or regulation of Australia or of any foreign country or agreement with the Tax Authority of a foreign country.

Foreign exchange gains and losses – Transactions (in particular withdrawals) in relation to foreign currency denominated accounts may give rise to taxable gains or deductible losses. The treatment of these transactions for taxation purposes will depend on your individual circumstances and you should seek appropriate tax advice.

Goods and Services Tax (GST) – Dollar amounts stated in any parts of the Terms and Conditions include GST if it applies. You may have to pay GST on other amounts you are required to pay us under the Deposit Account Terms and Conditions.

Deposit Account Terms and Conditions

Introduction

This section of this PDS sets out the rights, terms, conditions and obligations attaching to the accounts, being the HSBC Offset Savings Account and the deposit facility for HOME SMART® Loan Accounts and Home Equity Loan Accounts and the electronic access methods available on the accounts (as set out in the Product Schedules).

When you open an HSBC Offset Savings Account or take out a HOME SMART® Loan Account or Home Equity Loan Account, you are entering into a contract with HSBC in relation to your account. That contract is made up of:

1. your Account Opening Documents (in relation to the HSBC Offset Savings Account only);
2. the Product Schedule in this PDS for that account;
3. this section of this PDS headed "Deposit Account Terms and Conditions" (comprising the Deposit Account Terms, the Banking Electronically Terms and the General Terms) and the section of this PDS headed "Dispute resolution"; and
4. Schedule 3 to the Booklet.

In relation to the HSBC Offset Savings Account, the contract also includes the documents related to the loan linked with your HSBC Offset Savings Account, including the Booklet.

In relation to the deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts, the contract also includes the documents for the HOME SMART® Loan Accounts and Home Equity Loan Accounts, including the Booklet.

Together these documents (referred to throughout this PDS as the Deposit Account Terms and Conditions) govern the relationship between you and HSBC in relation to all accounts in your name and the way in which you access those accounts. Any previous arrangement or agreement with respect to any account is replaced by the Deposit Account Terms and Conditions.

Please read the Deposit Account Terms and Conditions carefully. If you do not understand any part of them, or if you have any questions, please speak with a staff member of any HSBC branch or call the Direct Service Centre on 1300 308 008.

Deposit Account Terms

Account opening

You must supply the documents, information and authorisations HSBC requires (including, without limitation, the Account Opening Documents for an HSBC Offset Savings Account) for the purposes of opening and maintaining the account(s). We may reject an application for an account.

An account must have a minimum opening balance of the amount, if any, specified in the Product Schedule in this PDS for that account.

Joint accounts

Where an account is in the name of more than one person, the following applies:

- (a) the credit balance in the account will be held jointly, and all of you together have the right to all of the available funds in the account;
- (b) instructions in respect of an HSBC Offset Savings Account may be given only in accordance with the election made by you in the Account Opening Documents except that:
 - (i) if you specify that more than one signature is required to operate the account then the account cannot be operated by any Card or by Telephone Banking, Internet Banking or BPAY® Scheme; and
 - (ii) if we become aware of a dispute between you, we may decide not to operate the account until all of you have signed an authority for us to act;
- (c) if one of you dies, we may treat the account as owned by the surviving account holder(s); and
- (d) we can send notices, statements and other documents (including any notifying changes to the Deposit Account Terms and Conditions) by mailing them to any of you and they will be taken to have been given to all of you.

Trust accounts

You must tell us if you open an account as trustee and give us the full name of the trust. You must also provide us with a copy of the document creating the trust. If you are the trustee(s) of a trust then:

- (a) the Deposit Account Terms and Conditions will bind you both personally and

as trustee(s) of the trust;

(b) you promise you are the only trustee(s) of the trust, the trust is validly constituted and you as trustee(s) have power to enter into the Deposit Account Terms and Conditions; and

(c) you promise to comply with your duties as trustee(s).

Authorised Signatories

You may give a person who is at least 18 years of age the authority to operate an account on your behalf as an Authorised Signatory. To do this you will need to sign the documentation we require. Access to an account by an Authorised Signatory is subject to our requirements from time to time. All Authorised Signatories must be identified in accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006.

You should ensure that any Authorised Signatory has read and understood the Deposit Account Terms and Conditions. If they do not comply with any of the Deposit Account Terms and Conditions, the result will be the same as if you had not complied. You must tell us in writing if you want to cancel the authority of an Authorised Signatory on any account. You remain responsible for all transactions made by the Authorised Signatory until you have cancelled the authority in writing.

Deposits

We may set restrictions on how deposits are able to be made to an account. We may impose restrictions on the minimum and maximum amount that we accept as a deposit.

Any current restrictions that apply to an account are set out in the Product Schedule for that account in this PDS.

You will need to arrange any automatic direct deposit with the person who will make the deposit. If a cheque is deposited, or sums are otherwise transferred to an account, the amount of the cheque or sums transferred will be credited to the account by close of business on the Banking Day on which they are received. The amount of any cheque deposited will not be available for withdrawal or transfer to another account until the cheque is cleared.

You will not receive a receipt from us where you deposit cheques in our express boxes located in our branches. However, you can obtain information about whether or not the deposited cheques funds have been processed and

cleared into your account by calling our Direct Banking Centre or viewing your account information on the internet (for accounts with Internet Banking access only).

Cheques are usually cleared in three days, but clearing may take longer in some instances. It will take a lot longer for a cheque in a foreign currency. If the cheque is returned to us uncleared, we will debit the account with the amount of the uncleared cheque together with any related charges:

(a) made by us, details of which are contained in Schedule 3 to the Booklet;
and/or

(b) made by another bank.

Withdrawals

We may set restrictions on how withdrawals are able to be made from an account. We may set restrictions on the amount that can be withdrawn from an account at any one time.

Any current restrictions that apply to an account are set out in the Product Schedule for that account in this PDS.

Operation of accounts generally

Any debit from or credit to an account shall be made by us in accordance with our usual practice and, in the case of credits made in anticipation of the receipt of funds, subject to receipt of such immediately available funds. In the event that such funds are not received or any payment is reversed, we may debit the account with an amount representing funds that are not actually received for value at the anticipated time or the reversed payment.

A debit or credit to an account is taken to be made, and has effect, on the date assigned to it (which may be different from the date we processed it and recorded it in the account). We may subsequently adjust debits and credits to the account, and the account balance, to accurately reflect the legal obligations of you and us (for example, if we discover an error or a cheque is returned). If we do this, we may make consequential changes (including to interest amounts).

Subject to any relevant legislation, we may destroy any documents relating to an account after copying them.

We have the right at any time and for any reason to refuse any transaction

to and from your account. We also have the right to freeze your account for any reason and at any time. The refusing or freezing of a transaction may cause delays. Any profanity that appears on your transaction narrative may be removed by us at our sole discretion.

Accounts with cheque access

The following terms and conditions apply to an account where this PDS says you can have cheque access (that is, write cheques against the account):

- (a) if requested by you, we will provide cheques to you;
- (b) you shall keep cheque books under secure control at all times;
- (c) you may only write cheques in Australian currency. The amount should be stated clearly in words and figures in the spaces provided on the cheques. To prevent fraud, words and figures should be written close to the left hand margin so that other words and figures cannot be inserted;
- (d) alterations to cheques should be counter signed with full signature. Unless a full signature is used, we may return cheques that have been altered;
- (e) you acknowledge the need to exercise care when drawing cheques and you will not draw cheques by any means which may enable a cheque to be altered in a manner which is not readily detectable;
- (f) cheque books are issued on and subject to the conditions printed on the inside front cover of the cheque book and you will be bound by these conditions;
- (g) we reserve the right to impose a service charge in respect of returned cheques;
- (h) you may only countermand payment of a cheque by giving written instructions before the cheque has been paid by us clearly identifying the cheque in question; and
- (i) you must tell us as soon as possible of any loss or theft of any cheques issued or provided to you. If you do not you may be liable for any loss incurred on your account.

You should notify HSBC in Australia by calling us on 1300 308 008.

If overseas, you should report to any branch of an HSBC Group member or call +612 9005 8187.

More information about cheques is set out in HSBC's statement "Your Personal

Banking Guide," available from HSBC on request for no charge.

Interest on HSBC Offset Savings Accounts

If you have a Balance Offset Arrangement, you will not earn any interest on any credit balance in your HSBC Offset Savings Account, even if the credit balance exceeds the balance of the loan account to which the HSBC Offset Savings Account is linked.

For each day * when the balance of the account is greater than its Minimum Offset Threshold your interest charge for this day on your linked loan will be reduced by an 'offset amount'. For information on how to calculate the 'offset amount', please refer to clause 2.14 of the Booklet.

* If an existing HSBC customer opens an HSBC Offset Savings Account prior to the first interest "Payment Due Date" (being a date upon which a payment of interest is to be made under their linked loan), interest charges on the linked loan will not be reduced by offset amounts under the Balance Offset Arrangement during the period prior to that first interest Payment Due Date.

Interest on deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts

At the date of this PDS, interest is not paid on deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts. If at any time such interest is paid, the following applies.

Interest on deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts is calculated on the daily closing credit balance in the account.

Interest accrues daily and is paid with the frequency, and to the place, set out in the Product Schedule for that account in this PDS. Interest is also paid on closure of the account.

Interest is paid or credited in full if you are an Australian resident for tax purposes and you have provided your tax file number or your ABN (if you have one) or you satisfy us that you have an exemption from doing so. Otherwise, we are required by law to deduct from any interest payment withholding tax calculated at the highest marginal tax rate plus the Medicare Levy.

If you are not an Australian resident for tax purposes the withholding tax requirements will be different. We are required by law to deduct non-resident withholding tax from any interest payment. Please contact your tax adviser for details.

We are required to report details of income earned, withholding tax deducted and tax file number quoted to the Australian Taxation Office. We are not liable if the Australian Taxation Office requires a deduction for an incorrect amount.

Interest rates on deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts

At the date of this PDS, interest is not paid on deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts. If at any time such interest is paid, the following applies.

The interest rate on an account will be the rate we notify you from time to time as applicable to that account.

Different interest rates may apply to different levels of account balances. These rates, and the level of account balances to which they apply, are set by us and may change at any time. Details of the current interest rate(s) applicable to an account are available by:

- calling 1300 308 008;
- visiting our Website; and
- visiting any of our branches.

Overdrawn HSBC Offset Savings Account

If a transaction would cause the balance on your HSBC Offset Savings Account to go into debit, we will, without notice, decline, stop or reverse the transaction.

Services

We will debit applicable fees and charges if we believe you require us to provide a Service. For example, if a direct debit is refused, we will debit the amount of the return fee from your account and in return we will monitor your account more closely and an operator will attempt to contact you to bring this matter to your attention and assist you with a possible remedy. If you remedy the situation before we are able to bring it to your attention we will still charge the fee and allow you to avail yourself of the Service any time before a similar event occurs again.

Regardless of whether or not we provide you with the Service before or after we debit the fee to your account, you authorise us to debit to each account:

- (a) all fees and charges applicable to that account as notified to you by us from time to time – (details of fees and charges applicable at the time you open an account are set out in Schedule 3 to the Booklet); and
- (b) an amount or amounts on account of any government charges and duties on receipts or withdrawals in relation to the account or any of the account documentation.

Fees and Charges

We will debit accounts for fees and charges set out in Schedule 3 to the Booklet (and amounts on account of government charges and duties, if applicable), on the first business day of each calendar month. Fees and charges will also be debited on account closure. These are payable on demand. Information on current fees and charges is available from us on request. We may elect not to charge a fee which we are otherwise entitled to charge. Any failure by us to charge a fee will not constitute a waiver of that fee or the right to charge that fee in the future.

Statements of account

We will issue you with a statement of an account at the frequency specified in the Product Schedule or as otherwise requested by you and agreed by us.

For information about your responsibility to review statements of account please refer to clause 13.17 of the Booklet.

Stopping payment

You or an Authorised Signatory may stop payment on a cheque written on an account with cheque access by giving instructions in writing to HSBC before the cheque has been paid. Those instructions must clearly identify the cheque in question. When you have authorised us to make regular automatic payments from an account, and you want to stop these payments, you must provide written instructions at least three Banking Days before the next payment is scheduled to be made. Full details of the payment (amount, due date, payee) will be required.

Transactions through Telephone Banking or Internet Banking (including BPAY® Payments) cannot be stopped once you have given your instruction. The only exception to this is a transfer to another account with HSBC which may be able

to be stopped or reversed if you contact our staff-assisted Telephone Banking Service.

If you have authorised another party to debit an account and you want to stop this arrangement, you must:

- (a) provide written instructions to us setting out full details of the periodic debit at least three Banking Days before the next debit is due; and
- (b) also promptly request the other party to stop debiting the account.

There will be a fee for stopping cheques payment or direct debit (see Schedule 3 to the Booklet). If you ask us to cancel a direct debit authorising us or another party to deduct funds from your account, we will do so promptly. However, the cancellation of a direct debit may put you in breach of your contract with that other party. We will not be responsible for any such breach or for any loss or damage you may suffer in connection with any such breach.

We will promptly process any complaint by you that a direct debit was unauthorised or otherwise irregular.

Foreign currencies

We are only obliged to perform our other obligations in relation to an account in the currency in which those obligations are denominated. However, we reserve the right to perform any obligation in any currency, at any rate and in any manner in each case as we determine, and such performance shall constitute a good and valid discharge of those obligations.

You acknowledge that we have no liability or responsibility whatsoever, and have given no advice, in respect of movements in exchange rates. We do not monitor movements in exchange rates for you – this is your responsibility.

If for any reason, including bankruptcy, any amount is received by us in a currency other than that in which it is payable, you must immediately indemnify us for any exchange loss.

We may make any currency conversion at our spot rate of exchange for the relevant currencies.

Set-off

We may, at any time and without notice to you:

- (a) combine or consolidate any or all of your accounts with us; and/or

(b) apply any credit balances in any accounts with us against or in satisfaction of all or any of your liabilities to us or any other member of the HSBC Group.

If we do, the amount in an account may reduce. We may do so in respect of any obligation (whether or not matured and whether actual or contingent) owed by you to us, regardless of the place of payment, booking branch or currency of either obligation and regardless of whether our obligation has matured (for example if our obligation is to repay a term deposit). Our rights with respect to any account shall not be affected by your death or legal incapacity. If any obligations are in different currencies, we may convert either obligation at its spot rate of exchange. If any obligation is unliquidated or unascertained, we may set-off an amount estimated by us in good faith to be the amount of that obligation.

Closing an account

We reserve the right to close or stop offsetting your HSBC Offset Savings Account for any reason. We will notify you in writing if we do so. You may close or stop offsetting your HSBC Offset Savings Account at any time by written notice to us however, we reserve the right not to close any HSBC Offset Savings Account if there are any liabilities (actual or contingent) owing to us. The credit balance of an HSBC Offset Savings Account plus deposit interest if any, less any accrued debit interest, less any accrued account fees, including monthly fees where applicable, and government charges applicable up to the closing date will be paid to you when the HSBC Offset Savings Account is closed. Monthly fees will apply even though the account has been open for only part of the calendar month.

Any part of an HSBC Offset Savings Account balance that is not Available Funds at the time of a request to close an HSBC Offset Savings Account, will not be available until the funds are cleared.

When you close an HSBC Offset Savings Account on which you have been issued with cheques, you must return to us any unused cheque forms. The HSBC Offset Savings Account may only be closed after any outstanding cheques have been presented. We reserve the right to return any cheques presented for payment after the HSBC Offset Savings Account has been closed and to refuse to close the HSBC Offset Savings Account if any cheques issued or provided to you have not been returned to us. When you close an HSBC Offset Savings Account on which you have been issued with an HSBC

ATM Card or VISA® Debit Card, you must not use the card after the HSBC Offset Savings Account has been closed. You must return the card to us (cut diagonally in half, through the magnetic stripe and through any embedded chip) or satisfy us that it has been destroyed. You must also ensure that all cards issued to Authorised Signatories on your HSBC Offset Savings Account are returned to us or destroyed.

Upon the closure of any HSBC Offset Savings Account by us, all liabilities (actual or contingent) owing to us in relation to the HSBC Offset Savings Account shall become immediately due and payable. The Deposit Account Terms and Conditions shall continue in full force and effect until all those liabilities have been fully discharged.

Blocking an account

We reserve the right to block access to and/or restrict the operation of an account for any reason. We will notify you in writing if we do so. We may be precluded by law from giving you a reason as to why we have taken this action. If we do block access to and/ or restrict the operation of an account you must make alternate arrangements for any direct debits paid from that account.

Inactive Accounts

If an account becomes an Inactive Account for a period greater than twenty-four months, we reserve the right to close or block the account without any notice to you.

Certain balances on accounts that have not been used by making a deposit or withdrawal (excluding any bank charges or interest paid) for three years, are treated by the law as unclaimed moneys. In such situations, accounts are closed and credit balances are dealt with in accordance with the relevant legislation.

Facsimile Instructions and indemnity

For information about Facsimile Instructions and the indemnity you give us in regards to such instruction please refer to clause 13.15 of the Booklet.

Banking Electronically Terms

The Banking Electronically Terms are set out in Schedule 4 to the Booklet and

are incorporated by reference into this PDS. A copy of the Booklet may be obtained from HSBC on request, for no charge.

The Banking Electronically Terms form part of your contract relating to an account if that account can be accessed using one or more of the following HSBC services:

- Telephone Banking (including use of the service to make a BPAY® Payment)
- HSBC ATM Card
- VISA® Debit Card

If there is any inconsistency between the Deposit Account Terms and the Banking Electronically Terms, the Banking Electronically Terms prevail in respect of EFT Transactions.

In summary, the Banking Electronically Terms deal with a number of matters relevant to EFT Transactions, including:

- additional users of accounts;
- agreed limits for withdrawals;
- receipt of a Card and PIN;
- telegraphic transfers;
- use of Cards at ATM or EFTPOS;
- overseas transactions;
- access to the Telephone Banking Service;
- paying bills using the BPAY® Scheme;
- security;
- liability for unauthorised EFT Transactions.

General Terms

Code of Banking Practice

Each relevant provision of the Code of Banking Practice will apply to your account from the date HSBC adopts that provision.

General descriptive information about our banking services and the use of

cheques is set out in HSBC's statement "Your Personal Banking Guide".

A copy of HSBC's statement "Your Personal Banking Guide" is available on request and includes the following information:

- HSBC's account opening procedures;
- HSBC's obligations regarding the confidentiality of your information;
- complaint handling procedures;
- general descriptive information regarding cheques including bank cheques;
- a recommendation that you inform HSBC promptly if you are in financial difficulty; and
- a recommendation that you read the applicable terms and conditions (which in relation to your account means you should carefully read this PDS and the other Deposit Account Terms and Conditions before you sign the Account Opening Documents).

The Code of Banking Practice requires us to tell you the following if we provide a foreign exchange service other than by credit or debit card or travellers cheque:

- the exchange rate or commission charges that will apply, or if these are not known at the time you enter into your Offset Savings Account, the basis on which the transaction will be completed – the fees and charges set out in Schedule 3 to the Booklet, how the rates to be used for telegraphic transfers, demand drafts and cheques/drafts purchased by the Bank will be determined where a currency conversion is involved, and any commission charges which apply; and
- an indication of when money sent overseas on your instructions would normally arrive at the overseas destination – funds sent by telegraphic transfer will normally be received by the beneficiary bank within 48 hours, but this is an indication only and the Bank will not be responsible if the funds are received later, or for any delays in processing by the beneficiary bank. Demand drafts are sent by mail and delivery will depend on mailing times.

Our rights

We are authorised to select and use agents and third parties in the performance of any transaction in connection with the Deposit Account Terms and Conditions including, without limitation, the enforcement of the Deposit

Account Terms and Conditions against you.

We are authorised to use any payment system or intermediary bank we reasonably select. Notwithstanding any communication to the contrary from you, we shall act in accordance with the rules and regulations of any payment system or intermediary bank that we select.

Our duty to perform any obligation shall be suspended to the extent that, and for so long as, we cannot act on or execute, or are restricted in acting upon or executing, any instruction from you or performing any other obligation due to any events or circumstances outside our control.

To the extent that, and for so long as, such measures or events persist we are not obliged to perform that obligation at some other place, in some other currency or by providing cash.

Our right to set-off obligations in different currencies is not affected.

Your responsibilities

You promise that all particulars given to us (whether in an Account Opening Document or otherwise) are accurate and complete and not, by omission or otherwise, misleading.

You owe us a duty of care and will not do anything that may facilitate, or omit to do anything which may prevent, any fraud, forgery or other illegal act.

In order to ensure our records are accurate you will promptly notify us in writing of any change in:

- (a) your name or address;
- (b) the authority of any Authorised Signatory; or
- (c) the contents of any Account Opening Documents or any other documents, information or authorisations supplied pursuant to the Account Opening Documents.

If you are registered for our Telephone Banking Service or our Internet Banking Service, you may notify us of a change of address by telephone.

If no such notice is given (regardless of whether such change is registered in a public registry), we are entitled to rely on information, authorisations and documents previously supplied by you. We will not be responsible for any errors or losses associated with account changes where we have received no or inadequate prior notice.

Your Confidential and Personal Information

For information on how we collect, hold and use your confidential and personal information, and how to obtain a copy of our privacy policy, please refer to clause 13.14 of the Booklet.

Anti-money laundering and counter-terrorism financing obligations

For information about these laws and actions we may take (including monitoring calls), please refer to clause 13.13 of the Booklet.

Costs and expenses

You shall pay to us all reasonable costs and expenses (including legal fees on a full indemnity basis) incurred by us in connection with:

- (a) the exercise and preservation of our rights under the Deposit Account Terms and Conditions;
- (b) the appointing of agents or third parties for the purposes of providing certain services to you; and
- (c) any legal proceedings or disputes between you and a third party where we become involved in such proceedings or disputes.

These costs and expenses are payable on demand or when we debit the account for them.

Changes to Deposit Account Terms and Conditions

We have the right to change any part of the Deposit Account Terms and Conditions. For example, we may:

- (a) change any applicable interest rate or rates and the tier to which an interest rate applies;
- (b) change the minimum opening deposit and minimum account balance;
- (c) change the fees and charges; and
- (d) introduce new fees and charges.

All these changes can be made without your consent.

We will give you notice in writing at least 30 days before the change comes into effect if we:

- introduce or change a fee or charge (other than a government charge or a charge of a fee for the use of an Access Method);
- change the method by which interest is calculated or the frequency with which it is credited or debited;
- change the minimum balance to which an account keeping fee applies; or
- change the balance ranges within which interest rates apply to an account.

We will give you notice in writing at least 20 days before the change comes into effect if we:

- increase a fee or charge which relates solely to the use of an Access Method or the issue of an additional or replacement Access Method;
- impose, remove or adjust a daily or other periodic transaction limit applying to the use of an Access Method, an EFT Account or Electronic Equipment; or
- increase your liability for losses relating to EFT Transactions.

In any other case we will give you notice of the change in writing or by advertisement in the national or local media no later than the day the change takes effect.

We may notify you of the introduction or change of a government charge payable directly or indirectly by you by advertisement in the national or local media or in writing. We will not need to do so if the government advertises the change.

Electronic Communications

Where applicable to your EFT Account and Access Method, HSBC may ask you to agree that HSBC may satisfy any requirements under these Terms and ePayments Code to provide Users with information by:

- Electronic Communication to an electronic address nominated by the User; or
- making the information available at Our Website for retrieval by a User (after notifying the User by Electronic Communication to an electronic address nominated by the User that the information is available for retrieval and the nature of the information and providing the User with the ability to retrieve the information by Electronic Communication),

If you agree:

- you will not receive paper copies of the relevant information;
- the User will need to regularly check to see if he or she has received any Electronic Communication from us;
- the User will need to maintain and check his or her electronic address regularly to ensure it is always capable of receiving an Electronic Communication; and
- the User will be responsible for printing or saving important information - and we strongly recommend that Users do so.

You may at any time by notice to HSBC terminate your agreement to receive information by Electronic Communication.

Commissions

If you are introduced to us by, or apply to us through, a third party (such as a financial planner, financial adviser, broker or accountant) then you acknowledge that we may pay that third party a commission.

Miscellaneous

To the maximum extent allowed by law, you give up any right to set-off any amounts we owe you (for example, credit balances in your accounts) against amounts you owe us.

If any provision of the Deposit Account Terms and Conditions is, or becomes, illegal, invalid or unenforceable in any jurisdiction, this will not affect:

- (a) the validity or enforceability in that jurisdiction of any other provision of the Deposit Account Terms and Conditions; or
- (b) the validity or enforceability in other jurisdictions of that or any other provision of the Deposit Account Terms and Conditions.

Our rights under the Deposit Account Terms and Conditions

Our rights under the Deposit Account Terms and Conditions:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under any applicable law; and
- (c) may be waived only in writing and specifically.

Any delay in the exercise or non-exercise of any such right is not a waiver of that right.

No mortgage, charge or other security interest may be granted over or in respect of any account other than in our favour. Your rights in connection with any account may not be transferred or assigned.

Proof of posting or transmission of any notice or statement (other than a Card or PIN) to you shall be deemed to be proof of receipt of the notice or statement by you at the time when the notice or statement would in the ordinary course be delivered or transmitted notwithstanding the fact that you may not actually receive it.

Law and jurisdiction

The Deposit Account Terms and Conditions shall be governed in accordance with the laws of New South Wales. If you are not a resident of Australia:

- (a) you submit to the non-exclusive jurisdiction of the courts exercising jurisdiction in the state of New South Wales and any other court of any other jurisdiction notified to you by us for this purpose;
- (b) you agree, on request by us, to appoint an agent for service of process in Australia; and
- (c) in respect of an HSBC Offset Savings Account, you consent to the service of process out of any courts in Australia by mailing of copies of process by certified or registered airmail postage prepaid to you at your address given in the Account Opening Documents or to any appointed process agent. In either case service will be taken to have been effected on receipt. Nothing in the Deposit Account Terms and Conditions affects the right to serve process in any other manner permitted by law.

The following complaint handling procedures apply to each of the accounts and payment methods described in this PDS.

Dispute resolution

Making a complaint

If you believe a transaction is wrong or unauthorised or there is an error in an account statement, or where HSBC is the Sending ADI and you wish to make a complaint regarding a Mistaken Internet Payment, or if you otherwise have any concerns about a procedure, compliance issue, or have encountered a

problem with our service we want you to tell us about it. We have designed a simple customer complaint process.

Personal customers

If you are a personal customer and have a complaint or concern, make it known at your branch where the Branch Customer Service Manager should be able to resolve the problem; if not, the Branch Manager can undertake further investigation and action.

Customer relations

If your complaint has not been resolved to your satisfaction, contact our Customer Relations Team:

Toll free: 1300 308 188

Facsimile: 02 9255 2647

Mail: Customer Relations Team.

HSBC Bank Australia Limited

Level 36, Tower 1 - International Towers Sydney, 100 Barangaroo Avenue,
Sydney NSW 2000 Australia

Or you can log onto Our Website and record your complaints or feedback via the "Contact Us" icon.

HSBC's investigations

If you have a VISA® Debit Card the procedure for a complaint set out under "VISA® Debit Cards" will apply.

For all other matters, our front line staff, managers or Customer Relations Team should be able to resolve any issues you raise. If HSBC is unable to resolve your complaint immediately to your satisfaction, HSBC will advise you of the procedures for the further investigation and handling of your complaint and may ask you to provide further details. For example, if there is a dispute over who is liable for a loss resulting from an unauthorised transaction, you will be asked to complete and sign a form providing further information.

HSBC will investigate your complaint and within 21 days of receiving your complaint write to you, explaining the outcome of its investigation or that more time is needed to complete the investigation.

Unless there are exceptional circumstances, HSBC will complete its

investigation within 45 days of receiving your complaint. If HSBC is unable to resolve your complaint within 45 days, HSBC will write to you and inform you of the reasons for the delay and provide you with monthly updates on the progress of its investigation and an indication of when your complaint is likely to be resolved, except where HSBC is awaiting a response from you and you have been advised that it requires such a response.

Results of HSBC's investigations

When HSBC completes its investigations of your complaint, we will notify you in writing of:

- the result;
- the reasons for its decision with reference to the relevant provisions of the Deposit Account Terms and Conditions;
- if applicable, the ePayments Code; and
- any further action you can take in respect of your complaint.

If your account is found to have been incorrectly credited or debited, HSBC will adjust your account accordingly (including any interest and charges) and notify you in writing of the amount of the adjustment and, if the incorrect crediting relates to a discrepancy between the amount recorded by the Electronic Equipment or Access Method as having been deposited and the amount recorded by us having been received, we will also notify you of the difference and the actual amount which has been credited to your account.

If HSBC finds that you are liable for all or part of the disputed transaction, it will supply you with copies of any document or other evidence on which it based its findings, and advise you in writing if there was any system or equipment malfunction at the time of the transaction.

If you are not satisfied with the decision, you may wish to take the matter further. You may for instance, contact the Australian Financial Complaints Authority.

Where HSBC is the Receiving ADI in a Mistaken Internet Payment dispute, you agree that you may be subject to the Sending ADI's external dispute resolution scheme, including complying with any decision of that scheme.

For electronic banking customers only

If we fail to observe the appropriate procedures for complaint investigation

and resolution allocation of liability and communication of the reasons for our decision set out in these conditions and such failure prejudices the outcome of our investigation of the complaint or results in unreasonable delay in its resolution, we may be liable for part or all of the amount of the transaction which is the subject of the complaint.

Australian Financial Complaints Authority

Australian Financial Complaints Authority (AFCA) scheme is an impartial, independent and free service for personal and small business customers.

The AFCA cannot investigate:

- a claim for more than \$500,000;
- a claim in relation to a commercial decision by HSBC, such as whether a loan is approved; or
- a claim in relation to HSBC's general policy or practice, such as interest rates or fees.

You can contact the AFCA by writing to:

Australian Financial Complaints Authority
GPO Box 3 Melbourne, VIC 3001
Phone: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

EFT Transactions

If in relation to an EFT Transaction we fail to observe the appropriate procedures for complaint investigation and resolution, allocation of liability and communication of the reasons for our decision, and such failure prejudices the outcome of our investigation of the complaint or delayed its resolution, we may be liable for part or all of the amount of the EFT Transaction which is the subject of the complaint.

VISA® Debit Cards

If you have a complaint concerning matters relating to the use of a VISA® Debit Card or believe there is an error on an account statement relating to

the use of a VISA® Debit Card, you must tell us immediately in Australia by telephoning 1300 308 008 or contacting your HSBC branch or, if overseas, by telephoning +612 9005 8187. We may decide to resolve the complaint under the rules of the VISA® International Inc. Card Scheme. If we do so, resolution of the complaint will be governed by the time limits imposed by those rules and if you delay notifying us of any apparent error, our ability to investigate and resolve the complaint may be restricted. For this reason you should report any suspected unauthorised transaction to us as soon as possible.

If we are unable to resolve the matter immediately to the your satisfaction, you should notify us in writing of your complaint. We may ask you to provide further details of the complaint, including information concerning each transaction you wish to query. When we receive this advice we will inform you in writing of our procedures to handle and investigate the matter.

Within 21 days after receiving the relevant details of the complaint from you, we will advise you in writing of either the outcome of our investigation or our need for more time to complete our investigation. In all but exceptional cases we should complete our investigation within 45 days of receiving the complaint.

Subject to paragraphs (a) to (d) below, where an investigation continues beyond 45 days, we will write to you and inform you of the reasons for the delay and provide you with monthly updates on the progress of our investigation and a date when a decision can be reasonably expected, except where we are waiting for a response from you and we have advised you of this fact.

If we resolve the complaint by exercising our rights under the rules of the VISA® International Inc. Card Scheme we will:

- (a) advise you of either the outcome of our investigation or our need for more time in accordance with the time limits under those rules;
- (b) write to inform you of the reasons for delay only where an investigation continues beyond 60 days and provide you with updates on progress every two months;
- (c) inform you in writing of when a decision can be reasonably expected; and
- (d) suspend your obligation to pay any amount which is the subject of the complaint or any credit or other charges related to that amount until the complaint has been resolved. Your obligation to pay any such amount or charges will be reinstated if the complaint is not resolved in your favour.

Please note that although we are a member of the VISA® International Inc. Card Scheme, we cannot automatically exercise our rights under that scheme.

A disputed transaction must fall within a specific category before we can exercise our rights in respect of that transaction. Even if we can exercise our rights, there is no guarantee that our claim will be accepted, as the Merchant's bank may dispute our claim.

Glossary

The following expressions have the following meaning where used anywhere in this PDS or the FSG.

Access Method means a method that HSBC makes available to Users of an Electronic Service and accepts as authority to act on an instruction given through Electronic Equipment. A reference to an Access Method includes a reference to each of its individual components and includes, but is not limited to, a Card, an Identifier, a PIN, or any combination of these. It does not include a method where a manual signature is the principal intended means of verifying the authority to give the instruction.

Account Opening Document means any account opening form, signature card, mandate or other document or agreement signed or entered into in connection with the opening or maintaining of an HSBC Offset Savings Account.

ADI means an authorised deposit-taking institution as defined in the *Banking Act 1959* (Cth).

ATM means automatic teller machine.

ATM Operator Fee means the fees that may be charged to your account if you conduct a withdrawal or balance enquiry at an ATM which is owned or operated by another financial institution, bank or their service provider. The fees are imposed by the ATM owner or operator and will be disclosed at the time of the transaction with the option to discontinue that transaction free of charge. For the avoidance of doubt an ATM Operator Fee will not be incurred where a customer uses as HSBC ATM.

Australian Dollars, A\$ or \$ means the lawful currency of Australia.

Authorised Signatory means in relation to an account any person who you have authorised us to accept instructions from in respect of that account.

Available Funds means at any time in relation to an account, the credit balance of the account at that time, less the aggregate amount of all cheques deposited to the account which at that time have not been cleared and any

other amounts which are not cleared or are reserved by HSBC for any reason.

Balance Offset Arrangement means an arrangement linking an HSBC Offset Savings Account with a loan account for the purpose of calculating an offset amount which reduces the interest charges on the loan account. This arrangement is only available in respect of an HSBC Variable Rate Loan Account.

BANK@POST™ means the personal banking service provided by Australia Post.

Banking Day means a day other than a Saturday or Sunday or a national public holiday. For the avoidance of doubt, the Queen's Birthday in New South Wales is deemed a national public holiday. If an account is in a currency other than Australian dollars, a day other than a Saturday or Sunday or a national public holiday of the country of the currency.

However for the purposes of each account, a Banking Day ends at 3.00 in the afternoon Sydney time (or any later time we agree). Withdrawals made after that time by ATM, EFTPOS or other electronic means may be debited to your account on the day you make them in accordance with our processing procedures applying at the relevant time.

Biller means an organisation which tells you that you can make payments to it through the BPAY® Scheme.

Booklet means the booklet titled "HSBC Home and Investment Property Loans Booklet of Standard Terms and Conditions" and where this PDS refers to clauses of the Booklet, references to "accounts" or similar expressions in those clauses are taken to include the HSBC Offset Savings Account.

BPAY® Payment means a payment you instruct HSBC to make on your behalf to a Biller through the BPAY® Scheme.

BPAY® Scheme means an electronic payments scheme through which you can ask HSBC, while HSBC remains a member of the scheme, to make payments on your behalf to Billers. HSBC will tell you if it ceases to be a member of the scheme.

Card means a card issued to Users by HSBC for use at EFT Terminals to access your EFT Accounts, excluding a credit card but including a VISA® Debit Card and an HSBC ATM Card.

Daily Card Limit means the Daily Card Limit set out in Schedule 4 to this Booklet under the heading "Daily Card Limits".

Daily Visa Debit Transaction Limit means the total maximum that may be accessed on any one day for a VISA® Debit Transaction as set out in Schedule 4 to this Booklet under the heading "Daily Card Limits".

Daily Withdrawal Limit means in respect of transactions using your HSBC ATM

Card or your VISA® Debit Card, inclusive of any ATM Operator Fees, the total maximum withdrawal from your relevant Account that may be obtained with the Card through:

- an ATM; or
- an EFTPOS transaction using a VISA® Debit Card where the “SAV” (“savings”) or “CHQ” (“cheque”) key is selected on the EFT Terminal;
- an EFTPOS transaction using an HSBC ATM Card,

as set out in Schedule 4 to this Booklet under the heading “Daily Card Limits”

Deposit Account Terms and Conditions means the terms and conditions set out in this PDS which govern the usage of your account.

EFT Account means an account described in this PDS that you have with HSBC which you nominate to conduct EFT Transactions and which HSBC authorises you to access using EFT Transactions. If there is more than one account holder and/or more than one Authorised Signatory to the account, each account holder and each Authorised Signatory must be authorised to operate the account alone.

EFT Terminal means any terminal connected to the electronic banking system and authorised by HSBC for use with an Access Method to conduct an EFT Transaction, including, but not limited to, ATMs, EFTPOS, contactless and BANK@POST™ terminals.

EFT Transaction means an electronic funds transfer from or to an account initiated by a User through Electronic Equipment using an Access Method.

EFTPOS means electronic funds transfer at point of sale.

Electronic Communication or *Electronically* means a message HSBC transmits to a User and the User receives from HSBC electronically, in a form that the User can retain for later reference such as by printing or by storing for later display or listening.

Electronic Equipment includes, but is not limited to, a computer, telephone, television and an EFT Terminal.

Electronic Service means one or more of HSBC’s Telephone Banking Service, HSBC ATM Card or VISA® Debit Card, as relevant.

FSG means the Financial Services Guide contained in Part A of this document.

GST means the Goods and Services Tax imposed by the GST Law, or any similar tax and any related interest, penalties, fine or other charges.

GST Law has the meaning given to that term in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

HSBC ATM Card means the Card issued to the User by HSBC for use in accordance with the relevant section of this PDS under the heading "Payment Methods".

HSBC, Bank, we, us and our means HSBC Bank Australia Limited (ABN 48 006 434 162).

HSBC Group means HSBC and all related bodies corporate.

Identifier means information which must be provided to access your EFT Accounts using Electronic Equipment and which is not required to be kept secret. An Identifier includes, but is not limited to, the PBN, account number, Card number and Card expiry date.

Inactive Account means an account where no transactions (excluding any bank charges or interest paid) are made during your previous statement cycle.

Internet Banking Service or Internet Banking means the service the Bank makes available through the internet network to enable the electronic receipt and transmission of information and instructions.

Merchant means a supplier of goods or services who has an EFT Terminal.

Minimum Offset Threshold means the minimum amount you need to have in your HSBC Offset Savings Account to enable the calculation of the offset amount under the Balance Offset Arrangement to take place, as specified in the Product Schedule for the HSBC Offset Savings Account or, if no such amount is specified, \$nil.

Mistaken Internet Payment means a payment made by a User through 'Pay Anyone' where funds are paid into the account of an Unintended Recipient because the User enters or selects a bank/state/branch (BSB) number and/or account number that does not belong to the named and/or intended recipient as a result of:

- (a) the User's error; or
- (b) the User being advised of the wrong BSB number and/or account number.

This does not include B^{PAY}® Payments.

Our Website means www.hsbc.com.au.

Pay Anyone means a facility within the Internet Banking Service which allows

a User to make payments to other HSBC accounts or accounts held at other Australian financial institutions.

PBN means the 10-digit Personal Banking Number supplied to a User and by which HSBC identifies a User for the purposes of using an Electronic Service.

PDS means this Product Disclosure Statement.

PIN means the Personal Identification Number used as an access code supplied to a User by HSBC for accessing an Electronic Service or executing instructions via an Electronics Service. When a User uses the PIN for the first time the User will be required to change the PIN and select a new PIN.

Product Schedule means the Product Schedule for an account set out in this PDS.

Receiving ADI means an ADI which has subscribed to the ePayments Code and whose customer has received an internet payment.

Sending ADI means an ADI which has subscribed to the ePayments Code and whose customer has made an internet payment.

Service(s) means those actions we take or may take, on your behalf in order to ensure that you properly maintain your account including, but not limited to, those actions we take for you in the event you require assistance with the maintenance of your account.

Telephone Banking Service means the telephone instruction and information service made available by HSBC's Direct Service Centre 24 hours, 7 days a week every day of the year.

Unintended Recipient means the recipient of funds as a result of a Mistaken Internet Payment.

User means you and any other person authorised by you and HSBC to use an Electronic Service to access and operate an EFT Account alone.

VISA® Debit Transaction means a transaction where a User obtains value:

- (a) by using a VISA® Debit Card in an imprinter and signing a transaction voucher;
- (b) by giving a VISA® Debit Card number over the telephone, by mail or by any electronic means at a participating merchant; or
- (c) by using a VISA® Debit Card through EFTPOS and selecting the "CR" or "credit" key on the keyboard at a participating merchant; or

- (d) by using a VISA® Debit Card to conduct an EFT Transaction at a contactless EFT Terminal at a participating merchant; or
- (e) by using a VISA® Debit Card through EFTPOS and selecting the “CR” or “credit” key on the keyboard at a participating Merchant to request a cash withdrawal; or
- (f) by using a VISA® Debit Card to request a cash withdrawal over the counter at a participating financial institution.

VISA® Debit Card means the Card issued to the User by HSBC for use in accordance with the relevant section of this PDS under the heading “Payment Methods”:

You or your means:

- (a) for HSBC Offset Savings Accounts the person(s) named as customer in the relevant Account Opening Document;
- (b) for the deposit facilities for HOME SMART® Loan Accounts and Home Equity Loan Accounts the person(s) defined as such in clause 14.2 of the Booklet,

and where the context permits, it includes all of them. If there is more than one person named as customer or account holder, references to you mean each person separately and every two or more persons jointly. “You” includes your successors and assigns.

SCHEDULE 6

Trusts

This Schedule only applies if you are a trustee and sign the Offer or any Security as trustee of a trust.

This Facility Agreement and any Security will bind you both personally and as trustee of the trust.

You promise us the following statements are true. We rely on them. You must make sure these statements are true at all times until your Facility loan is repaid in full.

- the relevant trust document is valid and complies with the law;
- copies of the trust document you have given us are true and complete copies and disclose everything about the trust;
- you, and anyone else who signs the Offer or any Security as trustee are properly appointed and are the only trustee(s) of the trust;
- you have always complied with the terms of the trust, and your duties and powers, and no one has said that you have not done so;
- you have a right of indemnity from the trust assets in respect of this Facility Agreement and any Security given by you;
- it is proper for you, as trustee, to sign the Offer and any Security to which you are expressed to be a party, and to do everything those Documents contemplate that you will do. Those things do or will benefit the beneficiaries of the trust;
- none of the trust assets have been re settled or set aside; and
- the trust has not terminated nor has any event for the vesting of the assets occurred.

The above are warranties, which means that we can sue you if any are incorrect.

You must do the following:

- properly sign this Facility and any Security to which you are expressed to be a party under the terms of the trust and your duties and powers as trustee, or if there is any doubt and all beneficiaries are over 18, obtain their consent;
- comply with the terms of the trust and your duties as trustee;

- not do anything which may result in the loss of your right of indemnity from the trust assets;
- make sure there is no change of trustee without first obtaining our consent;
- if, despite the above, you are replaced as trustee or an additional trustee is appointed, make sure the new trustee becomes bound to our satisfaction by this Facility Agreement and any Security to which you are expressed to be a party, or by a mortgage or other Security and arrangement which are identical in effect;
- not re settle, set aside or distribute any of the assets of the trust without our consent unless compelled to do so by the trust deed;
- if we ask you to, exercise any rights that you have against the trust assets or the beneficiaries for the purpose of repaying your Facility to us. We may exercise all the rights that you may have against the trust assets or the beneficiaries; and
- make sure the trust deed is not amended or revoked without first obtaining our consent

SCHEDULE 7

Companies

This Schedule only applies if you are a company.

You promise us the following statements are true. We rely on them. You must make sure these statements are true at all times until your Facility is repaid in full:

- your directors and secretary have complied with all the requirements of your constitution and the Corporations Act 2001 (Cth) (or, if applicable, equivalent legislation in another relevant jurisdiction) to enter into and execute the Offer and any Security to which you are expressed to be a party and carry out the transactions they contemplate. You have the corporate power to do so;
- the names of your directors and the secretary are as disclosed to us in writing;
- you are not a subsidiary of, nor controlled by, a public company within the meaning of the Corporations Act; 2001 (Cth);
- you will obtain a commercial benefit from entering into this Facility Agreement, any Security and the transactions they contemplate, which your directors have resolved to enter into in good faith for your benefit and for proper purposes;
- the person(s) who sign(s), or witness(es) the fixing of your common seal to, the Offer or any Security or a power of attorney under which the Offer or any Security is executed, are two of your directors or a director and a secretary or your sole director and secretary, and have the authority to do so; and
- each of this Facility Agreement and each Security to which you are expressed to be a party is duly executed on your behalf.

SCHEDULE 8

Collection and Use of Customer Information - Terms and Conditions

DEFINITIONS

Capitalised terms used in this clause shall have the following meanings

“Authorities” includes any judicial, administrative, public or regulatory body, any government, any Tax Authority, securities or futures exchange, court, central bank or law enforcement body, or any of their agents with jurisdiction over any part of the HSBC Group.

“Compliance Obligations” means obligations of the HSBC Group to comply with: (a) Laws or international guidance and internal policies or procedures, (b) any demand from Authorities or reporting, disclosure or other obligations under Laws, and (c) Laws requiring us to verify the identity of our customers.

“Connected Person” means a person or entity (other than you) whose information (including Personal Data or Tax Information) you provide, or which is provided on your behalf, to any member of the HSBC Group or which is otherwise received by any member of the HSBC Group in connection with the provision of the Services. A **Connected Person** may include, but is not limited to, any guarantor, a director or officer of a company, partners or members of a partnership, any “substantial owner”, “controlling person”, or beneficial owner, trustee, settler or protector of a trust, account holder of a designated account, payee of a designated payment, your representative, agent or nominee, or any other persons or entities with whom you have a relationship that is relevant to your relationship with the HSBC Group.

“Controlling persons” means individuals who exercise control over an entity. For a trust, these are the settler, the trustees, the protector, the beneficiaries or class of beneficiaries, and anybody else who exercises ultimate effective control over the trust, and for entities other than a trust, these are persons in equivalent or similar positions of control.

“Customer Information” means your Personal Data, confidential information, and/or Tax Information or that of a Connected Person.

“Financial Crime” means money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or violate any Laws relating to these matters.

“We”, “our” and “us” refer to **HSBC Bank Australia Limited**

“HSBC Group” means HSBC Holdings plc, its affiliates, subsidiaries, associated entities and any of their branches and offices (together or individually), and **“member of the HSBC Group”** has the same meaning.

“Laws” include any local or foreign law, regulation, judgment or court order, voluntary code, sanctions regime, agreement between any member of the HSBC Group and an Authority, or agreement or treaty between Authorities and applicable to HSBC or a member of the HSBC Group.

“Personal Data” means any information relating to an individual (and corporate entities, in those countries where data privacy law applies to corporates), from which they can be identified.

“Services” includes (a) the opening, maintaining and closing of your bank accounts, (b) providing you with credit facilities and other banking products and services, processing applications, credit and eligibility assessment, and (c) maintaining our overall relationship with you, including marketing services or products to you, market research, insurance, audit and administrative purposes.

“Substantial owners” means any individuals entitled to more than 10% of the profits of or with an interest of more than 10% in an entity either directly or indirectly.

“Tax Authorities” means UK or foreign tax, revenue or monetary authorities (for example, Her Majesty’s Revenue and Customs).

“Tax Certification Forms” means any forms or other documentation as may be issued or required by a Tax Authority or by us from time to time to confirm your tax status or the tax status of a Connected Person.

“Tax Information” means documentation or information about your tax status and the tax status of any owner, “controlling person”, “substantial owner” or beneficial owner.

Reference to the singular includes the plural (and vice versa).

1 Collection, Processing and Sharing of Customer Information

These clauses 1-5 explain how we will use your information and that of Connected Persons. By using the Services, you agree that we and members of the HSBC Group shall use Customer Information in accordance with such clauses.

Customer Information will not be disclosed to anyone (including other members of the HSBC Group), other than where:

- We are legally required to disclose;
- We have a public duty to disclose;
- Our [or a third party’s] legitimate business purposes require disclosure;

- The disclosure is made with your consent; or
- It is disclosed as set out in this clause.

Collection

1.1 We and other members of the HSBC Group may collect, use and share **Customer Information** (including relevant information about you, your transactions, your use of our products and services, and your relationships with the HSBC Group). **Customer Information** may be requested by us or on our behalf or that of the HSBC Group, and may be collected from you directly, from a person acting on your behalf, from other sources (including from publicly available information), and it may be generated or combined with other information available to us or any member of the HSBC Group.

Processing

1.2 Customer Information will be processed, transferred and disclosed by us and/or members of the HSBC Group in connection with the following Purposes:

- (a) the provision of Services and to approve, manage, administer or effect any transactions that you request or authorise,
- (b) meeting Compliance Obligations,
- (c) conducting Financial Crime Risk Management Activity,
- (d) collecting any amounts due and outstanding from you,
- (e) conducting credit checks and obtaining or providing credit references,
- (f) enforcing or defending our rights, or those of a member of the HSBC Group,
- (g) for our internal operational requirements or those of the HSBC Group (including credit and risk management, system or product development and planning, insurance, audit and administrative purposes),
- (h) maintaining our overall relationship with you (including marketing or promoting financial services or related products and market research), and/or
- (i) for those other purposes mentioned in HSBC's Privacy policy, Privacy Consent and declarations and elsewhere in these terms and conditions (the "Purposes").

Sharing

- 1.3 By using the Services, you agree that we may, as necessary and appropriate for the Purposes, transfer and disclose any Customer Information to the following recipients globally (who may also process, transfer and disclose such Customer Information for the Purposes):
- (a) any member of the HSBC Group;
 - (b) any sub-contractors, agents, service providers, or associates of the HSBC Group (including their employees, directors and officers);
 - (c) any Authorities, in response to their requests;
 - (d) persons acting on your behalf, payment recipients, beneficiaries, account nominees, intermediary, correspondent and agent banks, clearing houses, clearing or settlement systems, market counterparties, upstream withholding agents, swap or trade repositories, stock exchanges, companies in which you have an interest in securities (where such securities are held by us for you);
 - (e) any party to a transaction acquiring interest in, or assuming risk in, or in connection with, the Services;
 - (f) other financial institutions, credit reference agencies or credit bureaus, for the purposes of obtaining or providing credit references;
 - (g) any third party fund manager who provides asset management services to you;
 - (h) any introducing broker to whom we provide introductions or referrals;
 - (i) in connection with any HSBC business transfer, disposal, merger or acquisition;
 - (j) for those other purposes mentioned in HSBC's Privacy policy, Privacy Consent and declarations and elsewhere in these terms and conditions.

Wherever located, including in jurisdictions which do not have data protection laws that provide the same level of protection as the jurisdiction in which the Services are supplied.

Your Obligations

- 1.4 You agree to inform us promptly, and in any event, within 30 days in writing if there are any changes to Customer Information supplied to us or a member of the HSBC Group from time to time, and to respond promptly to any request from us or a member of the HSBC Group.
- 1.5 You confirm that every Connected Person/person whose information (including Personal Data or Tax Information) you have provided to us or a member of the HSBC Group has (or will at the relevant time have) been notified of and agreed to the processing, disclosure and transfer of their information as set out in these Terms. You shall advise such individuals that they have rights of access to, and correction of, their Personal Data.
- 1.6 Where:
 - you fail to provide promptly Customer Information that we reasonably requested, or you withhold or withdraw any consents that we may need to process, transfer or disclose Customer Information for the Purposes (except for purposes connected with marketing or promoting products and services to you), or
 - we have, or a member of the HSBC Group has, suspicions regarding Financial Crime or an associated risk,

We may:

- (a) be unable to provide new, or continue to provide all or part of the, Services to you [and reserve the right to terminate our relationship with you];
- (b) take actions necessary for us or a member of the HSBC Group to meet the Compliance Obligations; and/or
- (c) block, transfer or close your account(s) where permitted under local Laws.

In addition, if you fail to supply promptly your, or a Connected Person's, Tax Information and accompanying statements, waivers and consents, as may be requested, then we may make our own judgment with respect to your status, including whether you are reportable to a Tax Authority, and may require us or other persons to withhold amounts as may be legally required by any Tax Authority and paying such amounts to the appropriate Tax Authority.

2 Data Protection

- 2.1 Whether it is processed in a home jurisdiction or overseas, in accordance with data protection legislation, Customer Information will be protected by a strict code of secrecy and security which all members of the HSBC Group, their staff and third parties are subject to.
- 2.2 Under relevant data protection legislation, you have the right to request copies of certain categories of Personal Data which may be held and to request that any errors in such data are corrected.

3 Financial Crime Risk Management Activity

- 3.1 We, and members of the HSBC Group, are required, and may take any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime ("**Financial Crime Risk Management Activity**"). Such action may include, but is not limited to: (a) screening, intercepting and investigating any instruction, communication, drawdown request, application for Services, or any payment sent to or by you, or on your behalf, (b) investigating the source of or intended recipient of funds (c) combining Customer Information with other related information in the possession of the HSBC Group, and/or (d) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming your identity and status.
- 3.2 *Exceptionally, our Financial Crime Risk Management Activity may lead to us delaying, blocking or refusing the making or clearing of any payment, the processing of your instructions or application for Services or the provision of all or part of the Services. To the extent permissible by law, neither we nor any other member of HSBC Group shall be liable to you or any third party in respect of any loss (however it arose) that was suffered or incurred by you or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity.*

4 Tax Compliance

You acknowledge that you are solely responsible for understanding and complying with your tax obligations (including but not limited to, tax payment or filing of returns or other required documentation relating to the payment of all relevant taxes) in all jurisdictions in which those

obligations arise and relating to the opening and use of account(s) and/or Services provided by us and/or members of the HSBC Group. Each Connected Person acting in their capacity as a Connected Person (and not in their personal capacity) also makes the same acknowledgement in their own regard. Certain countries may have tax legislation with extra-territorial effect regardless of your or Connected Person's place of domicile, residence, citizenship or incorporation. Neither we nor any member of the HSBC Group provide tax advice. You are advised to seek independent legal and/or tax advice. Neither we nor any member of the HSBC Group have responsibility in respect of your tax obligations in any jurisdiction which they may arise including any that may relate specifically to the opening and use of account(s) and/or Services provided by us and/or members of the HSBC Group.

5 Miscellaneous

- 5.1 In the event of any conflict or inconsistency between any of these Terms and those in any other service, product, business relationship, account or agreement between you and us, these Terms shall prevail. Any consents, authorisations, HSBC requested waivers and permissions that already exist from you in relation to Customer Information shall continue to apply in full force and effect, to the extent permissible by applicable local law.
- 5.2 If all or any part of the provisions of these Terms become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability of such provision in any other jurisdictions or the remainder of these Terms in that jurisdiction.

6 Survival Upon Termination

These Terms shall continue to apply notwithstanding their termination, any termination by us or a member of the HSBC Group of the provision of any Services to you or the closure of any account.

The following information statement only applies if your Facility is a Regulated Facility

INFORMATION STATEMENT

THINGS YOU SHOULD KNOW ABOUT YOUR PROPOSED CREDIT CONTRACT

This statement tells you about some of the rights and obligations of yourself

and your credit provider. It does not state the terms and conditions of your contract.

If you have any concerns about your contract, contact the credit provider and, if you still have concerns, your credit provider's external dispute resolution scheme, or get legal advice.

THE CONTRACT

1. How can I get details of my proposed credit contract?

Your credit provider must give you a precontractual statement containing certain information about your contract. The precontractual statement, and this document, must be given to you before -

- your contract is entered into; or
- you make an offer to enter into the contract;

whichever happens first.

2. How can I get a copy of the final contract?

If the contract document is to be signed by you and returned to your credit provider, you must be given a copy to keep. Also, the credit provider must give you a copy of the final contract within 14 days after it is made. This rule does not, however, apply, if the credit provider has previously given you a copy of the contract document to keep.

If you want another copy of your contract, write to your credit provider and ask for one. Your credit provider may charge you a fee. Your credit provider has to give you a copy -

- within 14 days of your written request if the original contract came into existence 1 year or less before your request; or
- otherwise within 30 days of your written request.

3. Can I terminate the contract?

Yes. You can terminate the contract by writing to the credit provider so long as -

- you have not obtained any credit under the contract; or
- a card or other means of obtaining credit given to you by your credit

provider has not been used to acquire goods or services for which credit is to be provided under the contract.

However, you will still have to pay any fees or charges incurred before you terminated the contract.

4. Can I pay my credit contract out early?

Yes. Pay your credit provider the amount required to pay out your credit contract on the day you wish to end your contract.

5. How can I find out the pay out figure?

You can write to your credit provider at any time and ask for a statement of the pay out figure as at any date you specify. You can also ask for details of how the amount is made up. Your credit provider must give you the statement within 7 days after you give your request to the credit provider. You may be charged a fee for the statement.

6. Will I pay less interest if I pay out my contract early?

Yes. The interest you can be charged depends on the actual time money is owing. However, you may have to pay an early termination charge (if your contract permits your credit provider to charge one) and other fees.

7. Can my contract be changed by my credit provider?

Yes, but only if your contract says so.

8. Will I be told in advance if my credit provider is going to make a change in the contract?

That depends on the type of change. For example -

- you get at least same day notice for a change to an annual percentage rate. That notice may be a written notice to you or a notice published in a newspaper.
- you get 20 days advance written notice for -
 - a change in the way in which interest is calculated; or
 - a change in credit fees and charges; or
 - any other changes by your credit provider;

except where the change reduces what you have to pay or the change happens automatically under the contract.

9. Is there anything I can do if I think that my contract is unjust?

Yes. You should first talk to your credit provider. Discuss the matter and see if you can come to some arrangement. If that is not successful, you may contact your credit provider's external dispute resolution scheme. External dispute resolution is a free service established to provide you with an independent mechanism to resolve specific complaints. Your credit provider's external dispute resolution provider is the Australian Financial Complaints Authority and can be contacted at 1300 931 678, www.afca.org.au and GPO Box 3, Melbourne, Victoria, 3001.

Alternatively, you can go to court. You may wish to get legal advice, for example from your community legal centre or Legal Aid.

You can also contact ASIC, the regulator, for information on 1300 300 630 or through ASIC's website at <http://www.asic.gov.au>

INSURANCE

10. Do I have to take out insurance?

Your credit provider can insist you take out or pay the cost of types of insurance specifically allowed by law. These are compulsory third party personal injury insurance, mortgage indemnity insurance or insurance over property covered by any mortgage. Otherwise, you can decide if you want to take out insurance or not. If you take out insurance, the credit provider can not insist that you use any particular insurance company.

11. Will I get details of my insurance cover?

Yes, if you have taken out insurance over mortgaged property or consumer credit insurance and the premium is financed by your credit provider. In that case the insurer must give you a copy of the policy within 14 days after the insurer has accepted the insurance proposal.

Also, if you acquire an interest in any such insurance policy which is taken out by your credit provider then, within 14 days of that happening, your credit provider must ensure you have a written notice of the particulars of that insurance.

You can always ask the insurer for details of your insurance contract. If you ask in writing, your insurer must give you a statement containing all the provisions of the contract.

12. If the insurer does not accept my proposal, will I be told?

Yes, if the insurance was to be financed by the credit contract. The insurer will inform you if the proposal is rejected.

13. In that case, what happens to the premiums?

Your credit provider must give you a refund or credit unless the insurance is to be arranged with another insurer.

14. What happens if my credit contract ends before any insurance contract over mortgaged property?

You can end the insurance contract and get a proportionate rebate of any premium from the insurer.

MORTGAGES

15. If my contract says I have to give a mortgage, what does this mean?

A mortgage means that you give your credit provider certain rights over any property you mortgage. If you default under your contract, you can lose that property and you might still owe money to the credit provider.

16. Should I get a copy of my mortgage?

Yes. It can be part of your credit contract or, if it is a separate document, you will be given a copy of the mortgage within 14 days after your mortgage is entered into.

However, you need not be given a copy if the credit provider has previously given you a copy of the mortgage document to keep.

17. Is there anything that I am not allowed to do with the property I have mortgaged?

The law says you cannot assign or dispose of the property unless you have your credit provider's, or the court's, permission. You must also look

after the property. Read the mortgage document as well. It will usually have other terms and conditions about what you can or cannot do with the property.

18. What can I do if I find that I cannot afford my repayments and there is a mortgage over property?

See the answers to question 22 and 23.

Otherwise you may -

- if the mortgaged property is goods — give the property back to your credit provider, together with a letter saying you want the credit provider to sell the property for you;
- sell the property, but only if your credit provider gives permission first.

OR

- give the property to someone who may then take over the repayments, but only if your credit provider gives permission first.

If your credit provider won't give permission, you can contact their external dispute resolution scheme for help.

If you have a guarantor, talk to the guarantor who may be able to help you.

You should understand that you may owe money to your credit provider even after mortgaged property is sold.

19. Can my credit provider take or sell the mortgaged property?

Yes, if you have not carried out all of your obligations under your contract.

20. If my credit provider writes asking me where the mortgaged goods are, do I have to say where they are?

Yes. You have 7 days after receiving your credit provider's request to tell your credit provider. If you do not have the goods you must give your credit provider all the information you have so they can be traced.

21. When can my credit provider or its agent come into a residence to take possession of mortgaged goods?

Your credit provider can only do so if it has the court's approval or the written consent of the occupier which is given after the occupier is informed in writing of the relevant section in the National Credit Code.

GENERAL

22. What do I do if I cannot make a repayment?

Get in touch with your credit provider immediately. Discuss the matter and see if you can come to some arrangement. You can ask your credit provider to change your contract in a number of ways -

- to extend the term of the contract and reduce payments; or
- to extend the term of your contract and delay payments for a set time; or
- to delay payments for a set time.

23. What if my credit provider and I cannot agree on a suitable arrangement?

If the credit provider refuses your request to change the repayments, you can ask the credit provider to review this decision if you think it is wrong.

If the credit provider still refuses your request you can complain to the external dispute resolution scheme that your credit provider belongs to. Further details about this scheme are set out below in question 25.

24. Can my credit provider take action against me?

Yes, if you are in default under your contract. But the law says that you cannot be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact the credit provider's external dispute resolution scheme or ASIC, or get legal advice.

25. Do I have any other rights and obligations?

Yes. The law will give you other rights and obligations. You should also READ YOUR CONTRACT carefully.

IF YOU HAVE ANY COMPLAINTS ABOUT YOUR CREDIT CONTRACT, OR WANT MORE INFORMATION, CONTACT YOUR CREDIT PROVIDER. YOU MUST ATTEMPT TO RESOLVE YOUR COMPLAINT WITH YOUR CREDIT PROVIDER BEFORE CONTACTING YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION SCHEME. IF YOU HAVE A COMPLAINT WHICH REMAINS UNRESOLVED AFTER SPEAKING TO YOUR CREDIT PROVIDER YOU CAN CONTACT YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION SCHEME OR GET LEGAL ADVICE.

EXTERNAL DISPUTE RESOLUTION IS A FREE SERVICE ESTABLISHED TO PROVIDE YOU WITH AN INDEPENDENT MECHANISM TO RESOLVE SPECIFIC COMPLAINTS. YOUR CREDIT PROVIDER'S EXTERNAL DISPUTE RESOLUTION PROVIDER IS THE AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY AND CAN BE CONTACTED ON 1800 931 678, www.afca.org.au OR AT GPO BOX 3, MELBOURNE, VICTORIA 3001.

PLEASE KEEP THIS INFORMATION STATEMENT. YOU MAY WANT SOME INFORMATION FROM IT AT A LATER DATE.



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