

Farm Management Deposit Accounts (At Call and Fixed Term)

Dated 21 October 2016

General Information and Terms and Conditions

- **You should read all sections of this document before making a decision to acquire this financial product.**
- **As the information in this document has been prepared without considering your objectives, financial situation or needs, you should, before acting on the information, consider its appropriateness to your circumstances.**

If you have any questions on the Financial Claims Scheme, terms and conditions or fees and charges ask our staff or call us on **13 2221**.

These products are issued by the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945.



Contents

Part 1: General Information

- 2 • Features at a glance
- 4 • General Information
- 4 • What is the Farm Management Deposit (FMD) scheme?
- 5 • What is an FMD Account?
- 5 • What investment options are available?
- 5 • Who is an FMD Account suitable for?
- 6 • How does an FMD Account work?
- 8 • Withdrawals in advance of maturity from a Fixed Term FMD Account
- 11 • What are the significant benefits of an FMD Account?
- 11 • What are the significant disadvantages of an FMD Account?
- 12 • How do you open an FMD Account?
- 12 • What are the costs involved in an FMD Account?
- 12 • Are there any tax implications you should be aware of?
- 13 • What if you have a complaint?
- 13 • Customer information and privacy
- 15 • The Financial Claims Scheme

Part 2: Terms and Conditions

16 • 1. About these Terms and Conditions

17 • General Terms and Conditions

17 • 2. Opening of accounts

17 • 3. Deposits

19 • 4. Transfers to other financial institutions

19 • 5. Bank fees

19 • 6. Government taxes

19 • 7. Change of personal details

19 • 8. Closure of account

20 • 9. Breach of Laws

20 • Special Terms and Conditions - At Call FMD Accounts

20 • 10. Withdrawals

21 • 11. Payment of interest on credit balances

22 • 12. Statements of account

22 • 13. Variation of Terms and Conditions

23 • Special Terms and Conditions - Fixed Term FMD Accounts

23 • 14. Confirmation of deposit

23 • 15. Lodgement terms

23 • 16. Payment of interest

24 • 17. At maturity

24 • 18. Withdrawals in advance of maturity

25 • 19. Statements of account

25 • 20. Variation of Terms and Conditions

26 • Definitions

29 • Appendix A - Fees and Government taxes

Part 1: General Information

Features at a glance	
Significant benefits	Provides you with the opportunity to carry-over pre-tax primary production income from years when it is least needed to years when it is most needed and the flexibility to choose between a fixed <i>term</i> and <i>at call</i> investment option.
Significant risk	Interest rates can be volatile and can move adversely.
Minimum lodgement	<ul style="list-style-type: none">• At Call FMD Account – \$1,000.00• Fixed Term FMD Account – \$1,000.00
Minimum additional deposit	\$1,000.00
Minimum balance	\$1,000.00 in any individual FMD Account at any time.
Maximum balance	Aggregate balance of all FMD Accounts must not exceed \$800,000.00.
Minimum withdrawal	\$1,000.00 except where the balance of the FMD Account is withdrawn.
Terms available	<ul style="list-style-type: none">• At Call FMD Account – <i>At call</i>• Fixed Term FMD Account – 3, 6, 9 and 12 to 24 months. <i>Terms are available in whole months only.</i>
Interest rates	Current interest rates are available on request from your relationship manager, from any branch of the Bank, by calling AgriLine on 1300 772 968 or from our web site at commbank.com.au .

Part 1: General Information

Features at a glance	
Calculation and payment of interest	<ul style="list-style-type: none">• At Call FMD Account – Interest is calculated daily and paid to a <i>nominated bank account</i> quarterly on the first day in March, June, September and December and when the <i>account</i> is closed.• Fixed Term FMD Account – Interest is calculated daily and paid into a <i>nominated bank account</i> according to the interest payment option you choose – see page 8 of this brochure.
Fees and charges	No account keeping fees are directly applicable. For further information see Appendix A.
Deposits	Deposits can be made through your relationship manager or any branch of the Bank.
Withdrawals	Withdrawals can be made through your relationship manager or any branch of the Bank. If you withdraw all or part of the deposit within 12 months of making the deposit, it may cease to qualify as an FMD.
Withdrawals in advance of maturity: Fixed Term FMD Account	For Fixed Term FMD Accounts lodged or renewed on or after 8 December 2014, you will need to give us 31 days' notice to withdraw part or all of your funds prior to the <i>maturity date</i> . A prepayment interest adjustment and prepayment administration fee may apply.

Part 1: General Information

General Information

This document aims to provide you with enough information to help you decide whether the product will meet your needs. It also helps you to compare the product with others you may be considering.

This document provides general information and the terms and conditions for the **Farm Management Deposit Account** (FMD Account). If you decide to invest in an FMD Account, you should keep this document and all other documentation relating to your FMD Account for future reference.

If you have any questions or wish to contact us you can call AgriLine on **1300 772 968** between 7am and 7pm (Sydney time), Monday to Friday, visit our web site at **commbank.com.au**, call into any branch of the Commonwealth Bank of Australia (the Bank) or contact your relationship manager.

To assist you in understanding the Terms and Conditions, the definitions of some words are provided in the “Definitions” section on page 26. These words usually appear in *italics* in this document.

What is the Farm Management Deposit (FMD) scheme?

The Farm Management Deposit scheme (FMD scheme) was established by the Federal Government to provide a cash flow management tool that complements other risk management options by allowing *primary producers* to set aside pre-tax primary production income in profitable years to help balance income between good and bad times. The scheme provides tax benefits if deposits in the FMD are kept for a minimum of 12 months. The money deposited can be withdrawn in later years when you need it, often in a lower income, lower tax year.

To be eligible for the scheme and to maintain FMD status, *primary producers* and deposits must meet the criteria specified in the Income Tax Assessment Act 1997 and those outlined in the Terms and Conditions section of this document. For further details on eligibility criteria refer to the *Farm Management Deposits Law* or visit the Department of Agriculture and Water Resources website at **agriculture.gov.au**.

Part 1: General Information

What is an FMD Account?

An FMD Account is an investment product offered by the Bank that allows *primary producers* to take advantage of the benefits of the FMD scheme. Pre-tax primary production income in profitable years can be set aside in an FMD Account and is available for withdrawal in less profitable years. Funds held in an FMD Account may be deducted from your assessable income in the year in which the deposit is made, and are considered assessable income in the year of withdrawal.

What investment options are available?

- **At Call FMD Account:** Your money is readily available and the interest rate that you earn is determined by the Bank with reference to prevailing market interest rates and the balance of your At Call FMD Account (refer to Clause 11 in the Terms and Conditions). Each deposit made to your At Call FMD Account must be held for a minimum of 12 months. Withdrawals from a deposit may disqualify the deposit from taxation benefits of the FMD scheme if the deposit is held for less than 12 months.
- **Fixed Term FMD Account:** You can earn interest at a fixed rate for a *term* of 3, 6, 9 and 12 to 24 months. Withdrawals at or in advance of maturity may disqualify the deposit from taxation benefits of the FMD scheme if the deposit is held for less than 12 months. If you think you may have a need to immediately access your money, the At Call FMD Account or other savings accounts may be more suitable.

Who is an FMD Account suitable for?

Situations in which an FMD Account may be appropriate are:

- you are a *primary producer* and are eligible under the FMD scheme; and
- you have \$1,000.00 or more to invest.

At Call FMD Account interest rate tiers

Interest rates on your At Call FMD Account are tiered according to the balance of the account as follows:

Table 1: Balance tiers
\$1,000.00 to \$29,999.99
\$30,000.00 to \$99,999.99
\$100,000.00 to \$800,000.00

Part 1: General Information

When the balance reaches a different tier, interest is calculated at the new tier rate on the whole of the balance.

No interest will be paid for any period in which the balance of your At Call FMD Account falls below \$1,000.00.

How does an FMD Account work?

FMD Accounts are only available to *primary producers*. You can check with the Australian Taxation Office (ATO) by calling **13 2866** if you are uncertain of your status as a *primary producer*.

The minimum opening deposit for an At Call FMD Account is \$1,000.00.

The minimum lodgement for a Fixed Term FMD Account is \$1,000.00, and *terms* of 3, 6, 9 and 12 to 24 months are available. *Terms* are available in whole months only.

You may hold more than one FMD Account with the Bank, but the aggregate balance of all *accounts* must not exceed \$800,000.00. Effective 1 July 2012, you may hold more than one FMD Account across *financial institutions*, but the aggregate balance of all FMD Accounts held with all financial institutions must not exceed \$800,000.00.

Deposits can be made through your relationship manager or any branch of the Bank. Additional deposits may be made to an existing FMD Account, but each deposit must be held for a minimum period of 12 months in order to qualify under the FMD scheme (except under the circumstances outlined in Clause 3 of the Terms and Conditions). Additional deposits must be for a minimum amount of \$1,000.00. You are required by the *Farm Management Deposits Law* to read the mandatory statement contained within the "Application for Farm Management Deposit (FMD)" form, prior to opening an FMD Account.

Withdrawals must be for a minimum of \$1,000.00 (except when closing an FMD Account) and can be made through your relationship manager or at the branch where you opened your FMD Account. You must complete an "Application for Farm Management Deposit (FMD) – Withdrawal/Account Closure" form which is available from your relationship manager or any branch of the Bank. If you need to withdraw some or all of your Fixed Term FMD Account funds prior to maturity, please refer to Clause 18 of the Terms and Conditions.

Part 1: General Information

Transfer of your FMD Account can be made to and from other *financial institutions* and the Bank, subject to the conditions contained in Clause 4 of the Terms and Conditions. You must complete an “Application to Transfer Farm Management Deposit (FMD) to Other Financial Institution” form (for transfer from the Bank) or “Application to Accept Transferred Farm Management Deposit (FMD)” form (for transfers to the Bank). These forms are available from your relationship manager or any branch of the Bank.

How is interest calculated?

Interest is calculated on your At Call FMD Account and your Fixed Term FMD Account using the simple interest formula:

$$\text{Interest} = \frac{\text{amount invested}}{\text{rate \% per annum}} \times \frac{\text{number of days}}{365}$$

Interest is paid in accordance with Clauses 11 and 16 of the Terms and Conditions and must be paid to a *nominated bank account* other than your FMD Account.

Example 1*

You open an At Call FMD Account for \$50,000.00 on 1 April. The Bank quotes an interest rate of 4.50% per annum on your At Call FMD Account. The first interest payment will be 1 June.

The interest is calculated as follows:

$$\begin{aligned} & \text{Interest earned from 1 April to 31 May (inclusive)} \\ & = \$50,000.00 \times 4.50\% \times \frac{61}{365} \\ & = \mathbf{\$376.03} \end{aligned}$$

Total interest earned on your At Call FMD Account and paid to your *nominated bank account* on 1 June is \$376.03.

* Examples are used for illustrative purposes only. The example assumes that the interest rate applied does not change during the period. Details of current rates are available on request.

Part 1: General Information

Interest Payment Options for Fixed Term FMD Accounts

Interest on your Fixed Term FMD Account is paid to you with the choice of the following frequencies:

Six Monthly: Interest is paid every 6 months and at maturity. For terms of 3 or 6 months, interest is paid at maturity.

Annual: Interest is paid every 12 months and at maturity; available for terms from 12 months up to 24 months.

Fixed Term FMD Accounts at maturity

The Bank will seek your instructions for renewal or redemption approximately one week prior to or on the *maturity date*. You may contact the Bank at any time prior to the *maturity date* of your Fixed Term FMD Account, to request a withdrawal of funds at maturity or to specify how the funds are to be reinvested. Should you wish to reinvest your funds at maturity, you should have a minimum balance of \$1,000.00 on the date of renewal of your Fixed Term FMD Account.

If, on the *maturity date*, we have not received your instructions and provided the minimum balance requirement is met, we will automatically reinvest the funds for you at the prevailing interest rate on that day, for the same *term*, and on the terms and conditions then applying to new Fixed Term FMD Accounts. If you wish to withdraw your funds or make a change, you will have a grace period of seven calendar days from the maturity date to provide your alternative instructions without incurring a fee or incurring a reduction of interest rate. You can provide your instructions by contacting your relationship manager or any branch of the Bank.

Withdrawals in advance of maturity from a Fixed Term FMD Account

When investing in a Fixed Term FMD Account, you agree to invest your funds for a fixed *term* at a fixed interest rate. Should you require all or part of your funds prior to the *maturity date* you will need to give the Bank 31 days' notice by contacting your relationship manager or any branch of the Bank. A prepayment interest adjustment and prepayment administration fee may apply. The prepayment interest adjustment applied will depend on the percentage of the original *term* elapsed. The notice period starts on the day you request withdrawal and funds will be credited to your nominated Commonwealth Bank statement account on day 32, (or the next/following business day if day 32 is a non-

Part 1: General Information

business day). More information is provided in Clause 18 of the Terms and Conditions.

If you are experiencing extreme hardship and need your funds before maturity, please contact your relationship manager or any branch of the Bank.

Unless you request full repayment of your funds, you are required to keep a minimum balance of \$1,000.00 in the account at all times.

Table 2 details the adjustments to be applied to your interest rate for withdrawals in advance of maturity:

Table 2: Adjustment to be applied

Percentage of <i>term</i> elapsed	Adjustment to be applied as a % of your interest rate
0% to less than 20%	90%
20% to less than 40%	80%
40% to less than 60%	60%
60% to less than 80%	40%
80% to less than 100%	20%

For example, if your funds are invested for 25% of the agreed *term*, the interest to date will be adjusted by 80%.

Example 2 – for illustrative purposes only

You lodge a 24 month Fixed Term FMD Account for \$100,000.00 on 1 January, at an interest rate of 5.00% per annum with a Six Monthly interest payment option. On 1 December after approximately 11 months, you provide a 31 days' notice request to withdraw the entire \$100,000.00 with funds to be credited into your At call FMD Account on 1 January.

Calculating the interest earned

The interest paid to your *nominated bank account* on 1 July is calculated as follows:

$$\begin{aligned} &\text{Interest earned from 1 January to 30 June (inclusive)} \\ &= \$100,000.00 \times 5.00\% \times \frac{181}{365} \\ &= \mathbf{\$2,479.45} \end{aligned}$$

Part 1: General Information

The interest owing to you (but not yet paid) on the following 1 January, is calculated as follows:

$$\begin{aligned} & \text{Interest earned from 1 July to 31 December (inclusive)} \\ &= \$100,000.00 \times 5.00\% \times \frac{184}{365} \\ &= \mathbf{\$2,520.55} \end{aligned}$$

Calculating the prepayment interest adjustment

The percentage of the *term* elapsed is calculated as follows:

$$\begin{aligned} & \text{Percentage of } \textit{term} \text{ elapsed} \\ &= \frac{\text{number of days deposited}}{\text{number of days in } \textit{term}} \times 100 \\ &= \left(\frac{365 \text{ days}}{730 \text{ days}} \right) \times 100 \\ &= 50\% \end{aligned}$$

As 50% of the original *term* has elapsed, an adjustment of 60% will apply (refer to Table 2).

$$\begin{aligned} & \text{Prepayment interest rate adjustment} \\ &= \text{adjustment} \times \text{your interest rate} \\ &= 60\% \times 5.00\% \text{ per annum} \\ &= 3.00\% \text{ per annum} \end{aligned}$$

Prepayment interest adjustment

$$\begin{aligned} &= \text{amount invested} \times \frac{\text{number of days deposited}}{365} \times \text{prepayment interest rate adjustment} \\ &= \$100,000.00 \times \left(\frac{365}{365} \right) \times 3.00\% \\ &= \mathbf{\$3,000.00} \end{aligned}$$

Calculating the interest paid

On the withdrawal date 1 January, the Bank owes you an interest payment of \$2,520.55 (as \$2,479.45 has already been paid to you). This amount and the \$100,000.00 withdrawn by you will be paid to you. The prepayment interest adjustment amount of \$3,000.00 and the prepayment administration fee will be collected from you separately.

Part 1: General Information

Note: The sum of the interest paid to you on the withdrawal date, all previous interest payments and the prepayment interest adjustment, will always be equal to or more than your original investment amount (excluding the prepayment administration fee).

What are the significant benefits of an FMD Account?

Benefits include:

- provides you with the opportunity to carry-over before-tax income from years when it is least needed to years when it is most needed;
- can provide tax benefits if a deposit is held for 12 months or longer;
- there are no account keeping fees directly applicable;
- funds can be held *at call* or for a fixed *term*;
- when you select an At Call FMD Account the interest rate that you receive may rise if market interest rates rise; and
- when you invest in a Fixed Term FMD Account, you are protected from falling interest rates during the *term* of your investment.

What are the significant disadvantages of an FMD Account?

Disadvantages include:

- when you select an At Call FMD Account the interest rate that you receive may fall if market interest rates fall;
- if you hold monies under the FMD scheme, prior to 1 July 2012, they must all be held at the same *financial institution* at any one time; and
- when investing in a Fixed Term FMD Account you cannot benefit from increases in interest rates that may occur during the *term* of the Fixed Term FMD Account as your interest rate is fixed for the *term*. Also, you will not be able to immediately access to your funds in a Fixed Term FMD account.

You should ensure that you are able to monitor and value any interest rate movements when investing in an FMD Account. The Bank may be dealing on its own account in interest rate markets and such dealings may influence interest rates.

Part 1: General Information

How do you open an FMD Account?

To open an FMD Account, please contact your relationship manager or any branch of the Bank. FMD Accounts can only be opened by completing the application form required by the *Farm Management Deposits Law*. This form is available from your relationship manager or any branch of the Bank.

When opening your FMD Account, the minimum opening deposit for an At Call FMD Account is \$1,000.00 and the minimum lodgement amount for a Fixed Term FMD Account is \$1,000.00.

After you have opened a Fixed Term FMD Account, the Bank will provide you with a confirmation of your deposit.

What are the costs involved in an FMD Account?

There are no account keeping fees, however, other fees may apply. Refer to Appendix A for more information on Bank fees and Government taxes.

Are there any tax implications you should be aware of?

The FMD scheme allows for the deduction of any FMD Account holdings from your assessable income for the year in which the deposit is made. However, the amount of the deductions cannot exceed your taxable primary production income for the year.

If you do not adhere to the rules that govern the FMD scheme including if you withdraw a deposit within 12 months of deposit (except in the circumstances outlined in Clause 3 of the Terms and Conditions), you may not qualify for tax benefits associated with holding an FMD. You may have to seek an amended tax assessment for the relevant period in which a deduction was claimed.

Investment income in the form of interest earned on an FMD Account is generally taxable income.

If you do not provide us with a Tax File Number (TFN) or Australian Business Number (ABN), the Bank is obliged by law to withhold tax at the appropriate rate from the interest you have earned, and any withdrawals made from your FMD Account.

Part 1: General Information

Investing and dealing with investments has tax and often social security implications. These can be complex and are invariably particular to your circumstances. You should discuss the timing and derivation of income and any other tax issues with your independent professional tax adviser.

What if you have a complaint?

Please contact your relationship manager or the manager of the department that handled the matter and explain the problem.

Our staff will review the situation and, if possible, resolve it immediately. If the matter has not been resolved to your satisfaction, please contact our Customer Relations team via:

- our web site at:
commbank.com.au/contactus/comment.asp;
- telephone **1800 805 605**;
- facsimile **1800 028 542**; or
- writing to:
Customer Relations Commonwealth Bank,
Reply Paid 41, Sydney NSW 2001

If after giving us the opportunity to resolve your complaint, you feel we have not resolved it satisfactorily, you may also lodge a written complaint with the Financial Ombudsman Service Limited at: Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001

- telephone **1300 78 08 08**
- facsimile **03 9613 6399**
- web site **www.fos.org.au**

Customer information and privacy

What information we collect

In this clause 'you' includes our customer and any person who holds office in an entity which is a customer. We collect information about you (such as your name, address and contact details), and information about your interactions with us, such as transactions on your account. We may also collect publicly available information about you.

Part 1: General Information

Why we collect your information and what we use it for

We collect your information because we are required to identify you in accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and in order to comply with taxation laws, such as the Taxation Administration Act 1953 and the Income Tax Assessment Act 1936. We also collect it to administer our customer relationships and internal processes including risk management and pricing, to meet our obligations in relation to external payment systems and under our arrangements with government agencies, and to identify and tell you about products and services that may interest you (unless you tell us not to). If you don't want to receive marketing information you can tell us by calling **13 2221**, or speak to your relationship manager.

If you give us your electronic and telephone details, you agree we may use this to communicate with you electronically, by phone or SMS, including providing updates, reminders and (unless you tell us not to) marketing information.

You must give us accurate and complete information; otherwise you may be breaking the law and we may not be able to provide you with the products and services that you require. If you change your personal details (e.g. address, name or email address) you must tell us straight away.

Who we may exchange your information with

We may exchange your information with other members of the Group who may use your information for any of the purposes we can.

We may also exchange your information with others outside the Group, for example, your representatives, our service providers, other financial institutions (for example, in relation to a mistaken payment claim), enforcement and government authorities, relevant public registers and payment system operators (for example, BPAY Pty Ltd).

Sometimes it may be necessary to send your information overseas – for example, where we outsource functions overseas, send information to Group members overseas, where we need to complete a transaction on your behalf or where this is required by laws and regulations in Australia or in another country. See our Group Privacy Policy for more information.

Part 1: General Information

Our Group Privacy Policy

Our Group Privacy Policy is available on our website at **commbank.com.au** (follow the Privacy Policy link) or upon request from any branch of the Bank and should be read in conjunction with the above. It contains further details about our information collection and handling practices including information about:

- other ways we may collect, use or exchange your information;
- how you may access and seek correction of the information; and
- how to make a complaint about a breach of your privacy rights, and our complaint handling procedures.

We encourage you to check our website regularly for any updates to the Policy.

How to contact us

For privacy-related enquiries, please contact us by:

- email at **CustomerRelations@cba.com.au**
- telephone **1800 805 605**, or
- writing to the address in our Group Privacy Policy.

The Financial Claims Scheme

The Financial Claims Scheme, under the Banking Act, covers deposit amounts you hold in a bank in aggregate up to a statutory prescribed limit (please note that for the purposes of calculating this total joint accounts are considered to be held in equal shares). You may be entitled to a payment in some circumstances. Payments under the scheme are subject to a limit for each depositor. Information about the Financial Claims Scheme can be obtained from **www.fcs.gov.au**.

Part 2: Terms and Conditions

1. About these Terms and Conditions

These Terms and Conditions govern the Bank's At Call and Fixed Term FMD Accounts. They do not include terms and conditions that may apply by operation of law including but not limited to the *Farm Management Deposits Law*. Unless otherwise stated, Clauses 2 – 9 relate to both accounts; Clauses 10 – 20 relate specifically to the *account* named.

You should read these Terms and Conditions carefully and keep a copy for your future reference. In addition, you should read the Bank's information booklet "The Better Banking Book" copies of which may be obtained by telephoning the Bank's AgriLine on **1300 772 968** (between 7am and 7pm (Sydney Time), Monday to Friday), visiting our web site at **commbank.com.au**, from your relationship manager or from any branch of the Bank.

The Better Banking Book contains useful information on a range of banking matters. These include the rights and obligations that arise out of the banker and customer relationship, account opening procedures, the Bank's obligations regarding confidentiality of your information, complaint handling procedures, bank cheques, the advisability of you informing the Bank promptly when you are in financial difficulty, and the advisability of you reading the terms and conditions applying to any banking service provided to you or in which you are interested.

The relevant provisions of the Code of Banking Practice apply to an FMD Account if that account is held by an individual or by a small business customer. A copy of the Code of Banking Practice is available at **commbank.com.au** or upon request from your relationship manager or any branch of the Bank.

In the event of any inconsistency between the *Farm Management Deposits Law*, these Terms and Conditions, the Code of Banking Practice and the Better Banking Book, the *Farm Management Deposits Law* will prevail to the extent of that inconsistency.

General Terms and Conditions

2. Opening of accounts

- In opening an *account*, you agree to these Terms and Conditions.
- The *account* is available only if you are a *primary producer*. The *account* must be conducted in one name only. You cannot transfer your rights under the *account* to another person.
- The minimum opening deposit for an At Call FMD Account is \$1,000.00.
- The minimum lodgement for a Fixed Term FMD Account is \$1,000.00.
- A person may own more than one *account*, and from 1 July 2012, may own several *accounts across financial institutions*, but the aggregate balance of all *accounts* at any time must not exceed \$800,000.00.
- The *account* cannot be used as loan security or as a mortgage or other interest offset.
- You must not earn more than \$100,000.00 in non-primary production income.

3. Deposits

- The Bank is an authorised deposit taking institution, for the purposes of the Banking Act 1959.
- You may make deposits through your relationship manager or at any branch of the Bank.
- Additional deposits can be made to an At Call FMD Account at any time after the account has been opened. Additional deposits to Fixed Term FMD Accounts can only be made at the time of renewal of a maturing Fixed Term FMD Account.
- Additional deposits must be for a minimum of \$1,000.00
- Deposits to the *account* are governed by special legal requirements applying under the *Farm Management Deposits Law*. In accordance with the *Farm Management Deposits Law* your deposits must meet the following requirements:

Part 2: Terms and Conditions

- i) You must be a *primary producer* when you make a deposit.
- ii) You may only make deposits of \$1,000.00 or more, subject to a maximum of \$800,000.00 in any year of income and an aggregate balance in all accounts at any time not exceeding \$800,000.00.
- iii) Each deposit to the account must be held in the account for at least twelve (12) months to qualify as an eligible deposit in terms of the *Farm Management Deposits Law*, unless the withdrawal is made:
 - (a) in the event of an Applicable Natural Disaster; or
 - (b) because the holder:
 - dies; or
 - becomes bankrupt; or
 - ceases to be a *primary producer* for 120 days or more; or
 - has requested the deposit to be transferred to another *financial institution*.
- iv) In the preceding paragraph, Applicable Natural Disaster refers to circumstances under the relevant *Farm Management Deposits Law* where *primary producers* can withdraw funds within the first twelve (12) months without being deposited into another FMD and without the deposit ceasing to be treated under that Law as a farm management deposit.
- v) Initial deposits can only be made by completing the application form required by the *Farm Management Deposits Law*.
- If any of the preceding conditions are not met the deposit will not be considered an eligible deposit under the *Farm Management Deposits Law*.

Part 2: Terms and Conditions

4. Transfers to other financial institutions

- At your written request, the Bank will electronically transfer the balance of an account to another *financial institution* at maturity (providing all proceeds are cleared). Details of the receiving *financial institution* account must be included in the written request.
- Any interest owing to you will be paid to you separately to your *nominated bank account*, as it cannot be included in the principal amount transferred to the *financial institution*.

5. Bank fees

- You are liable to pay for and the Bank may debit your *nominated bank account* with any charges made by the Bank for services that are ancillary to the operation of your *account* such as a bank cheque fee. A schedule of charges for common Bank services is available on request.
- For details of the Bank's current fees applicable to FMD Accounts please refer to Appendix A.

6. Government taxes

Government taxes and charges, where applicable, are charged. Refer to Appendix A for details of Government taxes.

7. Change of personal details

You are required to notify the Bank promptly in writing of a change to your personal details, such as your name, address, or *nominated bank account*.

8. Closure of account

- FMDs were made exempt from the unclaimed monies' provision contained in the Banking Act 1959 on 30 May 2014.
- Where an account ceases to be an FMD, for example because the holder dies, becomes bankrupt or ceases to be a primary producer, the unclaimed monies' provisions will apply i.e. if you do not make a deposit or withdrawal on the account for three years, and the Bank subsequently is unable to contact you despite its reasonable efforts, the Bank will close the account without giving notice and will transfer any credit balance to an unclaimed monies' fund. You may apply for the transferred balance to be returned to you at any time.

Part 2: Terms and Conditions

9. Breach of Laws

If it appears to us that you may:

- (a) be a proscribed person or entity under the Charter of the United Nations Act 1945 (Cth);
- (b) be in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism; or
- (c) appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction;

the Bank may immediately:

- (d) refuse to process any transaction of yours;
- (e) suspend the provision of a product or service to you;
- (f) freeze the account; or
- (g) close the account.

The Bank will be under no liability to you if it does any or all of these things. The Bank's rights under this clause are in addition to all other rights it may have.

Special Terms and Conditions – At Call FMD Accounts

10. Withdrawals

- Proceeds of cheques and other payment instruments, whilst credited to the *account*, are subject to clearance. If the Bank allows you to access the proceeds before clearance is effected, you must repay that money if the cheque or payment instrument is dishonoured. Otherwise the money in your *account* is available *at call*.
- Withdrawals must be for a minimum of \$1,000.00 (except when closing an *account*).
- If you do not provide us with a Tax File Number (TFN) or Australian Business Number (ABN), the Bank is obliged by law to withhold tax at the appropriate rate from any withdrawals made from your *account*.
- Any cheques deposited to your account, or bank cheque or other document deposited to your account or delivered to us in connection with a transaction on your account, becomes our property when we have presented the cheque for payment (even if it is dishonoured) or when the transaction is otherwise complete.

Part 2: Terms and Conditions

- If we are reasonably satisfied that funds have been paid to your account due to a mistaken internet payment (MIP) and there are sufficient credit funds in your account, we may debit your account with the amount of the MIP and return the funds to the payer or their financial institution. Where a claim of a MIP is made within 10 business days after the payment was made we may debit your account without giving notice to you. Where a claim of a MIP is made between 10 or more business days and 7 months after the payment was made we will notify you if we propose to debit your account with the amount of the MIP and allow you 10 business days to establish that you are entitled to the funds before we return the funds. We may prevent you from withdrawing the amount of a claimed MIP while we investigate that claim, including while we wait on and consider your response to any notification we send you.

11. Payment of interest on credit balances

- Interest is calculated on the entire balance of your *account* provided the balance is \$1,000.00 or more.
- No interest is paid for the period that your *account* balance is less than \$1,000.00.
- Interest is calculated on the daily balance of the *account* and is credited to your *nominated bank account* quarterly on the first day in March, June, September and December and when the *account* is closed.
- Interest rates are tiered according to the *account* balance. When the balance in the *account* reaches a different tier, interest is calculated at the new tier rate on the whole of the balance for so long as it remains above the tier.

Balance tiers
\$1,000.00 to \$29,999.99
\$30,000.00 to \$99,999.99
\$100,000.00 to \$800,000.00

Details of the current interest rates (which are variable at the Bank’s discretion at any time) applicable to each tier may be obtained from your relationship manager, any branch of the Bank or by telephoning the Bank’s AgriLine on **1300 772 968** between 7am and 7pm (Sydney time), Monday to Friday.

Part 2: Terms and Conditions

12. Statements of account

- The Bank sends you a statement of account for your At Call FMD Account every six months (standard cycle) or after each withdrawal.
- You may request a statement to be issued at any time by telephoning the Bank's AgriLine on **1300 772 968**, from your relationship manager or from any branch of the Bank.

13. Variation of Terms and Conditions

The Bank reserves the right to vary these Terms and Conditions.

- At least 30 days' written notice is given to you if the Bank intends to:
 - introduce or vary a Bank fee or charge in relation to the operation and maintenance of your *account*; or
 - vary the method by which interest is determined or the frequency with which the interest is credited to your *nominated bank account*; or
 - vary the balance ranges within which interest rates apply to the *account*,except where the Bank cannot locate you.
- If the Bank otherwise varies these Terms and Conditions, or the interest rate payable on your *account*, the Bank notifies you either in writing or by advertisement in the national media or local media, no later than the day on which the variation takes effect.
- The Bank will notify you of the introduction or variation of any Government tax or charge either in writing or by advertisement in the national media or local media, unless the Government, Government agency or representative body has already publicised the introduction or variation.
- Any variation required by the *Farm Management Deposits Law* will apply immediately if so required, without notice.
- Effective 12 November 2016, if you do not accept these changes, you may close your account with us without fee or charge subject to any rights of account combination the Bank may have and any legal obligation of the Bank to pay any part of your account balance to a third party.

Special Terms and Conditions – Fixed Term FMD Accounts

14. Confirmation of deposit

- The Bank provides you with a confirmation after you have opened an account.
- The confirmation is valueless for the purpose of transfer or negotiation.
- The Bank may require you to surrender the confirmation at maturity or in the event of withdrawal in advance of maturity.

15. Lodgement terms

- You may nominate a *term* of 3, 6 or 9 months or a *term* between 12 and 24 months (inclusive).
- *Terms* are available in whole months only.

16. Payment of interest

- The Bank may vary the interest rates on offer for new deposits at any time without notice. Rates for amounts of \$100,000.00 and over are subject to individual quotation at the time of lodgement.
- The interest rate applying to your deposit is fixed at the time of lodgement for the whole of the nominated *term*.
- Interest is calculated daily on the balance of the deposit.
- You may choose one of the following interest payment options:
 - i) Interest credited to a *nominated bank account* every 6 months and at maturity. If you nominate a term of 3 or 6 months, interest is credited to a *nominated bank account* at maturity.
 - ii) Interest credited to a *nominated bank account* every 12 months and at maturity (for terms from 12 months up to 24 months).
- If interest is due on a day that is not a business day and is being credited to a Commonwealth Bank statement account it will be available for withdrawal from that account on the due date but may not appear on your statement or in a transaction listing until the next business day or the following business day.

Part 2: Terms and Conditions

17. At maturity

- The Bank will seek your instructions for renewal or redemption of your deposit approximately one week prior to the *maturity date*, or on the day of maturity for amounts of \$100,000.00 or more.
- If your instructions are not received prior to the *maturity date*, you agree that the Bank renews the deposit for the same *term* as before at the interest rate then applicable to that *term* and on the terms and conditions then applying to new deposits. You can change the amount, term and interest payment option that applies to your renewed Fixed Term FMD Account by contacting your relationship manager of any branch during the grace period of seven calendar days starting on the maturity date.
- Should you wish to reinvest your funds at maturity, you are required to have a minimum balance of \$1,000.00 on the date of renewal of your Fixed Term FMD Account.

18. Withdrawals in advance of maturity

- When you invest in a Fixed Term FMD Account you agree to invest your funds for a fixed *term* at a fixed rate. Should you require all or part of your funds prior to the *maturity date*, you must provide us with 31 days' notice by contacting your relationship manager or any branch of the Bank. If your Term Deposit has less than 31 days to maturity, you will only be able to access funds on the maturity date. A prepayment interest rate adjustment may apply. The prepayment interest rate adjustment applied will depend on the percentage of the original *term* elapsed. A prepayment administration fee may also apply. These fees cannot be debited to the FMD Account and may be debited to your *nominated bank account* or paid separately at the time of withdrawal.
- For Fixed Term FMD Accounts lodged or renewed on and after 8 December 2014, you have to give the Bank 31 days' notice for withdrawing funds prior to the maturity date. Your request can be provided at the branch where the deposit was lodged or by contacting your relationship manager.
- If the remaining term of your Fixed Term FMD Account has less than 31 days to maturity, you will only be able to access funds on the maturity date.
- The 31 days' notice period starts on the day you request withdrawal. Payment is effected thirty two days after receipt of your request for withdrawal ("the payment date").

Part 2: Terms and Conditions

If the payment date falls on a non-business day, your payment may be effected the next business day. Funds paid on a non-business day may not appear on your statement or in a transaction listing until the next business day or the following business day.

- If funds are to be credited to a Commonwealth Bank statement account the amount paid will be available for you to withdraw you to withdraw at our branches during opening hours. Payments to accounts at other financial institutions, whilst effected on the payment date, may not be credited to your account until the other financial institution processes this transaction.
- A request for withdrawal prior to maturity may be cancelled no later than one business day before the payment date. Requests for withdrawal prior to maturity can only be made one at a time.
- The deposit may cease to qualify as an FMD if you make a withdrawal within the 12 month deposit qualifying period (refer to Clause 3).
- The amount of the prepayment interest adjustment is calculated by the Bank taking into account the amount withdrawn, the length of time since the deposit was lodged as a percentage of the original *term*, and the application of an adjusted rate of interest.
- A minimum balance of \$1,000.00 must be maintained in each deposit at all times.

19. Statements of account

The Bank does not provide you with a statement of account for your Fixed Term FMD Account.

20. Variation of Terms and Conditions

- The Bank notifies you of the introduction or variation of any Government tax or charge either in writing or by advertisement in national or local media, unless the Government, Government agency or representative body has already publicised the introduction or variation.
- Any variation required by the *Farm Management Deposits Law* will apply immediately if so required without notice.

Part 2: Terms and Conditions

Definitions

“account”

Means:

- in the case of the General Terms and Conditions, both the At Call FMD Account and the Fixed Term FMD Account; and
- in the case of the Special Terms and Conditions – At Call FMD Accounts, the At Call FMD Account; and
- in the case of the Special Terms and Conditions – Fixed Term FMD Accounts, the Fixed Term FMD Account.

“Applicable Natural Disaster”

A natural disaster is a result of which you as a *primary producer* receive recovery assistance under natural disaster relief and recovery arrangements and in all of the circumstances specified in the *Farm Management Deposits Law* under which partial deposits can be withdrawn within the first twelve (12) months without the deposit ceasing to be treated under that Law as a farm management deposit.

“at call”

Your money is readily available to you.

the “Bank”; “our”; “us”; “we”

Commonwealth Bank of Australia ABN 48 123 123 124.

“business day”

A day that is not: a Saturday or Sunday; or a public holiday, special holiday or bank holiday in the place in which any relevant act is to be done or may be done.

“Farm Management Deposits Law”

Means:

- the Income Tax Assessment Act 1997 (Cth) and the Income Tax (Farm Management Deposits) Regulations 1998; and
- any other present or future law of the Commonwealth of Australia or any State or Territory of Australia that applies to the *account* or the Bank, to the extent that the Bank must comply with that law in order to secure a concession or relief in respect of tax or avoid a penalty, detriment or disadvantage in connection with the *account* or ensure

Part 2: Terms and Conditions

that as far as possible these Terms and Conditions are enforceable in accordance with their terms.

“financial institution”

Means a financial institution as defined in the *Farm Management Deposits Law*.

“lodgement date”

The date on which you deposit funds into a Fixed Term FMD Account with the Bank.

“maturity date”

The date on which the balance in your Fixed Term FMD Account becomes available to you.

“mistaken internet payment”

A payment made to an account on or after 20 March 2013 because the payer, using a pay anyone internet banking facility, has entered or selected an incorrect Bank/State/Branch (BSB) number, account number or other identifier that does not belong to the intended recipient.

“nominated bank account”

A bank account nominated by you that is not an FMD Account.

“primary producer”

Means:

- an individual who carries on in Australia a *primary production business* otherwise than as trustee of a trust estate; or
- a partner (not being a company) in a partnership that carries on in Australia a *primary production business*; or
- a beneficiary (not being a company) who is presently entitled to a share of the income of a trust estate where the trustee carries on in Australia a *primary production business*.

“primary production business”

Those areas of production recognised as “primary production” by the Australian Taxation Office. It includes production in the farming, fishing and forestry sectors.

Part 2: Terms and Conditions

“short term money market”

The term given to that sector of the financial markets which caters for the borrowing and lending of money overnight, at call or fixed for short periods (being 1 year or less).

“term”

The period from the lodgement date to the maturity date.

“you”; “your”

A *primary producer* who is the person in whose name the FMD Account is held.

APPENDIX A

Fees and Government taxes

Bank fees

Except as specified below, there are no transaction or account keeping fees as the interest rate has been adjusted by a margin that reflects the costs incurred.

Applicable fees:

Description	Amount	When payable
Issue of recent statement / transaction list – At Call FMD Accounts	\$2.50 per list	On the date of request
Prepayment administration – Fixed Term FMD Accounts	\$30.00	When a withdrawal in advance of maturity is requested.

Some related products and services, such as bank cheques and telegraphic transfers, will incur a separate fee. These fees are set out in the Product Disclosure Statements, terms and conditions or fees and charges brochures for these other products and services.

Fees charged cannot be deducted from your FMD Account and will be collected from you separately.

Government taxes

If you do not provide us with a Tax File Number (TFN) or Australian Business Number (ABN), the Bank is obliged by law to withhold tax at the appropriate rate from interest you have earned or any withdrawals you have made from your FMD Account.

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