

Auswide Bank's *Guide to* **FARM MANAGEMENT DEPOSIT**

Issued by Auswide Bank Ltd ABN 40 087 652 060/Australian Financial Services
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— **BANK** —

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Visit your nearest branch
see our website for details

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FARM MANAGEMENT DEPOSIT

Terms and Conditions

Auswide Bank's Terms and Conditions contain important information for customers considering opening this account and utilising it's related banking services.

They consist of these documents:

- Guide to Farm Management Deposit (this one)
- + Guide to Banking Services
- + Privacy Policy
- + mandatory statement - Additional FMD Terms and Conditions (to be signed upon account application)

You should read these documents together before making a decision to open this account with us acquire any banking services or make any transactions

This information has been designed to effectively help you:

- decide if this account and our banking services meet your needs
- compare all the features, terms, conditions, fees and charges of our accounts and banking services with those of others

In issuing these Terms and Conditions Auswide Bank ("we"/"our"/"us") hasn't taken into account your particular personal objectives, financial situation or needs, so it's possible that a facility may not suit you specifically.

Updating these Terms and Conditions

The information in these Terms and Conditions is current as at the effective date and may change from time to time. Where required by law or where we are participating in a Code of Conduct, we will notify you in advance of any changes in accordance with the requirements of that law or code.

You can also find out more about our current Terms and Conditions by:

- talking to one of our helpful consultants at any branch or phone **1300 138 831**
- looking online at www.auswidebank.com.au

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FARM MANAGEMENT DEPOSIT

Product Summary

Features

- designed to allow eligible[^] primary producers[#] with a taxable non-primary production income of not over \$100,000 to shift before-tax income from years when they need it least to years when it is most needed to help manage their exposure to adverse economic events and seasonal fluctuations.
- the FMD Scheme which is managed by the Australian Government allows eligible primary producers in the scheme to deduct the amount of any Farm Management Deposit they own from their assessable income for the income year in which the deposit is made. However, the amount of the deductions cannot exceed their taxable primary production income for the year. If a Farm Management Deposit is withdrawn, the amount of the deduction previously allowed is included in their assessable income in the withdrawal tax year.
- funds on-call minimum withdrawal amount \$1,000 OR whole balance on closure of the account
- branch access only - withdrawals by cash, "bank" cheque or transfer to another Auswide Bank account under same client number
- telephone, internet and mobile banking access (view only)
- minimum opening balance - \$1,000
- maximum balance - \$800,000
- no account service fee or transaction fees
- statements issued 6 monthly

[^] Eligibility criteria and terms and conditions apply to this account - please refer to the additional terms and conditions available in the Mandatory Statement "Additional Terms & Conditions for Farm Management Deposit FMD." We can choose not to accept a FMD anytime. An individual can own more than one FMD and can own FMD's with different FMD providers, but the sum of the balances of all of the FMD's of an owner must not be more than the maximum deposit limit of \$800,000. Available to individuals only - companies or other entities are not eligible. Deposits can not be made by two or more people jointly, or made on behalf of two or more people. Trustees can only make deposits on behalf of a beneficiary who is entitled to a share of the income of the trust estate and is under a legal disability. Please check with the Department of Agriculture and Water Resources if you are unsure of your eligibility status.

- [#] A primary producer is an individual who:
 - has a primary production business in Australia, (eg. dairy farm, trout hatchery, olive grove, pecan plantation, orchardist, wheat farm, beef, cattle lot etc) but not as a trustee of a trust estate.
 - is a partner (not a company) in a partnership that has a primary production business in Australia, or is a beneficiary (not a company) who is currently entitled to a share of the income of a trust estate where the trustee has a primary production business in Australia.
 Please check with the Australian Tax Office if you are unsure of your status as a primary producer.

Interest

- interest rates are variable
- interest is calculated for the whole balance at the rate of interest that applies to your daily full account balance - the following formula is used: **If whole amount of balance is:**

| | | | | | |
|-----------------|----|------------------------------------|---|-----------------|-----|
| up to \$800,000 | a% | $\frac{\text{whole balance}}{365}$ | x | $\frac{a}{100}$ | = Z |
|-----------------|----|------------------------------------|---|-----------------|-----|

Z = the amount of interest accrued **daily** on funds in your Farm Management Deposit.

- interest calculated on the term of your deposit, up-to but not including, the day of maturity (or before this if it is broken early)
- interest is paid and credited monthly to your nominated Auswide Bank transaction account under the same client number
- current interest rates available by contacting Auswide Bank
- While legislation allows the use of a FMD to offset interest cost on primary production business debt, Auswide Bank does not provide this offset facility.

Product Risks

- interest rates applicable to this account are determined from time to time and are subject to change without notice
- this type of account may not suit the particular objectives, financial situation or needs that are unique to you - it is recommended applicants seek independent accounting or taxation advice for full tax consequences

Conditions For Use of Our Banking Services

For terms and conditions on banking services used in conjunction with your Farm Management Deposit account, refer to the 'Guide to Banking Services'

Features At-a-glance

| | |
|--|-------------------------------|
| entity use | Primary producers |
| passbook account option | ✗ |
| statement account option | ✓ |
| account service fee | ✗ |
| cleared funds on-call | ✓ [#] |
| interest payment structure | rate applies to whole balance |
| interest calculated | on daily balances |
| interest paid | monthly on maturity |
| minimum opening balance | \$1,000 |
| minimum balance to be retained | |
| branch access | ✓ [#] |
| cheque book | ✗ |
| Bank cheques | ✓ [#] |
| telephone banking | ✓ [#] |
| internet and mobile banking (including BPAY® View) | ✓ [#] |
| Visa Debit Card (access ATM's, EFTPOS, Bank@Post) | ✗ |
| BPAY to pay bills | ✗ |
| direct credits (wages, pension, rent, dividends etc) | ✗ |
| direct debits (to other financial institutions/ organisations) | ✗ |
| internal transfer (to other Auswide Bank accounts) | ✓ [#] |
| external payment (to another financial institution) | ✗ |
| RTGS "same day" payment to an external bank account | ✗ |
| transfer to an overseas bank account | ✗ |
| auto-sweep facility | ✗ |
| sub-accounts | ✓ |
| account labels (eg. 'savings') | ✗ |

[#] Restrictions apply - refer to the FMD product summary.
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FARM MANAGEMENT DEPOSIT

Transaction Fees

| BRANCH STAFF ASSISTED and CHEQUE BANKING | |
|--|---|
| Debited to nominated account | Any fees are debited from the customer's nominated account. Fees are not debited from the FMD |

Information Services

| | |
|---|--|
| Audit certificate ▼ when Auswide Bank prepares an audit certificate on your behalf by request | \$15/certificate |
| Document recovery payable when we process your request to obtain a copy of a deposited cheque, a sales voucher or any deposit, withdrawal or transfer form associated with your account | \$5 per copy or Document search - whichever is lesser |
| Document search ▼ may apply when you request us to conduct a search for documents associated with your account other than documents charged for under the Document recovery fee | \$50/hour (\$30 minimum charge) |
| Investigation/Correction ▼ payable when we process your request to trace, reverse or correct a payment or where you ask us to investigate a disputed transaction on your account | \$15/per occasion |

Government Charges

| | |
|---|---|
| Non-resident withholding tax levied on accounts held by a non-resident of Australia and where an Australian Tax File Number has not been quoted to Auswide Bank | 10% of applicable interest payment |
| Withholding tax may be levied on accounts where an Australian Tax File Number or exemption code has not been quoted to Auswide Bank | calculated at the highest marginal tax rate |

▼ Debited from your account or payable at the time it is incurred or when a particular service is used.

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