

Non-Deliverable Option

Product Disclosure Statement

Issued by Westpac Banking Corporation (offered through its St.George division) Australian Financial Services Licence 233714 ABN 33 007 457 141

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Important Information

A Product Disclosure Statement (**PDS**) is an information document. Its purpose is to provide you with enough information so that you can decide if the product will meet your needs. A PDS is also a tool for comparing the features of other products you may be considering. If you have any questions about this product, please contact us on any of the numbers listed at the back of this PDS.

This PDS relates to Non-Deliverable Options (**NDOs**) issued by Westpac Banking Corporation and offered through its St. George division ("**St. George, we, us, our**"). An NDO is a sophisticated financial product requiring a good understanding of the way foreign exchange contracts and markets work. You should read and consider all sections of this PDS carefully before making a decision about the suitability of this product for you. You may also wish to obtain independent expert advice.

If you decide to enter into an NDO, you should keep a copy of this PDS and any associated documentation. You should also promptly tell us if at any time you experience any financial difficulty.

The meaning of some terms in this PDS (indicated by using a capital letter at the beginning of the term) is included in the Glossary on page 14.

The information set out in this PDS is general in nature. It has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should consider its appropriateness having regard to your objectives, financial situation and needs. By providing this PDS, St. George does not intend to provide financial advice or any financial recommendations.

Information relating to NDOs that is not materially adverse may change from time to time.

The information in this PDS may be updated and made available to you on our website at www.stgeorge.com.au. We will provide you with a paper copy of any updated information posted on our website on request without charge. If there is a change to information relating to NDOs that is materially adverse, we will (depending on the nature of the change or event) notify you within three months of the change or event and will issue a replacement or supplementary PDS where required.

This PDS, and any invitation to apply for an NDO that this PDS relates to, is intended for retail clients in Australia only. Distribution of it in jurisdictions outside Australia may be restricted by law and persons who come into possession of it, who are not in Australia, should seek advice. If you are in Australia and have received it electronically, we will give you a paper copy on request, without charge. To obtain a copy, refer to the contact details listed at the back of this PDS.

Non-Deliverable Option (NDO) Summary

| | |
|-----------------------------------|--|
| Issuer | Westpac Banking Corporation (offered through its St. George division) AFSL 233714 ABN 33 007 457 141. |
| Purpose | An NDO is a foreign exchange product designed to assist you in reducing your foreign exchange risk, specifically in situations when physical delivery of the underlying currencies is not required or not possible. It may help you to manage a currency risk you are exposed to. |
| Suitability | An NDO may be suitable for you if you have a good understanding of foreign exchange markets and have a genuine commercial need to manage currency risk associated with a particular Currency Pair. It should not be used for trading or speculative purposes. |
| Costs | A non-refundable Premium is paid by the buyer of the NDO. It is calculated on a transaction by transaction basis and is agreed before entering into the transaction. It is generally paid up-front. See the section titled “What are the costs?” on page 7 for more information |
| Key Benefits | <p>Protection – An NDO provides you with protection against unfavourable exchange rate movements.</p> <p>Coverage – NDOs are available for a wide range of currencies. Please contact us to confirm your desired currency is covered. Our contact details are set out on the back page.</p> <p>Participation in favourable exchange rate movements – Potential to participate in favourable exchange rate movements that may occur, beyond your nominated Strike Price.</p> <p>Flexibility – Key variables, including the Strike Price, underlying currency amounts, option type, Expiration Time, Expiration Date and Settlement Date can be tailored to meet your particular needs. See the section titled “Key Benefits” on page 7 for more information.</p> |
| Key Risks | <p>Opportunity loss – The rate achieved with an NDO may not be as favourable as the rate you could have achieved with a forward foreign exchange contract or if you had not entered into any contract at all.</p> <p>Variation / Early termination – You can vary or terminate an NDO early but there may be a cost if you do so.</p> <p>No cooling off period – There is no cooling off period.</p> <p>Counterparty and operational risk – St. George has performance obligations under an NDO. You need to form a judgment of our ability to meet those obligations.</p> <p>Currency restrictions – Some currencies may be subject to legal and regulatory obligations.</p> <p>Use of agent and correspondent banks – St. George may use agents and correspondent banks to deliver some currencies (other than Australian dollars). See the section titled “Key Risks” on page 7 and the section titled “Can I terminate an NDO before the Expiration Date?” on page 6 for more information.</p> |
| Term | 1 week to 1 year (longer terms may be available on request) |
| Minimum Transaction Amount | The minimum transaction amount is AUD 25,000 or the foreign currency equivalent. |
| How to Apply | Contact your existing St. George representative. Alternatively, you can contact us at the details listed at the back of this PDS. |

Non-Deliverable Option (NDO)

What is an NDO?

An NDO is an agreement with St. George that provides protection against unfavourable exchange rate movements while providing you with an ability to participate in any favourable exchange rate movements that may occur. When you purchase an NDO you must pay a Premium. It is generally paid on the Premium Payment Date which is normally two business days after the Trade Date. The outcome on the Settlement Date depends on the Settlement Rate at the Expiration Time on the Expiration Date and the pre-agreed Strike Price.

An NDO may be useful in managing the currency risk associated with exporting or importing goods denominated in foreign currency, investing or borrowing overseas, repatriating profits, converting foreign currency denominated dividends, or settling other foreign currency contractual arrangements.

How do NDOs work?

When you enter into an NDO, you nominate a non-deliverable Reference Currency and a Settlement Currency. These two currencies form the Currency Pair and must be acceptable to St. George.

You will also nominate whether you are looking to protect against depreciation or appreciation of the Reference Currency. This is done by nominating an option type. There are two types: Put options and Call options, as shown in the table below.

| Type | Description | Example |
|------|---|---|
| Put | You have protection against a depreciation in the nominated Put Currency. | Australian importer AUD Put / USD Call |
| Call | You have protection against an appreciation in the nominated Call Currency. | Australian exporter AUD Call / USD Put |

In addition you will nominate:

- the Reference Currency amount;
- a Strike Price, which is your level of exchange rate protection;
- an Expiration Time;
- an Expiration Date; and
- a Settlement Date.

We will agree the Settlement Rate source with you. Depending on these variables, St. George will determine the Premium you need to pay.

NDOs are cash settled on the Settlement Date in the

Settlement Currency. No payments are made in the Reference Currency.

With NDOs, there are two possible outcomes:

- if the Settlement Rate at the Expiration Time on the Expiration Date is the same as or less favourable to you than the Strike Price, St. George will pay you a Cash Settlement Amount on the Settlement Date, reflecting the level of your protection; or
- if the Settlement Rate at the Expiration Time on the Expiration Date is more favourable to you than the Strike Price, you will let your NDO lapse. There will be no Cash Settlement Amount paid on the Cash Settlement Date.

Cash Settlement Amounts will generally be deposited into your nominated St. George account, but alternative arrangements may be possible at our discretion.

How do we determine the Premium?

When determining the Premium of an NDO St. George takes several factors into account including:

- the option type;
- the Strike Price;
- the foreign currency amount involved;
- the Expiration Time and the Expiration Date;
- the Settlement Date;
- the Settlement Rate source;
- Market Foreign Exchange Rates;
- market volatility;
- market interest rates of the countries of the Currency Pair; and
- the Premium Payment Date.

When is the Premium paid?

The Premium is payable on the Premium Payment Date. Unless otherwise agreed, this will be paid two business days after the Trade Date. With St. George's approval the Premium can be paid on another nominated date. When the Premium is deferred it is still always payable, even in the case of an early termination. You must apply for approval to change the Premium Payment Date prior to trading. Our approval will be subject to our normal credit approval process (see "Are there any St. George credit requirements before dealing?" below).

Are there any St. George credit requirements before dealing?

Before entering into an NDO, St. George will assess your financial position to determine whether or not your situation satisfies our normal credit requirements. St. George will advise you of the outcome of its review as soon as possible.

If your application is successful, you will need to sign St. George's standard finance documentation. This documentation sets out the terms of the credit approval and other matters relevant to your application.

How do we determine the Settlement Rate?

Settlement Rates are generally sourced from rates published on Reuters reference pages. These are market rate sources used by the financial markets industry.

As these pages generally provide Settlement Rates against the USD, where Settlement Rates are required against other currencies such as AUD or NZD, St. George will agree with you the methodology that will be used to convert the Settlement Rate to apply to the nominated Currency Pair.

How do we determine the Cash Settlement Amount?

St. George calculates the Cash Settlement Amount with reference to any difference between the Reference Currency amount converted at the Strike Price and the Reference Currency amount converted at the Settlement Rate.

Where the Strike Price is more favourable to you than the Settlement Rate, you receive a Cash Settlement Amount which reflects the difference between the two.

Where the Strike Price is less favourable to you than the Settlement Rate, the Cash Settlement Amount will be zero.

Can I terminate an NDO before the Expiration Date?

You may ask us to terminate an NDO at any time up to the Expiration Time on the Expiration Date. We will then provide you with a termination quote. There will be a cost or a gain arising as a result of termination (i.e. the termination Premium you receive may be less or more than the original Premium you paid). If you accept the termination quote, we will terminate the NDO.

Our quote will incorporate the same variables used when pricing the original NDO. These will be adjusted for the prevailing conditions in respect of the remaining term of the NDO. We will also need to consider the cost of reversing or offsetting your original transaction. When doing this we take into account the current market rates that apply to any offsetting transactions.

Where termination occurs before the Premium Payment Date the termination quote will reflect the Premium due. In this case, termination may require you to make a payment to St. George at that time.

Unless otherwise agreed the termination Premium is payable two business days after the date you accept the termination quote.

How do newly declared holidays affect my Expiration Date and Settlement Date?

In many Asian countries, holidays are subject to change, especially those which are lunar based. If a new holiday is declared, the market adopts the following conventions:

- if the holiday falls on the Settlement Date, the Settlement Date is moved forward to the next business day.
- if the holiday falls on the Expiration Date or between the Expiration Date and the Settlement Date, the Settlement Date remains the same and the Expiration Date is brought forward one business day.

At the time the holiday is declared, you can request to keep the original dates, but your request may not always be granted.

Costs, Benefits and Risks

What are the costs?

When you buy an NDO you must pay a non-refundable Premium. This Premium is calculated on a transaction by transaction basis and is dependent on the details of the specific NDO agreed with you at the time. St. George derives a financial benefit by incorporating a margin into the Premium.

St. George will advise you of this Premium before you enter into the transaction. If you elect to enter into the NDO this Premium is payable to St. George on the Premium Payment Date, generally two business days after the Trade Date. Payment can be deferred with our agreement.

Key Benefits

Protection

NDOs provide you with protection against unfavourable foreign exchange movements between the time you enter into an NDO and the Expiration Time on the Expiration Date. This can assist you in managing your foreign currency exposures, specifically in situations where foreign exchange restrictions do not allow physical delivery of a currency. On the Settlement Date, you will be protected for the underlying currency amount at the Strike Price.

Coverage

NDOs are available for a wide range of currencies. Please contact us to confirm your desired currency is covered. Our contact details are set out on the back page.

Participation in favourable exchange rate movements

NDOs provide you with the potential to participate in favourable exchange rate movements that may occur, beyond your nominated Strike Price.

Flexibility

NDOs are flexible. Key variables, including the Strike Price, underlying currency amounts, option type, Expiration Time, Expiration Date and Settlement Date can be tailored to meet your particular needs.

Key Risks

Variation / Early termination

Terminations or variations to your NDO may result in a cost to you – see the section titled “Can I terminate an NDO before the Expiration Date?” on page 6 for more information.

No cooling off period

There is no cooling off period. This means that, in most circumstances, once you enter into an NDO, you cannot terminate or vary the NDO without our consent. See “Variation / Early termination” section above.

Currency restrictions

Delivery of some currencies may be governed by, or subject to certain legal and regulatory requirements and obligations. It is your responsibility to ensure that these laws and regulations are complied with and we suggest you seek and obtain your own independent expert advice in relation to such matters.

Counterparty and operational risk

As is the case with most financial markets products we enter into, St. George has performance obligations under an NDO. If we are unable to perform our obligations under your NDO, you may be exposed to exchange rate fluctuations as if you had not entered into an NDO.

Our ability to fulfil our obligations is linked to our financial wellbeing and to the effectiveness of our internal systems, processes and procedures. The first type of risk (our financial wellbeing) is commonly referred to as **credit or counterparty risk**. The second type of risk (the effectiveness of our internal systems, processes and procedures) is commonly referred to as **operational risk**.

You must make your own assessment of our ability to meet our obligations. However, as a regulated Australian bank we are subject to prudential regulation which is intended to reduce the risk of us failing to perform our obligations.

Further information about Westpac Banking Corporation, including copies of our recent financial statements, is available on our website at www.westpac.com.au

Use of agent and correspondent banks

To deliver some currencies (other than AUD), we may use agents and correspondent banks. We will use reasonable care in the selection of such agents and correspondent banks.

If the agent or correspondent bank fails to deliver the required currency when due, we will work with the agent or correspondent bank to effect delivery. If after such action delivery still cannot be made, we will promptly return your funds or make alternative arrangements with you.

To the extent allowed by law, St. George will not be liable for any direct or indirect losses, claims, actions or expenses incurred by you as a result of the failure by an agent or correspondent bank to deliver the required currency.

Documentation and Confirmation

What documentation is required?

Master dealing agreement

You will usually need to sign a master dealing agreement if you want to enter into an NDO. This will either be an agreement with us or an industry standard master dealing agreement.

We will advise you which master dealing agreement you need to sign.

The master dealing agreement governs the dealing relationship between you and us and sets out the terms and conditions that will apply to all transactions that we enter into with you that are covered by the agreement. In particular, they document the situations where those transactions can be terminated and the way the amount to be paid following termination is calculated.

You will be provided with a copy of the relevant master dealing agreement and we strongly recommend that you fully consider its terms before signing. You should obtain independent advice if you do not understand any aspect of the document.

Documentation for certain restricted currencies

Other documentation may be required for NDOs involving certain currencies. Where possible, we will attempt to inform you of any specific requirements; however you are responsible for complying with any legal or regulatory obligations. We suggest that you seek and obtain your own independent, expert advice in relation to such matters.

Email or facsimile authority and indemnity

If you would like to provide us with email or facsimile instructions in relation to NDOs, we will require you to complete an email or facsimile authority and indemnity. The purpose of the email or facsimile authority and indemnity is to protect us against the consequences of acting upon instructions which may not represent your genuine wishes, but which appear to us to be genuine.

Other documentation

You may be requested to complete additional documentation before you enter into an NDO, depending on the outcome of St. George's assessment of your creditworthiness. We will inform you if any further documentation is required at that time.

What about Confirmations?

The commercial terms of a particular NDO will be agreed at the time of dealing. This may occur over the phone or electronically. Once we reach an agreement, both you and St. George are bound by the terms of the NDO.

Shortly after entering into an NDO, St. George will send you a Confirmation outlining the commercial terms of the transaction. You will need to sign this Confirmation and return it to St. George. This Confirmation evidences the transaction entered into under your master agreement with us.

This Confirmation will include:

- the Call Currency and the Call Currency amount;
- the Put Currency and the Put Currency amount;
- the Strike Price;
- the option type;
- the Expiration Time and the Expiration Date;
- the Settlement Date;
- the Settlement Rate source;
- the Premium; and
- the Premium Payment Date.

It is extremely important that you check the Confirmation to make sure that it accurately records the terms of the transaction. If there is a discrepancy between your understanding and the Confirmation, you will need to raise it with your St. George representative as a matter of urgency.

Examples

The examples below are illustrative only and use rates and figures selected to demonstrate how the product works. In order to assess the merits of any NDO, you would need to use the actual rates and figures quoted to you at the time. Note that the calculations below include rounding of decimal places.

Scenario 1 – Foreign Currency Payment

You are an Australian based company importing goods from China. You are billed in CNY but you are required to pay in USD. You are due to pay the USD equivalent of CNY 2,000,000 in three months' time for goods bought overseas. Your contract stipulates that the USD amount you pay will be determined by the fixing rate on Reuters page 'SAEC' applicable at that time.

Assume the current USD/CNY Market Foreign Exchange Rate is 6.30.

If I do nothing, what exchange rate risks do I face?

If you do nothing, the amount of USD you will be obliged to pay in three months' time will depend on SAEC fixing rate at the time.

If the USD/CNY exchange rate goes up, the USD will become more valuable and as a consequence, you will need to pay less USD. Assume in this example that the USD/CNY SAEC fixing rate rises to 6.60, then you will pay:

USD 303,030.30
(= CNY 2,000,000 / 6.60)

If the USD/CNY exchange rate goes down, the opposite occurs and you will need to pay more USD. For example, if the USD/CNY SAEC fixing rate falls to 6.00, then you will pay:

USD 333,333.33
(= CNY 2,000,000 / 6.00)

How will an NDO change this?

Assume that you are unsure about the direction of the USD against the CNY and wish to protect yourself against the USD falling against the CNY, but also have the potential to participate in any favourable movements in the USD.

You purchase an USD Put / CNY Call option with a Strike Price of 6.30, a Settlement Date in three months' time and a Call Currency amount of CNY 2,000,000. We agree to use the USD/CNY SAEC fixing rate as the Settlement Rate.

Based on these details St. George determines the Premium to be USD 3,800. This Premium Payment Date is two business days after the Trade Date.

The possible outcomes on the Settlement Date are:

- (a) if the Settlement Rate on the Expiration Date is below the 6.30 Strike Price, St. George will pay you a Cash Settlement Amount. For example, if the Settlement Rate is 6.00 you will receive:

USD 15,873.02
= (CNY 2,000,000/6.00) – (CNY 2,000,000/6.30)

The Cash Settlement Amount will compensate you for the higher USD amount you will need to pay for your goods. Based on your terms of sale the amount you will need to pay your supplier is:

USD 333,333.33
= CNY 2,000,000 / 6.00 (the SAEC Settlement Rate)

Including the Cash Settlement Amount the total USD amount you will pay is:

USD 317,460.32
(= 333,333.33 – 15,873.02)

In order to determine your effective exchange rate you need to take into account the Premium you paid for the NDO (here, USD 3,800). The total USD amount you will pay is:

USD 321,260.32
(= 317,460.32 + 3,800.00)

This is an effective exchange rate of 6.2255.
(= CNY 2,000,000 / USD 321,260.32)

- (b) if the Settlement Rate on the Expiration Date is at or above the 6.30 Strike Price the NDO will lapse and no Cash Settlement Amount will be payable. For example, if the Settlement Rate is 6.60 then no Cash Settlement Amount will be payable.

In this case, however, you will pay a lower USD amount for your goods. Based on your terms of sale the amount you will need to pay your supplier is:

USD 303,030.30
= CNY 2,000,000 / 6.60 (the SAEC Settlement Rate)

In order to determine your effective exchange rate you need to take into account the Premium you paid for the NDO (here, USD3,800) The total USD amount you will pay is:

USD 306,830.30
(= 303,030.30 +3,800.00)

This is an effective exchange rate of 6.5183
(= CNY 2,000,000 / USD 306,830.30)

How can I change the range of outcomes?

You can change the range of possible outcomes by changing the Strike Price or the Expiration Date, and therefore, the Premium. Once the Strike Price and the Expiration Date are agreed the possible outcomes on the Settlement Date can be determined.

When agreeing the details of your NDO you need to consider that:

- the Strike Price corresponds to the maximum amount of USD you will pay for your goods.
- a higher Strike Price will reduce your exposure to a falling USD/CNY exchange rate. However, the Premium payable will be higher.
- a lower Strike Price will increase your exposure to a falling USD/CNY exchange rate. However, the Premium payable will be lower.
- a longer term will result in a higher Premium. However, it will mean you have protection against adverse exchange rate movements and the ability to benefit from favourable exchange rate movements over a longer period of time.
- a shorter term will result in a lower Premium. However, it will mean you have protection against adverse exchange rate movements and the ability to benefit from favourable exchange rate movements over a shorter period of time.

Scenario 2 – Foreign Currency Receipt

You are an Australian based exporter due to receive the AUD equivalent of USD 100,000 in six months' time for goods sold overseas. Your contract stipulates that the AUD amount you receive will be determined by the fixing rate on Reuters page 'RBA26' applicable at that time.

Assume the Market Foreign Exchange Rate is 1.0300.

If I do nothing, what exchange rate risks do I face?

If you do nothing, the amount of AUD you will receive in six months' time will depend on the AUD/USD RBA26 fixing rate applicable at that time.

If the AUD/USD exchange rate goes up, the USD will become less valuable and as a consequence, you will receive less AUD. Assume in this example that the AUD/USD RBA26 fixing rate rises to 1.0900, then you will receive:

AUD 91,743.12
(= USD 100,000 / 1.0900)

If the AUD/USD exchange rate goes down, the opposite occurs and you will receive more AUD. Assume the AUD/USD RBA26 fixing rate falls to 0.9700, then you will receive:

AUD 103,092.78
(= USD 100,000 / 0.9700)

How will an NDO change this?

Assume that you are unsure about the direction of the AUD against the USD and wish to protect yourself against the AUD rising against the USD, but also have the potential to participate in any favourable movements in the AUD.

You purchase an AUD Call / USD Put option with a Strike Price of 1.0300, a Settlement Date in six months' time and a Put Currency amount of USD 100,000. We agree to use the AUD/USD RBA26 fixing rate as the Settlement Rate.

Based on these details St. George determines the Premium to be AUD 2,000. This Premium Payment Date is two business days after the Trade Date.

The possible outcomes on the Settlement Date are:

- (a) if the Settlement Rate on the Expiration Date is above the 1.0300 Strike Price, St. George will pay you a Cash Settlement Amount. For example, if the Settlement Rate is 1.0800 you will receive:

AUD 4,494.79
= (USD 100,000/1.0300) – (USD 100,000/1.0800)

The Cash Settlement Amount will compensate you for the lower AUD amount you will receive for your goods. Based on your terms of sale the amount you will receive from your customer is:

AUD 92,592.59
= USD 100,000 / 1.0800 (the RBA26 Settlement Rate)

Including the Cash Settlement Amount the total AUD amount you will receive is:

AUD 97,087.38
(= 92,592.59 + 4,494.79)

In order to determine your effective exchange rate you need to take into account the Premium you paid for the NDO (here, AUD 2,000). The total AUD amount you will receive is:

AUD 95,087.38
(= 97,087.38 – 2,000.00)

This is an effective exchange rate of 1.0517.
(= USD 100,000 / AUD 95,087.38)

- (b) if the Settlement Rate on the Expiration Date is at or below the 1.0300 Strike Price the NDO will lapse and no Cash Settlement Amount will be payable. For example, if the Settlement Rate is 0.9800 then no Cash Settlement Amount will be payable.

In this case, however, you will receive a higher AUD amount for your goods. Based on your terms of sale the amount you will receive from your customer is:

AUD 102,040.82
= USD 100,000 / 0.9800 (the RBA26 Settlement Rate)

In order to determine your effective exchange rate you need to take into account the Premium you paid for the NDO (here, AUD 2,000). The total AUD amount you will receive is:

AUD 100,040.82
(= 102,040.82 – 2,000.00)

This is an effective exchange rate of 0.9996.
(= USD 100,000 / AUD 100,040.82)

How can I change the range of outcomes?

You can change the range of possible outcomes by changing the Strike Price or the Expiration Date, and therefore, the Premium. Once the Strike Price and the Expiration Date are agreed the possible outcomes on the Settlement Date can be determined.

When agreeing the details of your NDO you need to consider that:

- the Strike Price corresponds to the minimum amount of AUD you will receive for your goods.
- a lower Strike Price will reduce your exposure to a rising AUD/USD exchange rate. However, the Premium payable will be higher.
- a higher Strike Price will increase your exposure to a rising AUD/USD exchange rate. However, the Premium payable will be lower.
- a longer term will result in a higher Premium. However, it will mean you have protection against adverse exchange rate movements and the ability to benefit from favourable exchange rate movements over a longer period of time.
- a shorter term will result in a lower Premium. However, it will mean you have protection against adverse exchange rate movements and the ability to benefit from favourable exchange rate movements over a shorter period of time.

General Information

What information we need from you

In order to enter into an NDO with you, we'll need some important details from you. Depending on the legal nature of your business (company, partnership etc.) you will be required to provide certain documents and information to us.

Under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (**AML/CTF Laws**) it is a requirement that the account holder and all signatories to the account must be identified. So if you're opening an account for the first time this applies to you. It also applies to any account holder or signatory who is not an existing customer.

The identification requirements can be met by completing the St. George identification procedure which involves providing identity documentation to St. George. For information on documents required please contact any branch or refer to our website – www.stgeorge.com.au.

If the account holder or any of the signatories to an account are not identified in terms of the AML/CTF Laws, the account will be blocked for all withdrawals, until they are identified.

If you are an existing customer, an account signatory (or any other cardholder) identification requirements may have previously been satisfied so you don't need to provide it again, unless you are asked to do so by us.

Banking Code of Practice

We have adopted the Banking Code of Practice 2019 (Banking Code). The Banking Code sets out the standards of practice and service for Australian banks to follow when dealing with certain customers.

If you are an 'individual' or a 'small business' (each term as defined in the Banking Code), the relevant provisions of the Banking Code will apply to the banking service described in this PDS and prevail to the extent of any inconsistency with these terms and conditions.

You can obtain a copy of the Banking Code from our website or any of our branches. Please let us know if you would like to discuss whether or not the Banking Code will apply to you. Our contact details are set out on the back page.

Financial crimes monitoring

St. George is bound by laws that impose regulatory and compliance obligations, including obligations in relation to the prevention of money laundering and the financing of terrorism, which are the AML/CTF Laws. In order for St. George to meet its regulatory and compliance obligations, we perform certain control and monitoring activities.

Upon entering into any NDO with St. George, you agree and provide the following undertakings and agree to indemnify St. George against any potential loss arising from any breach by you of such undertakings that:

- you are not and will not enter into any agreement with St. George under an assumed name;
- any funds used by you to enter into an agreement with St. George have not been derived from or related to any criminal activities;
- any payments received from St. George will not be used in relation to any criminal activities;
- if we ask, you will provide us with additional information we reasonably require from you for the purposes of meeting our regulatory and compliance obligations, including the obligations under AML/CTF Laws (including information about the source of funds used to settle an NDO); and
- you and your NDO with St. George will not initiate, engage or effect a transaction that may be in breach of Australian law or sanctions (or the law or sanctions of any other country).

You should be aware that:

- we may obtain information about you or any beneficial owner of an interest in an agreement with St. George from third parties if we believe this is necessary to comply with our regulatory and compliance obligations, including AML/CTF Laws;
- transactions may be delayed, blocked, frozen or refused where we have reasonable grounds to believe that they breach Australian law or sanctions or the law or sanctions of any other country;
- where transactions are delayed, blocked, frozen or refused, St. George and other members of the Westpac Group are not liable for any loss you suffer (including consequential loss) in connection with an NDO; and
- where legally obliged to do so, we may disclose information that we hold about you to our related bodies corporate or service providers, other banks, or relevant regulatory and/or law enforcement agencies (whether in or outside of Australia).

Foreign Tax Residents

We are required under domestic and international laws to collect and report financial and account information relating to individuals and organisations who are, or may be, foreign tax residents. We may ask you whether you or any shareholder, beneficiary, settlor or controlling person are a foreign tax resident from time to time, such as when you open an account with us, or if your circumstances change. If you do not provide this information to us we may be required to limit the services we provide to you.

Unless you tell us otherwise, by completing any application, you certify that any shareholder, named beneficiary, settlor or controlling person is not a foreign tax resident. You must tell us if you, or any shareholder, named beneficiary, settlor or controlling person is, or becomes, a foreign tax resident (unless an exemption applies, such as for shareholders of listed companies). Where there are no named beneficiaries (e.g. for beneficiaries identified only as a class) you must tell us if a beneficiary is a foreign tax resident immediately when any decision is made to identify and make a distribution to them. You may contact us to provide foreign tax residence information by calling 1300 725 863.

We cannot give tax advice, so please contact your independent tax advisor if you need help finding out whether any person is a foreign tax resident.

Telephone conversations

The terms of an NDO are usually agreed verbally over the phone or electronically over an on-line system. Once we have reached an agreement, both you and St. George are bound by the terms of the NDO.

Conversations with our dealing room and settlement departments are recorded. This is standard market practice. We do this to make sure that we have complete records of the details of all transactions. Recorded conversations are retained for a limited period and are usually used where there is a dispute and for staff training and monitoring purposes.

You will need to advise our dealer if you do not wish to be recorded. However, we will not enter into any transaction over the telephone unless the conversation is recorded.

Taxation

Taxation law is complex and its application to this product will depend on your particular circumstances. We make no claim that this product will provide a beneficial or appropriate tax outcome for you. When determining whether this product is suitable for your circumstances, you should consider the impact it will have on your own taxation position and seek professional advice on the tax implications it may have for you.

This document has been produced for use by Australian tax residents only. If you are not a resident of Australia for tax purposes and have entered into an NDO, you may be required to withhold tax on payments you make. If you are required to withhold an amount of tax on any payments you make as a non-resident, you are liable to gross up that payment such that we receive all amounts clear of any tax.

Privacy

We collect personal information from you to process your application, provide you with your product or service, and manage your product or service. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or other activity that may cause harm in relation to our products or services and help us run our business. We may also use your information to tell you about products or services we think may interest you.

If you do not provide all the information we request, we may need to reject your application or we may no longer be able to provide a product or service to you.

We may disclose your personal information to other members of the Westpac Group, anyone we engage to do something on our behalf and other organisations that assist us with our business.

We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in our privacy policy.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products or services, you consent to these disclosures.

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy.

Our privacy policy is available at www.stgeorge.com.au or by calling 13 33 30. It covers:

- how you can access the personal information we hold about you and ask for it to be corrected;
- how you may complain about a breach of the Australian Privacy Principles or a registered privacy code and how we will deal with your complaint; and
- how we collect, hold, use and disclose your personal information in more detail.

We will update our privacy policy from time to time.

Please call us on 13 33 30 or visit any of our branches if you do not wish to receive marketing communications from us.

Dispute resolution

Sometimes you may want to talk about problems you are having with us. Fixing these problems is very important to us.

We've put in place ways of dealing with your issues quickly and fairly.

Please talk to us first

We aim to resolve your complaint at your first point of contact with us. Our contact details are set out on the back page.

What to do if you are still unhappy

If you are not satisfied with our response, you may be able to lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA's contact details are:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

You can also contact the Australian Securities & Investments Commission (**ASIC**) to make a complaint and to obtain further information about your rights. They have a freecall Infoline on 1300 300 630 or visit www.asic.gov.au.

Glossary

To help you to understand this PDS, the meanings of some words used in this PDS are set out below.

AUD means Australian dollars.

Call Currency means the currency set out as such in the Confirmation. A Call option provides protection against an appreciation in the Call Currency.

Call option is a type of NDO, under which you have the notional right to buy the Call Currency amount from St. George at the Strike Price, provided the Settlement Rate is higher than the Strike Price. In practice, you receive a Cash Settlement Amount in the Settlement Currency equal to the difference between the Settlement Rate and the Strike Price.

Cash Settlement Amount means the amount, if any, payable under an NDO on the Settlement Date. The amount depends on whether the Settlement Rate is lower, equal to or higher than the Strike Price.

Clear Funds means funds that are immediately available on settlement.

CNY means Chinese Renminbi.

Confirmation means a letter confirming the terms of a particular NDO.

Currency Pair means the two currencies applying in respect of an NDO. The Currency Pair must be acceptable to St. George.

Expiration Date means the date set out as such in the Confirmation. It is the date on which the outcome of the NDO will be determined.

Expiration Time means the time set out as such in the Confirmation. It is the time on the Expiration Date at which the outcome of the NDO will be determined.

Market Foreign Exchange Rate means the price of one currency in terms of another currency for delivery on the same day after taking into account St. George's costs and its profit margin. This is the rate that St. George would make available to you at the relevant time.

NDO and **Non-Deliverable Option** means the product the subject of this PDS.

Premium means an amount payable on the Premium Payment Date.

Premium Payment Date means the date set out as such in the Confirmation on which the Premium is paid by the buyer of the option. It is generally two business days after the Trade Date, subject to adjustment at St. George's discretion where banks are not open for business in Sydney, Australia on that date. With St. George's agreement it can be an alternate date that is agreed prior to determining the Premium on the Trade Date.

Put Currency means the currency set out as such in the Confirmation. A Put option provides protection against depreciation in the Put Currency.

Put option is a type of NDO, under which you have the notional right to sell the Put Currency amount to St. George at the Strike Price, provided the Settlement Rate is lower than the Strike Price. In practice, you receive a Cash Settlement Amount in the Settlement Currency equal to the difference between the Settlement Rate and the Strike Price.

Reference Currency means the currency set out as such in the Confirmation. This is the currency nominated as non-deliverable.

Reuters means Thomson Reuters or its successor, as identified by St. George acting in a commercially reasonable manner.

Settlement Currency means the currency set out as such in the Confirmation. This is the currency that the Cash Settlement Amount must be paid in.

Settlement Date means the date set out as such in the Confirmation. It is the date on which any cash settlement payable under the NDO will be made.

Settlement Rate means the rate displayed on the agreed Settlement Rate source at an agreed time on the Expiration Date. The Settlement Rate is used to calculate the Cash Settlement Amount.

St. George, we, our or us means St. George Bank, a division of Westpac Banking Corporation (ABN 33 007 457 141, AFSL No 233714).

Strike Price means the agreed exchange rate level beyond which you will be protected against adverse exchange rate movements. It will be used to calculate any Cash Settlement Amount payable to you at maturity.

Trade Date means the date a NDO is entered into.

USD means United States dollars.

You, your means the customer entering into an NDO.

Contact Details

Financial Markets
Level 2, 275 Kent Street
Sydney NSW 2000
Telephone (02) 8204 2710

