

Financial Service Guide (FSG)

Effective date: 1st March 2019

Bank of Heritage Isle

Contact Centre

134 374

Launceston Branch

69 St John Street, Launceston 7250

(03) 6348 3400

George Town Branch

72 Macquarie Street, George Town 7253

(03) 6380 3400

Beaconsfield Branch

133 Weld Street, Beaconsfield 7270

(03) 6383 3588

Email

info@heritageisle.com.au

Website

www.heritageisle.com.au

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1. Our Financial Services Guide

This Financial Services Guide (FSG) is designed to help you decide whether to use our products, services and advice. The FSG contains information on:

- Product details and advice;
- Our products and services;
- Our business partners and commissions;
- Our fees and other rewards;
- What to do if you have a complaint;
- How to contact us.

This document should be read in conjunction with our *Schedule of Fees and Charges brochure* (available on our website, at our Branches and upon request).

Product Details

Our Financial Services Guide (FSG) is designed to give you information you need to make decisions about our products.

You will receive a Product Disclosure Statement (PDS) which serves the same purpose for insurance products including your policy terms and conditions.

Terms and conditions will also be provided to you before taking out other products including Home Loans, Personal Loans, Car Loans, Credit Card and Overdraft Facilities.

Our Products and Services

We are licensed by the Australian Securities and Investments Commission (ASIC) to advise on and deal in a range of products:

- Savings Accounts: basic S1 Easy Access savings account and other specialist accounts;
- Payment Services: Direct Debit, Periodic Payments, Redidial, Visa Debit Card, BPAY® and Internet Banking.
- Investment Accounts: from 3 months to 60 months;
- Insurance: general insurance (home/contents, travel, landlord, motor vehicle) and consumer credit (loan repayment) insurance.

We are the product issuer for all products other than insurance products.

Our Credit facilities

We also provide a range of credit facilities. Please refer to our separate product brochures for further information.

Our business partners and commissions

Insurance

Insurer	Product	Commission Per Policy
Allianz Australia LTD	Motor Prestige Insurance	10%
	Marine & Caravan Vehicle Insurance	10%
Allianz Australia LTD	Motor Classic Vehicle Insurance	5%
	(CTP) Greenslip	5%
Allianz Australia LTD	Home & Contents Insurance	18%
	Landlords Insurance	18%
Allianz Australia LTD [#]	Travel Insurance	30%
Allianz Australia Life Insurance Limited~	Life Insurance	10%
AIG Australia	Personal Injury Cover	20% of premium
QBE Insurance (Australia) Limited Group*	Credit Protect Insurance	20%
	Mortgage Protect Insurance	20%
	Continuing Credit Insurance	20%
St Andrews Insurance	Term Life and Accidental Death Insurance	20%

#We have been authorised by the licensee AGA Assistance Australia Pty Limited AFSL 245631, a company of the Allianz Global Assistance Group, to arrange travel insurance which is underwritten by Allianz Australia Insurance Limited AFSL 234708.

~ Life Insurance is underwritten by Allianz Australia Life Insurance Limited ABN 27 076 033 782, AFS License No. 269559. We receive up to 10% commission based on the premium paid for each policy, and up to 10% for renewals.

** We can issue, vary, renew or cancel Consumer Credit insurance policies on behalf of QBE Insurance (Australia) Limited. ABN: 78 003 191 035 AFSL: 239545 and Integrity Life (Australia) Limited. ABN: 83 089 981 073 AFSL: 245492 under a binder authority, and receive up to 20% commission based on the premium paid for each policy.*

Payment Services Travelex Ltd

We provide foreign currency through Travelex Ltd. We receive commission equal to 1% to the value issued to you inclusive of GST (\$10.00 minimum). Please refer to Schedule of Fees and Charges brochure for more information.

Payment Services Western Union Business Solutions

We provide Drafts, Telegraphic Transfers, International Inward Funds and International Cheque Deposits through Western Union Business Solutions. Refer to the Schedule of Fees and Charges brochure for more information. Please note that Telegraphic Transfers are sent via a network of correspondent banks, which sometimes levy a small handling charge on your payment. Any such fees, and payment delays are out of our control.

Western Union (Ireland) Limited

We provide Western Union Money in Minutes through Western Union Network (Ireland) Limited. We receive commission equal to 20% of the sender fee received on transactions both sent and paid at a Bank of Heritage Isle Branch, and a 20% share of any net foreign exchange gains earned on transactions performed by Bank of Heritage Isle. Please refer to the Schedule of Fees and Charges brochure for more information on fees, and refer to our website to obtain the full product Terms and Conditions.

Access Pre-Paid Australia Pty Ltd

We provide Cash Passport through Access Pre-Paid Australia Pty Ltd. We receive commission equal to 1% to the value issued to you inclusive of GST (\$10.00 minimum). Please refer to the Schedule of Fees and Charges brochure for more information

BPAY

We receive commission from BPAY on Visa credit transactions of .27% dollar value of each transaction plus \$0.32 of the payment per transaction and on debit transactions we receive \$0.44 payment per transaction. For each individual BPAY View transaction we receive a delivery fee of \$0.04.

Bridges Financial Services

We may receive referral commission ranging from 0% to 30% of any fee you pay to Bridges Financial Services Pty Ltd plus an incentive payment (which will not increase the amount you pay Bridges or us). Staff may receive an incentive (worth up to \$50) if they refer you to Bridges and you take out a financial plan

Visa

We also receive commission from Visa International on card transactions in the range of .12% to .57% of the relevant transaction amount.

Who we act for and when we are paid

When providing these products to you we are acting on behalf of our business partners and not as your agent. All commissions are paid to us by our business partners when you take out or use the product or service.

The Bank, as a mutual organisation, is bound to act in the interest of its Members. Our Members are our owners. We provide good value products and services to Members. We usually only have one provider of each product or service as set out in this FSG. Commission income and staff incentives are designed to serve Members by promoting Member satisfaction and commercial viability - they should never undermine the quality of the advice and service we provide.

Our fees and other rewards

We charge the service fees applicable to our products and services as set out in our Schedule of Fees and Charges brochure (available on our website, at our Branches and upon request).

We pay staff a salary and run incentive schemes linked to sales of insurance, loans or other products. Staff may then receive, as a small proportion of overall remuneration, a monthly bonus or an occasional non-monetary benefit such as a pre-paid holiday or gift voucher.

What to do if you have a complaint

Firstly, contact a Member Service Officer (see back page for contact details). If you need further assistance, you can use our internal dispute resolution service (see our Complaints Handling & Dispute Resolution Guide for details).

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

2. About your Financial Services Guide

Savings, Investment Accounts and Payment Facilities

Your Financial Services Guide is designed to help you make an informed decision on whether to use our products. It includes product information and terms and conditions. You should also read our:

- Product brochure including a product summary and terms and conditions (this document);
- Schedule of Fees and Charges detailing costs related to each product and service;

- Interest Rate Brochure listing current rates for savings and investment products.

You will also receive Access Methods Terms and Conditions for BPAY, Redidial, Internet Banking, Visa Debit Card, Redicard and Member Chequing.

Details on our rules, constitution and how to join are available on request.

Member Care Statement

Please read the Terms and Conditions for our products carefully before making decisions. Always retain a copy of the Terms and Conditions or a FSG for future reference. Each relevant provision of the Customer Owned Banking Code of Practice will apply to your accounts and payment facilities.

These Terms and Conditions need to be read with other applicable terms and conditions of use for specific products and the relevant codes that apply. If you are in any doubt, please call us on 134 374 and talk to one of our Member Services Officers.

Our Identity

We are a Mutual Bank. Our central governing document is our Constitution which sets out our major rules that govern how we operate as a Bank. We are a Member of Cuscal Limited. We are also a corporation and as such, we are subject to the Corporations Act and regulated by the Australian Securities and Investment Commission (ASIC) along with the Australian Prudential Regulation Authority (APRA).

As a Mutual, we have adopted the Customer Owned Banking Code of Practice (COBCOP) as a set of standards or promises that relates to all our dealings with you. For more information about COBCOP - please visit our website www.policebank.com.au (www.borderbank.com.au for Border Bank Members and www.heritageisle.com.au for Bank of Heritage Isle Members).

Other Important Information

You can confirm the opening or closing of any account or payment facility by calling us on 134 374 and requesting written confirmation.

3. Basic Banking Products Summaries

3.1 Savings Accounts

Our Savings Accounts are designed to cater for all your access and transaction needs. You can choose one account for all your needs or use a combination of accounts for budgeting and cash management.

Product Benefits

- Your S1 account is a basic transaction account;
- You can use all of our payment facilities on your S1 account including debit card, cheques, Internet Banking, Phone Banking and Bank@Post;
- We have special purpose accounts to help you budget and make bill payments;

- We have other accounts that provide higher rates of interest plus at call access to your funds eg. our Online SuperSaver Account and Bonus Saver Account;
- Interest is calculated daily and paid to your account twice yearly on most accounts;
- For current Interest Rates please refer to our website (see back page for details).

Fees and Charges

- No monthly or annual account keeping fees apply;
- Transaction fees may apply to your payment facilities and other services. Transaction charges in excess of any monthly allowances benefit will be debited to your account on the last day of the month in which the fees were incurred;
- Reduced Fees Program - you can minimise (or even avoid) transaction fees and charges, (see our Schedule of Fees and Charges and the Reduced Fees Program brochure for details);
- A Dormancy Fee applies if you do not use an account for 3 years (see our Schedule of Fees and Charges for details).

Things to Remember

- Your money earns a lower rate of interest in a savings account than in a term deposit;
- Market interest rates may rise or fall for each of these savings account products;
- Withdrawal and deposit restrictions apply to some higher interest bearing accounts. See our Product Profiles (page 5-8) for more details on your Savings Accounts;
- Online SuperSaver Accounts can only be operated via Internet Banking and Redidial Telephone Banking.

3.2 Payment Facilities

We have a range of payment facilities to help you with your bill payments, income and other payment needs:

- Visa Debit Card - a debit card you can use for cash withdrawals and EFTPOS transactions*;
- Redicard - a debit card you can use for cash withdrawals and EFTPOS transactions*;
- Internet banking- giving you internet access to your account information and payment facilities*;
- Redidial - our phone banking service offering access to your account information and payment facilities*;
- Direct Debit - the facility to make direct debit payments on your savings accounts;
- Periodical Payment - the facility to make set periodical payments;
- Direct Transfer - a once only electronic funds transfer;

- Direct Credit - for your wages or other income from your employer or other payer;
- Cheque Facility - giving you the convenience of cheque book payments;
- BPAY - for your bill payments with access to the BPAY system*.
- PayAnyone - our facility that allows you to make payments to a mobile number or email address*.

** For these products PayAnyone Terms and Conditions will be provided on application or request.*

You can establish any payment facility on your S1 account. You can set up some payment facilities on other accounts.

Fees and Charges

- Transaction fees may apply to your payment facilities and other services;
- Fees may also apply where you have a payment dishonoured or request a stop payment;
- We are also paid commission on BPAY and Visa transactions;
- See our Schedule of Fees and Charges for details;
- Third parties may also impose a surcharge on electronic transactions.

Things to Remember

- Always maintain sufficient funds in your accounts to cover payments you wish to make;
- Redicard and Visa debit card facilities have set electronic limits to a maximum of \$1000 per day per card;
- Always protect your PIN for Visa or Redicards and passwords for Internet Banking and Redidial. Do not reveal PINs or passwords to anyone;
- Always report any breach of security or misuse of a payment service by calling us immediately on 134 374;
- If you unreasonably delay notifying us, your possible loss as a result of unauthorised transactions on your account(s) may increase;
- If not properly safeguarded, your Member cheques may be the subject of unauthorised use or alteration for which you may be liable;
- Although we take all precautions with respect to electronic transactions, the security of electronic funds transfer transactions can never be guaranteed (particularly in electronic mediums such as the internet, there is always a risk of interception of data by a rogue or hacker);
- See our Product Profiles (page 5-8) for more details on your Payment Facilities.

3.3 Investment Accounts

We have a range of investment accounts to earn you interest on your savings at a fixed rate over a range of terms to suit you. If you want regular income, we

can pay you interest fortnightly or monthly. Other accounts pay you interest quarterly, twice yearly, yearly or on maturity;

We have a wide range of accounts - so it's up to you to choose the one that suits your needs;

Our Edvest range (available to Members who are 45 years or over) can offer you a higher rate of interest and more regular interest payments.

Investment Accounts

- We offer investment term deposits from 3 months to 60 months;
- Minimum deposit balance and term requirements apply.
- Interest Rates
- We offer different rates of interest for each investment account;
- Generally, the longer the term you choose, the higher the rate of interest we pay;
- We also have targeted short-term accounts with high rates of interest;
- For current Interest Rates please refer to our website (see back page for details).

Product Benefits

- Your interest rate is fixed for the term of the investment account;
- There are no account keeping fees payable on any investment account products;
- Interest is calculated daily and paid at maturity or during the term as you choose.

Things to Remember

- Market interest rates may rise or fall over the term of the investment. This should be taken into consideration and can affect the rate you receive if you roll-over your investment;
- If you withdraw your investment before the end of the term, you will be paid a reduced rate of interest;
- The amount on deposit in an Investment Account can only be increased on Maturity.

See our Product Profiles (page 5) for more details on your Investment Accounts.

We may offer Special Investment Accounts from time to time. Details are available on our website (see back page for details).

Tax Implications - Savings and Investment Accounts

Please note:

- Interest earned on your Savings or Investment Account must be declared for income tax purposes;
- If you do not provide us with your tax file number, we will deduct tax from your interest earned at the highest personal income tax rate

Product Profiles - Savings Accounts and Payment Facilities

Savings Accounts	S1 Easy Access	S2 Budget Manager	S3 Christmas Club	S5 Pension Maximiser
Your Savings Account Features	Your day to day savings account for all your basic banking needs. Your funds are at call and earn daily interest. You can access your money by card or cheque, set up bill payments and use internet or phone banking.	This is a special purpose savings account to help you set aside money for purchases, bills or holidays. Your funds are at call and earn daily interest. You can set up bill payments and direct entries and use internet and phone banking on this account.	This is a higher interest earning savings account to help you finance your Christmas spending. Internet and phone banking are available on this account.	An account designed for pensioners and retirees.
Minimum Balance	\$0	\$0	\$0	\$0
When we pay you interest	Twice a year: on 30/6 and 31/12	Twice a year: on 30/6 and 31/12	Once a year: on 31/10 unless you close your account early, when we will pay interest on the day you close your account.	Twice a year: on 30/6 and 31/12

Accessing your money - Making payments and account information

Savings Accounts	S1 Easy Access	S2 Budget Manager	S3 Christmas Club	S5 Pension Maximiser
Visa Card	✓			
Redicard	✓			
Internet Banking	✓	✓	✓	✓
Redidial	✓	✓	✓	✓
Direct Debit	✓	✓		✓
Periodical Payment	✓	✓		✓
Electronic Transfer	✓	✓	✓	✓
Direct Credit	✓	✓	✓	✓
Overdraft	✓			
Cheque Facility	✓			
BPAY	✓	✓		✓
ATM/Eftpos	✓			
Bank@Post	✓			
Special Conditions			Withdrawals made during the period 1/1 to 31/10 each year are subject to a withdrawal fee.	This account is only available to Individual Members. No business accounts are allowed for this product.

Product Profiles - Savings Accounts and Payment Facilities *(Continued)*

Savings Accounts	S6 Insurance Saver	S8 Online SuperSaver	S10 Savings Plus	S11 Safeguard
Your Savings Account Features	This is a special purpose savings account you can use to set aside money for insurance payments. Internet and phone banking are available. Direct debits can be set up for your payments.	Do all your banking online. This savings account allows you to conduct all your banking online and earn a higher rate of interest.	You can use this high interest rate savings account to earn more on your money. You still have at call access to your money. However, you do not have debit card access to your funds. Internet and phone banking services available on this account.	This is a special purpose savings account to help you avoid exception fees such as Overdrawn Service fee and Dishonour fees. Your funds are at call and earn daily interest. You can set up bill payments and direct entries and use internet and phone banking on this account. A Redicard is available to access your funds.
Minimum Balance	\$0	\$0	\$0	\$0
When we pay you interest	Twice a year: on 30/6 and 31/12	Quarterly: on 31/3, 30/6, 30/9 and 31/12 each year	Twice a year: on 30/6 and 31/12	Twice a year: on 30/6 and 31/12

Accessing your money - Making payments and account information

Savings Accounts	S6 Insurance Saver	S8 Online SuperSaver	S10 Savings Plus	S11 Safeguard
Visa Card				
Redicard				✓
Internet Banking		✓	✓	✓
Redidial		✓	✓	✓
Direct Debit	✓ insurance only	✓	✓	
Periodical Payment		✓	✓	✓
Electronic Transfer		✓	✓	✓
Direct Credit	✓	✓		✓
Overdraft				
Cheque Facility				
BPAY		✓		✓
ATM/Eftpos				✓
Bank@Post				✓
Special Conditions	This account is only available for the payment of insurance premiums.	Accessible only through internet banking and Redidial. No card or cheque access. This account is not available for business accounts, only individual members.		Direct Debits, Member Chequing and Visa Cards are not available for this product. Account can not become overdrawn at any time.

Product Profiles - Savings Accounts and Payment Facilities (Continued)

Savings Accounts	S15 Market Linked	S17 Retirement Plus	S21 Edvest Redifund Plus
Your Savings Account Features	This is our top interest bearing savings account (non-Edvest). Minimum balance, deposit and withdrawal limits apply. You do not have debit card access to your funds. Internet and phone banking services are available on this account.	An account designed for pensioners and retirees.	Edvest Members (Over 45yrs) enjoy a bonus rate above our S15 Market Linked Account. Minimum balance, deposit and withdrawal limits apply. Interest is paid Quarterly. You do not have debit card access to your funds. Internet and phone banking services are available on this account.
Minimum Balance	\$5,000	\$0	\$5,000
When we pay you interest	Twice a year: on 30/6 and 31/12	Twice a year: on 30/6 and 31/12	Quarterly: on 31/3, 30/6, 30/9 and 31/12 each year

Accessing your money - Making payments and account information

Savings Accounts	S15 Market Linked	S17 Retirement Plus	S21 Edvest Redifund Plus
Visa Card			
Redicard			
Internet Banking	✓	✓	✓
Redidial	✓	✓	✓
Direct Debit	✓	✓	✓
Periodical Payment	✓	✓	✓
Electronic Transfer	✓	✓	✓
Direct Credit	✓	✓	✓
Overdraft			
Cheque Facility			
BPAY	✓	✓	✓
ATM/Eftpos			
Bank@Post			
Special Conditions	The minimum deposit and withdrawal amount is \$500. No withdrawals are allowed for up to 7 days after deposit.	This account is only available to Individual Members. No business accounts are allowed for this product.	Only available to Edvest Members. The minimum deposit and withdrawal amount is \$500. No withdrawals are allowed for up to 7 days after deposit.

Product Profiles - Savings Accounts and Payment Facilities (Continued)

Savings Accounts	S23 Bonus Saver	S24 Dynamo/Flex Account	S26 Mortgage Offset
Your Savings Account Features	This is a special purpose savings account created to enable you to earn extra interest if you do not withdraw funds. Funds are available at call. You can use Internet and Redidial Phone Banking on the account.	This is a special purpose children's savings account created to enable children to earn extra interest if they do not withdraw funds. Funds are available at call. You can use Internet and Redidial Phone Banking on the account.	This is a special purpose savings account created to help reduce the interest you pay on your mortgage. Funds are available at call. You can set up bill payments and use internet and phone banking on this account.
Minimum Balance	\$100	\$0	\$0
When we pay you interest	Monthly. Bonus Interest rate applies if no withdrawals and a minimum deposit of \$100 are made within a month	Monthly. Bonus Interest rate applies if no withdrawals and a minimum deposit of \$20 are made within a month	No interest is payable for this product

Accessing your money - Making payments and account information

Savings Accounts	S23 Bonus Saver	S24 Dynamo/Flex Account	S26 Mortgage Offset
Visa Card			
Redicard			
Internet Banking	✓	✓	✓
Redidial	✓	✓	✓
Direct Debit			✓
Periodical Payment			✓
Electronic Transfer			✓
Direct Credit	✓	✓	✓
Overdraft			
Cheque Facility			
BPAY			✓
ATM/Eftpos			
Bank@Post			
Special Conditions	Minimum of \$100 to be deposited each month in order to achieve bonus interest. If a withdrawal is made in a month then no bonus interest will be paid.	Minimum of \$20 to be deposited each month in order to achieve bonus interest. If a withdrawal is made in a month then no bonus interest will be paid. The account will automatically transfer to a Bonus Saver Account (S23) when the member turns 18 years.	Only available with nominated home loans with us.

Product Profiles - Investment Accounts

Term Deposits	I1	I2	I3	I5	I10	I12	I24	I25	I29	I31	I32	I33	I52	I53	I54	I55
Length of Term (months)	3	3	3	3	6	12	12	6	24	36	48	60	24	36	48	60
Minimum and Maximum Deposit (\$)	1,000 9,999	1,000 9,999	10,000 +													

Product Features for Investment Accounts - All Members

We have designed a range of Investment Accounts to allow you to choose the term, interest rate and interest payment frequency that suits you.

You can choose to have interest paid monthly, twice a year, annually or simply at the end of the term (at maturity).

Interest rates are fixed over the term of your deposit. For interest rates for new deposits see our Interest Rates Brochure available at all Branches and on our website.

No fees are payable on any Investment accounts. Please note: Investments of over \$200,000 are accepted subject to confirmation.

When we pay you interest

At maturity	✓			✓		✓			✓							
Monthly		✓	✓		✓			✓					✓	✓	✓	✓
Annually						✓										
Six monthly									✓	✓	✓	✓				

Things you should know about Investment Accounts

How would you like interest to be paid? We can pay you your interest by transfer to an external account or payment to a Police Bank account nominated by you. If we pay you interest at maturity, we can also pay interest by re-investing with a further deposit.

Reduced Interest - If you withdraw your deposit before the end of the agreed term, then we will pay a reduced rate of interest from the date of deposit to the date of withdrawal. Please note: if we have paid you interest during the term and that amount exceeds the reduced interest payable, then we will deduct the difference from your deposit.

Product Profiles - Edvest Accounts

Edvest Term Deposits	14	122	123	145	146	147	148	149	151	158
Length of Term (months)	3	12	6	6	12	18	24	36	3	24
Minimum and Maximum Deposit (\$)	10,000 +	1,000 +	1,000 +	5,000 +	5,000 +	5,000 +	5,000 +	5,000 +	1,000 +	10,000 +

Product Features for Edvest Accounts - for eligible members 45 years and over

We have designed a range of Investment Accounts to allow you to choose the term, interest rate and interest payment frequency that suits you.

You can choose to have interest paid fortnightly, twice a year, annually or simply at the end of the term (at maturity).

Interest rates are fixed over the term of your deposit. For interest rates for new deposits see our Interest Rates Brochure available at all Branches and the Bank's website. No fees are payable on any Edvest Investment Accounts.

Please note: Investments of over \$200,000 are accepted subject to confirmation.

When we pay you interest

At maturity	✓	✓	✓						✓	
Annually		✓								
Six monthly										✓
Fortnightly				✓	✓	✓	✓	✓		

4. Membership

If you wish to open an account with us, you first need to become a Member of the Bank.

You may then apply to open Savings Accounts with us (either on your own or with others) and apply for our account products to assist you in banking with us.

We then consider your account and/or account product application and if approved, provide the account(s) and/or account product(s) to you. You must be a Member before we are able to do any banking business with you.

Identification

We must verify your identity when you open a new savings or investment account or become a signatory to an account. We will need to see identification whenever you contact us to process a transaction on your account.

When you join the Bank, we need to obtain documentary proof of your identity or a statement from an acceptable "Certifier" who has seen and verified your identification documents.

We must do this under the Anti Money Laundering and Counter Terrorism Financing Act (AML/CTF) to help prevent people from using the financial system for tax evasion, money laundering and terrorism financing. We support this nationwide effort to fight crime and will do everything we can to make these procedures as smooth as possible for Members.

Identity Checks

To prove your identity to the Bank you must supply the Bank with relevant identification documents. A list of the required documents can be obtained from the Bank. Member's personal information may be provided to a third party for the purpose of verifying your details to meet the compliance obligations under the AML/CTF Act legislative requirements.

Statement from Certifier

After sighting your required identification documents, an acceptable certifier can sign a statement to prove your identity. We will give you a form for this purpose.

Judges of a Court, Magistrates, Chief Executive Officer of a Commonwealth Court, a Notary Public, a Police Officer, an Agent of Australia Post, a permanent employee of Australia Post (with 2 or more years of continuous service), a Registrar or Deputy Registrar of a Court, a Justice of the Peace and a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years continuous service are all acceptable certifiers.

Joint Membership

All new Memberships must be 'single'; i.e. in the name of one person.

If you want to have a joint account, each individual Member must join together with another Member to open a joint account.

Please note: all existing joint Memberships continue in the same manner as they did before these terms and conditions came into effect.

Trust

Under a trust, a Membership is opened in your name but you hold the Membership account for someone else.

You can open any type of account in a trust Membership as a trust account.

The same terms and conditions apply to trust accounts as for other accounts.

When a trust Membership is opened:

- We need to see any supporting documentation (e.g. for a deceased estate, the will and death certificate);
- We may need to collect additional information about relevant parties (i.e. the trustee and the beneficiary);

Children

When you open any account for a child:

- We need to identify the child with appropriate identification;
- For children 12 years of age and under, the account is opened in the child's name, however, the adult concerned is the Authority to Operate and accepts responsibility for any legal issue that may arise due to the account being opened in the child's name, providing an indemnity;
- A child 12 years of age and under may be an Authority to Operate on the account in their name, providing they have the permission of the adult concerned and can register an acceptable signature;
- A child 12 years of age and under may be issued with a Visa Debit Card to their account in their name, provided they have been given permission to be an Authority to Operate on the account by the adult concerned. A Visa Debit Card can be issued in the name of the parent or guardian acting as Authority to Operate at any time;
- A child 13 years and over can open and personally operate their account, including obtaining access to a Visa Debit Card;

A child 13 years and over can appoint or remove an Authority to Operate on their account.

Companies, Associations and Clubs

- Membership is open to organisations including:
- Companies;

- Incorporated associations;
- Social clubs.

Organisations can open most accounts, subject to these conditions:

- We need to identify the organisation and the individuals authorised to sign documents for the organisation;
- We need to see documents confirming the appointment of the individuals authorised to sign documents for the organisation.

Financial Difficulties

Always contact us promptly if you ever need help with a financial difficulty especially if you have an overdraft or a loan. We will always take reasonable steps to help Members who are finding it difficult to repay loans. We can look at options to reduce your payments or extend your loan term. The earlier you contact us, the sooner we can help.

5. General Terms and Conditions for Savings Accounts, Investment Accounts and Payment Services

5.1 Authorised Signatories

General

You can authorise a person to operate your accounts. This person is your "authorised signatory".

The authorised signatory or signatories to the account can act fully and effectively in all dealings, matters and transactions in respect of the account(s) except the application for a loan; or credit facility or a redraw from a loan account.

A signatory has the authority to do the following:

- Carry out withdrawals on the account, for any purpose, including signing cheques;
- Make enquiries about account balances and transactions on the account, including any debit balance or available credit on a transactional (Continuing Credit Facility) account.

A signatory DOES NOT have the authority to:

- Change any of the signatory authorisations on the account;
- Give a 3rd party access or authority to operate on the account;
- Make enquiries about loan account balances or available credit on a loan account (except for transactional Continuing Credit Facility accounts);
- Change contact details for the owner of the account, including the mailing address for statements, or close the account.

Appointing an Authorised Signatory

For you to appoint an authorised signatory you need to:

- Read these terms and conditions and related brochures;
- Complete the application form;
- Both you and the authorised signatory read and sign the declaration on the application form;
- Give the completed and signed application form to us;
- Give us your authorised signatory's identification documents to satisfy the legal requirements we may have to comply with.

You are liable to pay for (or to repay) any credit provided to any person authorised to operate on your account(s). Your account(s) will be debited with all transactions made on your account by a person authorised to operate on your account(s). Accordingly, you are responsible for all these transactions as if you had made them yourself.

Terminating the appointment of your authorised signatory

An Authority to Operate will operate until we receive written notice of cancellation or notice of death of the person granting the authority and that notice has been processed by us. Notice of cancellation must be signed by all surviving account holders. We may require a new Authority to Operate before we allow further operation on the account.

If there is a dispute notified to us about an Authority to Operate or the owner of an account, we may refuse to allow operation of the account until all parties concerned have signed the necessary authority. We are not liable for any loss or damage caused by any delay in processing a cancellation of an Authority to Operate.

Any cards issued as an additional card holder should be returned for cancellation or written instruction by you to cancel the card. You must arrange to cancel all regular payment arrangements and standing authorities with merchants operating on the additional card. Failure to do this could result in your liability for any use.

5.2 Joint Accounts

General

If you open a joint account:

- The credit balance of a joint account is held jointly by all account holders;
- Each account holder has the right to all of the balance, jointly with the other account holders;
- A joint account holder may only make a withdrawal on the terms of any authority to operate on the account;
- If there is any dispute between joint account

holders, we may decide to only permit operation on the account when all parties have signed the necessary authority;

- If a joint account holder dies, the remaining account holder holds the credit balance and if more than one, those remaining account holders hold the credit balance jointly;
- Each joint account holder is liable for the whole of any debit balance on the account;
- We can sue all or any account holder(s) for an amount owing on the account.

Reduced Fees Program

The first named Member in a joint account application will be the primary joint account holder. Every other Member in the joint account will be a secondary joint account holder.

The Reduced Fees Program are assessed on a calendar monthly basis. Individual and primary joint account holders qualify for the Reduced Fees Program where the combined balances of all savings, investments and drawn loans within the one membership only are kept over \$5,000 for the whole calendar month. Secondary joint account holders qualify for the Reduced Fees Program for transactions on the joint S1 account or where the combined balances of any of your individual accounts are kept over \$5,000 for the whole calendar month.

Transactions conducted using the Visa Credit Card do not count towards the Reduced Fees Program. The Reduced Fees Program do not apply to fees for ATM balance inquiries, Visa Cash advances, overseas ATM withdrawals or any drawn loan balance from a Bank of Heritage Isle AMS securitised mortgage, Equity Maximiser Loans, Leasing account, Online SuperSaver balance, Police Value Home Loans or Customs Value Home Loans approved before 1st July 2011. For more information about the Reduced Fees Program, please see our Schedule of Fees & Charges.

How to open a Joint Account

Where you wish to open an account with us, together with another Member or Members, you will need to:

- Ensure that everyone who is to be an account holder in the joint account is a Member of the Bank;
- Where anyone is not a Member, then that person will need to complete a Membership application form before you may proceed to open a joint account;
- Read and have the other Members read these Terms and Conditions and the related brochures;
- Choose who is to be the primary joint account holder. All other joint account holders are secondary joint account holders. You need to choose carefully as the balance of your joint

account benefits only the primary joint account holder when we determine the Reduced Fees Program;

- Complete the application form;
- Consider when completing the application form the operational status of the joint account i.e., if all of you need to sign our transaction documents, or that one of two or more signatures only are required. Please note that if you require more than one signature on a joint account transaction document, then we will not be able to provide you with some of our products e.g., Visa Card, Redicard, Redidial;
- Read and sign and have the other Members read and sign the Declaration on the application form;
- Submit the completed and signed application form to us;
- If you or the other Members have not already done so, give us your or the other Members' identification documents to satisfy the legal requirements we may have to comply with;
- If you or the other Members have not already done so, give us your or the other Members' tax file number, if you or the other Members do not want us to deduct withholding tax from any interest earned on what you or the other Members have deposited in the joint account;
- Select any of the account products.

Operational Status of Joint Accounts

When you open your joint account, you choose the operational status for that account, such as:

- Only one person is required to sign our transaction documents;
- If there are more than two joint account holders, a minimum number of persons required to sign our transaction documents;
- All joint account holders are required to sign our transaction documents.

Any changes to the operational status of a joint account are subject to limitations, which arise due to certain account products you hold with the joint account. For example, we are not able to change the operational status where in a joint account there are several cards issued, until the cards are returned to us, or they become non-operational through written confirmation from our card operator that no transactions can be carried out on those cards.

Online SuperSaver Accounts

You must apply on-line for this account. For joint Memberships, any individual joint Member can accept the terms and conditions on behalf of all joint Members. Once the "I/We accept" button is clicked in the internet banking system, the FSG is binding on all joint Members.

Changes to your Account Details

For any change you will need to complete the Membership and Product Application form or the Change of Personal Details form. On receipt of the completed form we will check our records and clarify the current operational status of the joint account, and amend the account(s) accordingly.

5.3 Making Deposits**Depositing into an Account - Means of depositing with us**

- You may deposit money with us in these ways:
- Over the counter at one of our Branches;
- By post to one of our Branches;
- Bank@Post (see below);
- By a payment service/direct credit;
- By Internet Banking transfer to your account;
- By Telephone Banking transfer to your account through Redidial;
- Through an ATM which accepts deposits to us.

Visit our Branch

When you (or someone on your behalf) visit a Branch to transact we will need to see identification. When the transaction has been completed, a receipt will be issued.

Deposit by post

We recommend that you use the option to send us a deposit by post as a last resort, where the other options are not available to you.

We are only responsible for the deposit when it has been received by us.

We further recommend the post option chosen by you should be one where Australia Post can confirm we have received your letter and deposit.

We recommend that you should check with us after putting the deposit in the post to confirm that we have received and processed your deposit.

You must never send cash through the post, and only send crossed cheques/money orders of small amounts in the post to us.

If you do not have one of our deposit slips, then we will need, in addition to your cheque/money order, a letter in clear and precise terms instructing us where to deposit your cheque/money order. Without the deposit slip or letter, we will not be able to process your deposit.

We do not send you a receipt for the deposit by post and the first document you will receive from us acknowledging your deposit will be the next statement we issue to you after that deposit.

Deposit Using Bank@Post

Make deposits into your S1 account using Bank@Post, a service available at over 3,300 Australian

Post Branches. A daily deposit limit of \$200,000 applies. Cheques made out in joint names will not be accepted for deposit through Bank@Post.

Direct Credit

This is an arrangement with a direct credit supplier, who deposits money into your account with us by electronic transfer.

We do not have control over that deposit and we do not provide a receipt, when the deposit has been made by the direct credit supplier.

We recommend that you check with us to confirm the direct credit supplier has made the deposit to your account when anticipated by you.

If the deposit has not been made, you will need to talk to the direct credit supplier.

The first document you will receive from us acknowledging the direct credit supplier's deposit will be the next statement we issue to you after that deposit.

Internet Banking deposit

We normally issue you with an electronic receipt for the transaction.

We advise you that special Terms and Conditions apply to your Internet Banking, so we recommend you visit our website www.heritageisle.com.au (for Bank of Heritage Isle details refer to back page) and become familiar with those Terms and Conditions and our Internet Banking procedures.

Unintended Recipient

Where it is established that a credit transfer has been processed to your account, and we are notified that a mistaken payment has been made to your account, we may freeze the amount in question until we are satisfied that there has been no error.

Redidial deposit

When you have access to your account(s) through our Telephone Banking service, Redidial, it is possible for you to transfer money between your accounts within the same Membership with us using Redidial.

We normally issue you with an electronic receipt for the transaction.

We advise you that Access Methods Terms and Conditions apply to your Telephone Banking through Redidial. We recommend that if you do not have those Terms and Conditions, please call us on 134 374 and have us send you a copy.

ATM deposit

Where there is an Automatic Teller Machine (ATM) which accepts deposits to your S1 account, you may complete a deposit package and complete the deposit in accordance with the directions from the ATM.

We recommend that you should check with us after putting the deposit into the ATM to confirm that we have received and processed your deposit.

We do not send you a receipt for the ATM deposit. The first document you receive from us acknowledging your deposit will be the next statement we issue to you after that deposit.

Types of Deposits and their Availability to You

There are three ways to deposit money with us:

- Cash;
- Cheque;
- Electronic transfer.

Cash

When you deposit cash in your account with us at one of our Branches, that deposit is available for withdrawal immediately after we have processed that deposit.

Cheque - Australian Cheques

When you deposit money in your account with us by way of cheque, then prior to us accepting the cheque we will need to:

- Check that you are the payee nominated in the cheque.
- If you are not the payee nominated in the cheque, then we will need to review the cheque and determine whether or not we will accept the cheque for deposit of the amount stated in that cheque into your account with us.

We will have one of our Managers look at any assignment of the cheque from the nominated payee to you and in that situation, we will need to be satisfied that:

- The cheque is capable of being assigned, that is, it must be an 'or bearer' cheque;
- The nominated payee has actually signed the assignment on the cheque. If we are not satisfied with the assignment of the cheque, then we will not accept the cheque for deposit of the amount stated in that cheque into your account with us;
- The cheque has been properly dated and signed;
- That the amount stated in the cheque is the same in words and numbers;
- We will not accept post dated cheques (i.e. a cheque dated after the date it is deposited); or stale cheques (i.e. a cheque that is more than 12 months old on the date it is deposited);
- If we are not satisfied with any aspect of how the cheque has been completed, then we will not accept the cheque for deposit of the amount stated in that cheque into your account with us.

Where we are not satisfied we will return the cheque to you with a recommendation that you take it back to the drawer or assignor of the cheque.

Where we are satisfied with the cheque, we will:

Note the deposit of the cheque with us in your account;

- Note in your account that the proceeds of the cheque is not available until the cheque has cleared, which for other than ATM deposits, is normally for 4 working days after the date of initial deposit of the cheque with us. For ATM deposits cheques are not cleared for a period of 8 days after deposit at the ATM;
- Advise you that the amount stated in the cheque will not be available for withdrawal until the cheque has cleared and that the clearance time is normally 4 working days after the date of the initial deposit of the cheque with us. Cheques deposited via Bank@Post will be cleared after 7 working days;
- When the cheque has cleared, we will remove the restriction on withdrawal of the amount stated in the cheque from your account. We do not notify you of the removal of that restriction;
- Where the cheque is not cleared and we are told that the amount stated in the cheque will not be paid to us, we will show that cheque as dishonoured in your account. We will then notify you that the cheque has been dishonoured and recommend that you talk to the drawer, or assignor of the cheque.

When a cheque is dishonoured we charge a fee for that dishonour and that fee is debited from the account the cheque was deposited into. We refer you to our Schedule of Fees and Charges for the amount of the fee.

- When we refer to a cheque being cleared we mean that:
- The cheque you have provided to us has been processed through the banking system;
- The amount stated in that cheque has been provided to us by the bank named in that cheque;
- We have paid that amount to your account, which enables us to remove the restriction on you withdrawing part or all of that amount.

Overseas Cheques

The procedure for processing Australian cheques applies subject to the following variations:

- We consult our bank whether they will accept the cheque and provide a currency conversion or require the cheque be processed through the international banking system before currency conversion;
- If our bank accepts the cheque when presented by us, they will convert the cheque to Australian currency. Subject to clearance of the cheque we then deposit that amount of Australian currency to your account. If the cheque is dishonoured and there has been a variation in the currency conversion rate, you will be liable for any loss

incurred by us and our bank due to that variation and any dishonour fee associated with the cheque;

- If our bank does not accept the cheque when presented by us, they will have the cheque processed through the international banking system. When the cheque has been cleared, our bank will receive the value on the cheque, convert that value to Australian currency and we then credit your account with the amount in Australian currency.

The minimum clearance times for overseas cheques are:

- Where the cheque is accepted by our bank, 42 days;
- Where the cheque is not accepted by our bank, the time varies depending upon a number of factors, including the country of the bank the cheque is drawn on.

Electronic Transfer

You may deposit money into your account with us by electronic means, for example through our Internet Banking system.

Where you have carried out an electronic transfer into your account, the funds from that transfer are available for withdrawal as soon as the transaction has been completed through the electronic banking system.

As we do not have control over other financial institutions, we are not able to advise you of the time it will take to complete the electronic transfer.

We recommend that you check your account after the electronic transfer to confirm the completion of the transaction and the availability of the funds from that electronic transfer for any other purpose you may have.

5.4 Making Withdrawals

There are three main ways to withdraw money from us:

- Cash;
- Cheque;
- Electronic transfer (see 'Making Payments').

Cash

When you have money available in your account, you may come to one of our Branches and withdraw:

- Up to \$2,000 in cash per day;
- Over \$2,000 by prior arrangement;
- Maximum \$50,000;
- Amounts over \$25,000 incur a cash handling fee (see Schedule of Fees and Charges brochure).

When withdrawing cash from an ATM and EFTPOS, withdrawal limits may apply and you will ordinarily only be able to withdraw \$1,000 a day.

When you (or an authorised signatory) visit a Branch to transact we will need to see identification. When the transaction has been completed, a receipt will be issued.

Cheque

There are two types of cheques:

- Your own cheque where you have a chequing facility with us;
- Our counter cheques.

Your Cheque

With your own cheque, you must ensure that there is sufficient money in your S1 account to meet the cheque when it is presented to us for payment by the Financial Institution of the person to whom you wrote the cheque.

When you write out a cheque, you need to ensure:

- You have completed the payee and amount details correctly;
- You have dated the cheque (if you date it in the future, the payee is unable to bank it until that time);
- You have elected the negotiable limitation on the cheque and marked the cheque correctly;
- Whether the cheque is to be a "bearer" cheque or not. If not you need to delete the word on the cheque;
- Whether the cheque is to be an "account payee only" cheque or not. If so, you need to add those words after the name of the payee;
- Whether you want the cheque only to be negotiated through a financial institution. If so, cross the cheque with two diagonal lines and write inside those lines the words "not negotiable";
- Whether the cheque is to be open and negotiable by the holder of the cheque. If so, leave "bearer" on the cheque and do not cross it.

You need to be careful with your choice as to the negotiable limitation of the cheque. If you wish to pay a particular person or company by your own cheque, it is normally better to limit the negotiability of the cheque by making the cheque "account payee only" and crossing it and marking it "not negotiable".

If you are not careful the cheque may be used for a purpose contrary to your original intention, which may result in you losing money.

We are not responsible to you if you do not properly complete a cheque, your cheque is negotiated and then paid by us in accordance with how you had completed the cheque.

When you pay by your "account payee only - not negotiable" cheque:

- You complete the cheque and hand it to the payee;

- The payee deposits it with their Financial Institution;
- The payee Financial Institution calls on us to pay your cheque;
- We pay the payee's Financial Institution the amount set out in your cheque providing there are sufficient funds to meet that cheque in your account.

We advise you that Access Methods Terms and Conditions apply to your member chequing facility. We recommend that if you do not have those Terms and Conditions, call us on 134 374 and have us send you a copy.

Stop Payment - Member Cheques

It is only possible to stop payment on your cheque up to the time it is presented to us for payment.

If you want to stop payment on a cheque you have drawn, you need to:

- Telephone us on 134 374 and notify us of all the details;
- Send us a written request to stop payment on the cheque, setting out all the details of the cheque.

Your telephone direction will alert us to look out for the cheque but we are unable to process a stop payment without a written direction from you.

Providing we receive your written direction prior to the cheque being presented to us for payment and us paying on that cheque, then we will stop payment.

You will be responsible to the payee for the stop payment.

We will not be responsible to you if your direction arrives after we have paid on the cheque as presented to us.

Insufficient Funds - Cheques

If you do not have enough money in your S1 account and/or credit in your Credit Overdraft when you use a cheque to pay for any goods or services, then in the absence of you making an arrangement with us either:

- We will dishonour the cheque which means we will not pay the amount stated in the cheque to your payee's financial institution. The person or company who you paid by cheque are therefore still owed the amount. There is also a fee for the dishonour of a cheque and that fee will be debited to your S1 account;
- We will pay the amount stated in the cheque and we will exercise our right to combine accounts and use money in another of your accounts to pay the amount.

The choice is ours and we will not be responsible to you for any loss you incur if we choose to dishonour your cheque due to you not having enough money in your S1 account and/or credit in your Credit Overdraft.

You should ensure that before you complete a cheque and provide it to a person or company for payment of a good or service that you have sufficient money in your S1 account and/or Credit Overdraft to meet that cheque.

Corporate Cheques

You can also withdraw funds by the way of corporate cheque. We make out the cheque to a third party nominated by you. We may charge you a fee for a corporate cheque. Refer to our Schedule of Fees & Charges for details.

Counter Cheque Withdrawals - Stop Payment

It is only possible to stop payment on a corporate cheque up to the time it is presented to us for payment.

If you want to stop payment on a cheque you need to:

- Telephone us on 134 374 and notify us of all the details;
- Send us a written request to stop payment on the cheque, setting out all the details of the cheque;
- Provide written consent from the cheque payee.

Your telephone direction will alert us to look out for the cheque but we are unable to process a stop payment without a written direction from you.

We will forward a form to you for completion. You must complete the form before the stop payment can be processed. You will be responsible to the payee for the stop payment. We will not be responsible to you if your direction arrives after we have paid on the cheque as presented to us.

Withdrawing or Transferring funds from an Account

You may withdraw money you have with us in these ways:

- By visiting one of our Branches;
- By Bank@Post;
- By post to one of our Branches;
- By email or facsimile direction to one of our Branches;
- Through an ATM which accepts our cards;
- By a payment service;
- By Internet Banking or Pay Anyone transfer from your account;
- By Telephone Banking transfer from one account to another account in your Membership through Redial;
- By BPAY transfer from your account.

Visit to our Branch

When you visit a Branch to conduct a transaction we will need to see ID. When the transaction has been completed, a receipt will be issued.

Your withdrawal may be refused, if you:

- Are withdrawing a large amount from your account;
- Do not have photo identification; or
- We are not satisfied with the photo identification provided.
- Normally, we require you to personally attend if there is to be a withdrawal from your account at one of our Branches.

If you are not able to personally attend, it is possible for you to authorise a person to attend one of our Branches with a completed withdrawal form but if you are not personally attending then:

- We need to see identification documents for you and your authorised person;
- We will retrieve a copy of your signature to confirm that the signature on the withdrawal form is your signature;
- We may telephone you to confirm the withdrawal, before we proceed and if we are not satisfied with the withdrawal form, the identification documents or we are unable to call you, then we will not process the withdrawal.

You should ensure you are available for us to call you if we need to when your withdrawal form is presented by your authorised person to one of our Branches.

Withdrawal using Bank@Post

Withdraw up to \$1,000 per day from your S1, S11, S28 or S14 account using the Bank@Post service available at over 3,300 Australia Post branches. Refer to our Schedule of Fees & Charges for details.

Funds transfer by post, facsimile or email direction

If you want to transfer funds from your account by post, facsimile or email direction, you need to send us a document that has the following:

- Your name, Membership and account numbers;
- The amount you wish to withdraw;
- The BSB, account number and account name to whom the amount is to be paid;
- Your signature.

To protect your funds, we will contact you by phone to confirm the transaction in order to verify the authenticity of your requested transfer.

A fee may be charged for the transaction, in accordance with the 'Schedule of Fees and Charges'.

ATM/EFTPOS withdrawal

Where there is an Automatic Teller Machine (ATM) or Electronic Funds Transfer Point of Sale facility (EFTPOS) which accepts your Visa Card or

Redicard, you may use the machine to withdraw from your S1, S11, S14 or S28 account with us. A daily limit of \$1000 applies per card.

You will normally have an option as to whether or not you want to receive an acknowledgement of the withdrawal from the ATM.

We do not send an acknowledgement for the withdrawal.

The first document you receive from us acknowledging your ATM withdrawal will be the next statement we issue to you after that withdrawal.

5.5 Making Payments

Our Payment Facilities are not available to all Members. Payment Facilities are not available to accounts where more than one signature is required to operate the account, unless all signatories have signed the application form. Payment facilities are not available to all children:

- For children 12 years of age and under, the permission of the adult concerned is required.

If you have any questions about Payment Facilities please telephone us on 134 374 and talk to a Member Services Officer

Payment Services

This is an arrangement where at your direction a sum of money is transferred from your account to a third party. There are four forms of withdrawal payment service:

- Periodical payment – instruction for the Bank to send funds on your behalf on a regular basis;
- Direct transfer – instruction for the Bank to send funds on your behalf on request;
- Direct debit – third party draws against a savings account on a regular basis (i.e. you have provided our BSB and your account number details);
- Regular payments – third party draws against a visa card linked to an account on a regular basis (i.e. you have provided your visa card details).

We have control over the periodical payment and direct transfer. We do not control the direct debit or regular payment as it is lodged with the third party and that third party manages the withdrawal from your account.

We recommend that you check to confirm with us and the third party, the periodical payment, direct transfer, direct debit or regular payment has been processed.

We do not issue you with any written confirmation of a periodical payment, direct transfer, regular payment or direct debit.

The first document acknowledging the periodical payment, direct transfer, direct debit or regular payment will be the next statement we issue to you

after that periodical payment, direct transfer or direct debit.

Payment Order

If you request more than one periodical payment, direct debit or regular payment, we will determine the order in which they are paid.

Stop Payments

To stop or alter a periodical payment, direct debit or regular payment, you must provide either written instructions, phone us or visit a Branch. We will require full details of the periodical payment, direct debit or regular payment at least (3) business days before the next payment is to be made.

Care: if you have multiple payments / policies with the supplier, then an instruction to cancel the payment by the Bank will cancel all payments made to that supplier (e.g.) Car insurance, home insurance and contents – so it may be more effective to cancel the single policy with the supplier.

You must also instruct any direct debit or regular payment supplier to stop the payment without delay.

Note: Cancellation of a direct debit or regular payment does not cancel any contract arrangement between you and the supplier.

Future Dated Electronic Transactions

Future dated electronic transactions will be processed on the closest working day prior to the weekend or public holiday. Electronic transactions conducted on a weekend or public holiday will be processed on the closest working day after the weekend or public holiday.

You must also instruct any direct debit or regular payment supplier to stop the payment without delay.

Insufficient Funds

Should there be insufficient funds to meet your Periodic Payment due date, the Bank will attempt to make the payment for the next 4 consecutive business days. If there are still insufficient funds, the payment will reject. That is - the payment will not be made.

Should the payment be rejected on 4 separate occasions, the Payment Authority will automatically cancel.

Missed Payments and Cancellation

We may decide not to make a periodical payment or direct debit if there are not sufficient cleared funds in the account at the time and on the date for the transfer of money. From time to time we may allow you to overdraw your account(s). We have no obligation to do so. If we decide to make a payment because there are not enough cleared funds in an account, or if we decide to make a payment and overdraw the account, we may charge a fee. Please refer to our Schedule of Fees & Charges Brochure.

Internet Banking transfer

When you have access to your account(s) through our Internet Banking service it is possible for you to transfer money between your own Bank accounts and externally to other financial institutions.

We normally issue you with an electronic acknowledgement for the transaction. The first document you will receive from us receipting your transaction will be the next statement we issue to you after the transaction.

We advise you that separate Terms and Conditions apply to your Internet Banking, so we recommend you visit our website www.heritageisle.com.au (for Bank of Heritage Isle details refer to back page) and become familiar with those Terms and Conditions and our Internet Banking procedure.

Redidial transfer

When you have access to your account(s) through our Telephone Banking service, Redidial, it is possible for you to transfer money between your accounts (within the same Membership) with us using your phone and Redidial.

We normally issue you with an electronic acknowledgement for the transaction. The first document you will receive from us receipting your transaction will be the next statement we issue to you after the Redidial transaction.

We advise you that separate Terms and Conditions apply to your Telephone Banking through Redidial, so we recommend that if you do not have those Terms and Conditions, call us on 134 374 and have us send you a copy.

BPAY

This is where you are able to arrange for a withdrawal from your account with us to directly pay bills.

Your ability to pay your bill through BPAY depends on whether or not the party whose bill you are paying is on the BPAY system.

Unless you are completing a BPAY transaction through Internet Banking or Redidial where an electronic acknowledgement for the transaction will issue to you, we do not send you a receipt for a BPAY transaction. The first document you will receive from us receipting your transaction will be the next statement we issue to you after the BPAY transaction.

Electronic Transactions

Insufficient Funds

The main forms of electronic transactions from your account are:

- ATM;
- EFTPOS;
- Payment services;
- Internet Banking;

- Redial Telephone Banking;
- BPAY;
- Bank@Post.

If you do not have enough money in your S1 account and/or credit in your Credit Facility when you try to transact electronically to pay for a good or service, then in the absence of you making an arrangement with us either:

- We will not process the electronic transaction, which means we will not pay the amount stated in the electronic transfer to your payee's bank. The person or company who you paid by electronic transfer are therefore still owed the amount;
- We will pay the amount stated in the electronic transaction but your account and/or Credit Facility will be overdrawn and either we will exercise our right to combine accounts and use money in another of your accounts to pay the overdrawn amount; or your account will be referred to our Collections Department to recover the overdrawn amount.

The choice is ours and we will not be responsible to you for any loss you incur if we choose to not process the electronic transfer due to you not having enough money in your account and/or credit in your Credit Facility.

You should ensure that you have sufficient money in your account and/or credit in your Credit Facility before you try to do an electronic transfer.

5.6 Payment Order To Loans

Where your payment order (Payroll Deduction or Periodic Payment Authority) is to make payments to a nominated loan account held with the Bank, the amount deducted by us from your payroll or from your nominated deposit account will be adjusted to ensure that it is sufficient to meet the minimum repayment required under each loan contract.

5.7 About Your Accounts - Overdrawing, Account Statements, Payment Authority/ Account Combination And Account Closure

Overdrawing your Account

We do not agree to provide any credit in relation to your account. You agree not to overdraw your account unless you have an Overdraft. You may apply for an Overdraft on your S1 Account which will be subject to the Terms and Conditions of an Overdraft credit contract. We may, at our discretion, honour a cheque, periodical payment, direct debit, Visa or other transaction. If your account becomes overdrawn for any reason, immediate repayment is required. We may charge you a fee and interest on the overdrawn amount at our overdraft interest rate as well as any reasonable legal fees we incur in obtaining the amount from you.

Statements of Account

We will send you statements outlining the transactions on your accounts at regular intervals.

Your statement will include the following information:

- Your Member number;
- Accounts within your Membership;
- Owners of the accounts;
- All debit and credit transactions on your accounts, including all payment service transactions, Internet Banking and Redial transactions;
- The opening and closing balances for your accounts (the balances at the start and end of the statement period), and all the changes to the balances in your accounts between the opening and closing balances, which record the impact of your debit and credit transactions on your accounts.

You should always check your statements when you receive them from us to:

- Confirm the opening balances on your accounts are the same as the closing balances on your last statement;
- Check all the transactions on your accounts are correct.

If you do not agree with any details on a statement, you need to call us on 134 374 and talk to one of our Member Services Officers.

If you are a joint account holder living at the same address as another joint account holder of the same account, we will only send one statement of account to that address. If joint account holders live at different addresses notified to us, on request we will send a statement to up to 2 different addresses.

Depending upon what types of accounts you have with us, we will set out the frequency of the statements. At a minimum we will send you four statements a year.

If you have a Continuing Credit Contract, cheque book or Visa Credit Card with us, then you will receive statements every month. It is possible to have us provide you with statements more often than you may be currently receiving them.

If you want more frequent statements, then call us on 134 374 and speak to one of our Member Services Officers.

If you feel we have missed sending you a statement or you need a copy of a statement we have already sent you, then call us on 134 374 and speak to one of our Member Services Officers.

Fees and charges may apply for additional statements. Please read our Schedule of Fees and Charges.

If your statement is returned to us as “returned mail” we reserve the right to not forward statements to you until a new address is provided.

Payment Authority / Account Combination

You authorise us to debit any of your Bank savings accounts to meet a payment due on any accounts whether the payments is owed to the Bank or another party. We will make every effort to complete payments for you but we have no obligation to do so.

We may also combine accounts when you owe us a sum of money after you overdraw an account or fail to remedy a default under a credit contract (e.g. loan or overdraft). In these circumstances, we are entitled to immediate repayment of the debt. We will combine accounts by withdrawing an amount from any account with a credit balance sufficient to pay the amount you owe us.

If you have any questions about payment authorities or combining accounts, call us on 134 374.

Account Closure

You are entitled at any time to close your account and/or apply to terminate your Membership with us. We may close any of your savings accounts even though the account may have a credit balance. We will give you reasonable notice before doing so and will repay any credit balance. Any Redicard, Visa Card or other access instrument authorised for use on your accounts must be returned to us unless it is authorised for use on another person’s account.

General

If you wish to close an account or terminate a Membership, then you will need to:

- Contact us and obtain the account closure form;
- Complete and sign the form and return it to us;
- If you are closing an account, provide us with sufficient funds to bring the account to zero if that account is overdrawn or subject to a Credit Overdraft;
- If you are terminating your Membership, provide us with sufficient funds to bring all your savings accounts to zero and repay in full all loans you have with us;
- Return all access/credit cards and unused cheques.

On receipt of these items, we will then process your application.

Special Circumstances

In the event of a death or family law settlement, accounts need to be closed and money in those accounts transferred to new accounts, you will need to:

- Notify us in writing and provide us with appropriate documents i.e. Death Certificate, Will, Grant of Probate, Family Law Agreement or Orders, to confirm your position to deal with a Membership and/or account;

- When you do not hold a Membership and account in your own name complete all the documentation required to become a Member and open an account;
- Provide us with written instructions on what we are to do with the money held in the account to be closed.

On receipt of your documents, we will:

- Close the account and terminate the Membership;
- Where necessary, open a new Membership and account;

Transfer the money from the closed account to the new account, or if no new account is to be opened provide you with a cheque in favour of the party directed by you.

We follow this procedure, as it is not possible to transfer Memberships. We therefore must close a Membership and, where appropriate, open a new Membership and account, and then transfer the money from the account in the closed Membership to the account in the new Membership.

5.8 Edvest and Reduced fees program

Edvest

We have a service for Members over the age of 45 years.

This service provides a number of benefits and we refer you to:

The Product Profiles (page 7) which set out the Edvest accounts;

Our Edvest brochure, which sets out the other benefits available to our Edvest Members.

For you to become an Edvest Member you will need to:

Complete the Membership steps using our Membership/Product Application forms.

We will process your application in the same way we process a standard Membership and account application, except that our records will disclose that you are an Edvest Member.

If you have any queries about Edvest, call us on 134 374 and speak to one of our Member Services Officers.

Reduced Fees Program

The Reduced Fees Program rewards you for doing business with the Bank. The program gives you more fee free personal cheques, ATM and EFTPOS transactions than would normally apply to our Member’s accounts. The Reduced Fees Program are assessed on a calendar monthly basis.

Individual and primary joint account holders qualify for the Reduced Fees Program where the combined balances of all savings, investments and drawn loans within the one membership only

are kept over \$5,000 for the whole calendar month. Secondary joint account holders qualify for the Reduced Fees Program for transactions on the joint S1 account or where the combined balances of any of your individual accounts are kept over \$5,000 for the whole calendar month. Transactions conducted using the Visa Credit Card do not count towards the Reduced Fees Program. The Reduced Fees Program do not apply to fees for ATM balance inquiries, Visa Cash advances, overseas ATM withdrawals or any drawn loan balance from a Bank of Heritage Isle AMS securitised mortgage, Equity Maximiser Loans, Leasing account, Online SuperSaver balance, or Police Value Home Loans or Customs Value Home loans that were approved before 1st July 2011. For more information about the Reduced Fees Program, please see our Schedule of Fees & Charges

If you have any questions about the Reduced Fees Program call us on 134 374 and speak to one of our Member Services Officers.

5.9 Changes

Changes to these Terms and Conditions

We may vary the terms and conditions of our accounts and account products. We will give you at least 20 days written notice if any variation will:

- Impose or increase charges relating to your use of your accounts and account products;
- Increase your liability for losses relating to transactions through your accounts and account products;
- Adjust the transaction limits applying to your use of your accounts and account products.

We will tell you of all other variations in advance by notice in writing to you. Our obligation to give you advance notice does not apply if variations are required in an emergency to restore or maintain our or your security. We fulfil our obligations to give you notice under these Terms and Conditions if we post the notice by ordinary mail to the last address you gave us. For joint accounts we will provide one copy of the notice addressed to the primary joint Member.

Changes to your account details

You can change your account details and instructions with us. If you have a change in any of your details, i.e., change of address, change of name, removal of authorised signatories etc., then you need to notify us immediately when the change occurs. If you do not tell us your changes, we will continue to handle your Membership and accounts with us on the basis of the details and instructions we hold and:

- We will send all our mail to you, including statements, notices, magazines and brochures to the name and address on our records;
- We will allow your accounts to be operated by those persons who are on our records as authorised signatories;

- We will comply with all payment service instructions (including periodic payments, direct debits and direct transfers) we have from you.

We are unable to change any of your details or instructions without you first notifying us of the changes in writing. It is very important to notify us immediately of changes in your details and instructions. With respect to changes to authorised signatories, we refer you to the Terms and Conditions on authorised signatories.

6. Privacy, complaints, information and compliance

Privacy

We have a policy, which deals with the protection of your privacy. We refer you to our Privacy Policy which sets out in detail the terms of how we protect your privacy and the circumstances where we provide your information to others. If you have questions about privacy, call our Privacy Officer on 134 374.

Complaints

Refer to page 2 of this guide for information regarding how we manage complaints.

More Information

If there is anything you need to know about us that is not in these Terms and Conditions or one of our brochures, then please call us on 134 374 and speak to one of our Member Services Officers who will endeavour to assist you with your inquiry. You can also confirm the opening or closing of any account or payment facility by calling us on 134 374 and requesting written confirmation.

Opening Hours

Opening hours are published on our website (see back page for details).

Our after-hours reporting service (e.g. stolen cards and electronic transactions and/or access codes) is open outside business hours.

Compliance

The Bank is committed to compliance with all laws that affect our products and services including the Customer Owned Banking Code of Practice; National Consumer Credit Protection Act; Competition and Consumer Act; ePayments Code; Australian Privacy Principles; Financial Services Reform Act; and Anti Money Laundering/Counter Terrorism Act. These Terms and Conditions are subject to those laws and codes. We warrant that we will comply with the ePayments Code wherever it applies.

7. Specific Terms and Conditions

7.1 Savings Accounts

Interest Rate & Calculation

Any interest you earn will be calculated by applying the daily annual percentage rate to the daily closing balance of your account and paid to your account yearly, twice yearly or quarterly as set out in the Product Profiles (see page 5). The daily annual percentage rate is the annual percentage rate divided by 365 (except for leap years). Please see the Interest Rate Brochure for current rates. No interest is payable on any S26 Mortgage Offset Account (see Mortgage Loan Contract Terms and Conditions).

Withdrawal Restrictions

All accounts are available at call with the exception of S6 and S66, and S15 and S21 accounts on which no withdrawals are allowed for up to 7 days after deposit.

For our S3 Christmas Club account, your funds are available at anytime but on withdrawal of funds from your Christmas Club Account between 1 January and 31 October each year, you will incur a withdrawal fee. Interest is paid once a year to 31 October unless you close your account, when we will pay interest accrued up to the day you close your account.

For our S23 Bonus Saver Account, your funds are available at anytime but if you withdraw your funds in any month you will not be paid bonus interest and the standard interest rate will apply to your account for the month that the withdrawal/s were made in.

Fees and Charges

There are no account keeping fees for these accounts. A dormancy fee applies. There are fees applicable to certain access instruments and payment facilities. There are also charges for corporate cheque withdrawals and excess fees for a number of other types of withdrawal transactions. Please see the Schedule of Fees and Charges for details.

Federal Government Guarantee Scheme

- All savings and investments up to \$250,000 with the Bank are government protected.
- The account holder may be entitled to payment under the Financial Claims Scheme; and
- Access to the scheme is subject to a limit for each depositor.

7.2 Investment Accounts

Interest Rates

The interest rate on your Investment Account will not change during the term of the deposit. If we quote you an interest rate for an Investment Account, the rate may differ if the deposit is not made on the same day.

Interest Calculation

Interest is calculated by applying the daily annual percentage rate to the daily closing balance of your account. The daily annual percentage rate is the annual percentage rate divided by 365 (except for leap years). We will not change the method of interest calculation or payment during the term of the deposit.

Withdrawal Restrictions

Although you may withdraw your Investment Account funds at any time, you acknowledge that any Investment Account deposit is lodged on the understanding that it is not withdrawn before the maturity date. See Product Profile (page 9-10) for other restrictions.

Early Withdrawal Fees/Reduced Interest

If you withdraw your deposit before the maturity date, we will pay interest at a reduced rate from the date of deposit to the day prior to withdrawal. The reduced rate will be as decided by us from time to time and can be much lower than the rate that would otherwise apply.

Fees and Charges

There are no account keeping fees for these accounts.

Certificates

Investment Certificates will be issued for all Investment Accounts on establishment.

Maturity of Investment Account

You have up to 5 working days after the maturity date to provide any changes to the term deposit instructions. Within 14 days after maturity we will provide you with written advice as to the correct applicable interest rate where the original instructions were that the deposit be reinvested. Your deposit will be automatically reinvested for a further term of the same duration, or in the closest matching available product. This will not occur if you have already provided, or intend to provide alternate instructions to us in writing, prior to the maturity date.

7.3 Payment Facilities

Payment Facilities / Access Instruments - For these products, separate terms and conditions will be provided to you on application or request:

- Visa Debit Card - a debit card you can use for cash withdrawals and EFTPOS transactions;
- Redicard - a debit card you can use for cash withdrawals and EFTPOS transactions;
- Internet Banking - giving you internet access to your account information and payment facilities;
- Redidial - our phone banking service offering access to your account information and payment facilities;
- Overdraft - a credit facility linked to your savings account;

- Cheque Facility - giving you the convenience of cheque book payments;
- BPAY - a facility to organise your bill payments with access to the BPAY payments system.
- PayAnyone - our facility that allows you to make payments to a mobile number or email address.

Fees and Charges

There are fees applicable to certain access instruments and payment facilities. There are also charges for corporate cheque withdrawals and excess fees for a number of other types of withdrawal transactions. Please see the Schedule of Fees and Charges for details.

7.4 Fees and Charges

You authorise us to debit your account with all fees and charges payable in relation to your Savings Accounts, Investment Accounts and Payment Services.

8. Financial Hardship Assistance

We focus on making sure we lend responsibly, but we understand that your circumstances can change due to factors such as a change in your employment status. We have always attempted to provide mortgage/loan relief options to our Members and will continue to do so. In fact this approach has been part of the way that we do business with our Members since inception of the Bank.

The Bank will always be open to discussing with Members in financial difficulty the best options available. Working with you we can make an assessment of how best to assist you and your family based on your ability to meet the obligations of your loan. This is the high standard of the service we have always applied.

The Bank will work with your authorised representative should you prefer a third party to assist you to work through your financial situation. This may be a family member or language interpreter or more formally - a tax agent, solicitor, power of attorney or a financial counsellor. There is an authority to nominate a representative on the Request for Financial Assistance Form.

Any Member wishing to discuss their current financial circumstances should ring our Contact Centre on 134 374 or your nearest Branch.