Currency Options – Calls and Puts

Product Disclosure Statement

PDS dated 15 May 2014

This PDS is issued by Suncorp-Metway Ltd ABN 66 010 831 722, AFSL Number 229882

Level 28, Brisbane Square
266 George Street
Brisbane QLD 4000

SUNCORP BANK

Index:

Welcome 3
Product Overview 4
What is a Currency Option? 5
Premium 6
Fees and charges 6
What are the benefits of a Currency Option (Call and Put)? 7
What are the disadvantages of a Currency Option (Call and Put)? 8
What are the significant risks of a Currency Option (Call and Put)? 8
Minimum amount of currency you can buy or sell 9
Term of the Currency Option 9
Important information you need to know before you buy or sell a Currency Option 9
Examples of Currency Options 10
How settlement takes place 13
Credit facility 13
Remuneration 14
Documents 14
How to transact 15
How to contact your Treasury Representative 15
Terms and Conditions 16
Privacy and Confidentiality 16
Interception and recording of communications 17
Problems and complaints 17
Financial Difficulty 18
Laws and codes of practice 18
AFMA OTC market conventions 18
Indemnity for loss or damage 19
Giving us instructions 19
Notices from us 20
Changing your details 20
Our rights 20
Identity 20
Taxation 21
Dealing authority and Power of Attorney 21
Trusts 22
Companies, partnerships and incorporated associations 22
Errors on statements or confirmations, mistakes and unauthorised transactions 23
Confirmations 23
Losses and errors 23
When you are liable for losses 24
Overseas transactions 24
Some terms explained 25

Welcome

This Product Disclosure Statement (PDS) is an important legal document that contains statements and information concerning, and Terms and Conditions applicable to, Currency Options – Calls & Puts. The information in this PDS can help you:

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

The information in this PDS is general in nature and does not consider your particular objectives, financial situation or needs. Before you purchase a product from us, you should read the PDS and any other documents we give you.

When you acquire this product you are entering into a contract with Suncorp-Metway Limited. This means that you can only deal with us in relation to this product.

Product Overview

This product is designed to assist business customers such as importers and exporters to protect their business against adverse exchange rate movements.

Another alternative, which achieves similar objectives, is Forward Exchange Contracts (FECs). This product is covered in a separate PDS. Currency Options can offer more flexibility than FECs by allowing a business to benefit from any favourable exchange rate movements.

You may need an approved Suncorp credit facility with us before you transact a Currency Option covered by this PDS. Credit facilities should be discussed with a Suncorp lending representative. You should carefully consider the applicable fees and charges and terms associated with the credit facility.

Currency Options can be bought or sold.

When you buy a Currency Option you pay a once-off premium. Likewise, if you sell a Currency Option to us you will receive a premium. There are two types of Currency Options – Calls and Puts. The table below briefly outlines who buys or sells Calls and Puts and the reason why this is usually done:

Who	Call/Put	Buy/Sell	Why	Goal
Exporters	Call	Buy-exporter pays a premium to us	Usually want to buy the local currency (AUD) and sell a foreign currency (eg USD)	To maximise the income from their exports, which they sell in a foreign currency. The Call protects them against unfavourable exchange rate movements and allows them to benefit from favourable movements.
Exporters	Put	Sell-exporter receives a premium from us	Usually sold as part of a hedging strategy such as a Collar where an exporter buys a Call and sells a Put at the same time.	To receive a premium, which partly or fully offsets the premium of the Call.
Importers	Put	Buy-importer pays a premium to us	Usually want to sell the local currency (AUD) and buy a foreign currency (eg USD)	To minimise the cost of their imports, which they have to pay for in foreign currency. The Put protects them against unfavourable exchange rate movements and allows them to benefit from favourable movements.
Importers	Call	Sell-importer receives a premium from us	Usually sold as part of a hedging strategy such as a Collar where an importer buys a Put and sells a Call at the same time.	To receive a premium, which partly or fully offsets the premium of the Put.

For any terms you do not understand, please refer to 'Some terms explained' at the end of this document.

What is a Currency Option?

A Currency Option gives the buyer the right (but no obligation) to exchange one currency for another:

- at an agreed rate (the strike rate);
- on an agreed date.

The buyer pays a premium for this right. The premium amount depends on the details of the Currency Option.

Currency Options can be either American or European. American options can be exercised at any time between purchase and expiry. European options can only be exercised on the time and date of expiry.

There are two basic types of currency options - Call options (Call) and Put options (Put).

Call options (Call)

This gives the buyer of the Currency Option the right (but no obligation) to buy (Call) one currency and sell another.

That is, if you buy an AUD Call (USD Put) and you exercise your option, you would buy AUD and sell USD.

If you sell a Call option and the buyer of the Call exercises their right, you must sell one currency and buy another at the agreed rate.

That is, if you sell an AUD Call (USD Put) and the buyer of the Call exercises the Call, you must sell AUD and buy USD at the agreed rate.

Put option (Put)

This gives the buyer of the Currency Option the right (but no obligation) to sell (Put) one currency and buy another.

That is, if you buy an AUD Put (USD Call) and you exercise your option you would sell AUD and buy USD.

If you sell a Put option and the buyer of the Put exercises their right, you must buy one currency and sell another at the agreed rate.

That is, if you sell an AUD Put (USD Call) and the buyer of the Put exercises their right, you must buy AUD and sell USD at the agreed rate.

Premium

The premium is a once-off amount you pay or receive which will vary depending on:

- the strike rate
- the current exchange rate
- the contract amount
- the term
- market volatility
- the forward margin for the term
- interest rates
- the margin.

You nominate the strike rate, amount and term.

If a Suncorp credit facility is in place, the premium is due two business days after the deal date. If a credit facility is not in place, the premium is due on the deal date.

Fees and charges

Unless otherwise stated fees are charged per item at the time the service is provided or the transaction or event occurs:

Telegraphic Transfers (issued)	$30
Telegraphic Transfers (recall, amend, trace request)	$30

About Fees and Charges

In charging any fee or charge we will comply with:

(a) the law (including any obligation we may have to disclose our fees to you);

(b) the ePayments Code (if applicable);

(c) the Code of Banking Practice (if applicable).

You must pay these fees and charges when we specify in any agreement or earlier if we ask you to pay them. Whilst there are no account keeping fees, we charge a fee to you for each buy or sell transaction (i.e. any contribution or withdrawal made to your account) you make. This fee is incorporated into the Buy-Sell Spread for each foreign exchange transaction. This fee is in addition to the Telegraphic Transfer charges outlined above. For some products a premium may apply. The amount of the premium will be quoted to you by your Treasury Representative before you enter into a contract with us. If you require further information regarding fees please contact your Treasury Representative.

Exemptions from Fees and Charges

In certain circumstances Suncorp may exempt customers or refund particular fees and charges. To find out when we may do this please contact your Treasury Representative.

We can change the exemption and refund terms and conditions at any time.

Changing the Fees and Charges

We can change, vary, add or remove fees and charges that apply at any time. We will comply with any particular conditions in changing the fees and charges. We can also introduce new fees and charges.

Government Fees and Charges

No government fees and charges apply to Suncorp Treasury accounts/products.

What are the benefits of a Currency Option (Call and Put)?

If you buy a Currency Option, you:

- know the worst case exchange rate
- can take advantage of favourable movements in the exchange rate
- can choose to:

  1. exercise the option you bought by:
     - physically paying the currency you have agreed to sell and receiving the currency you have agreed to buy, or
     - cash settlement, being the difference in value between the contract amount at the spot rate and the contract amount at the strike rate.

  The method of settlement is by mutual agreement.

  2. let the option expire (not exercised).

If you sell a Currency Option, you:

- know the best case exchange rate
- generate cash flow because you will receive a premium
- create an exposure when you sell an option unless you use it to manage an existing risk or exposure
- must buy or sell at the agreed strike rate if the owner exercises the option.

  This can be done by:

  - physically paying the currency you have agreed to sell and receiving the currency you have agreed to buy; or
  - cash settlement, being the difference in value between the contract amount at the spot rate and the contract amount at the strike rate.

The method of settlement is by mutual agreement.

What are the disadvantages of a Currency Option (Call and Put)?

- Once you buy a currency option the premium is non refundable
- Currency Options cannot be extended
  You can't extend the expiry date of a Currency Option.
- Depending on the current market conditions, the total cost of the transaction may be higher than if you had not purchased a Currency Option

What are the significant risks of a Currency Option (Call and Put)?

When you buy a Currency Option

The cost is limited to the premium paid regardless of whether you exercise the option or let it expire.

When you sell a Currency Option

If the option is exercised, you are obligated to buy or sell at the agreed strike rate, which would be worse than the current spot rate.

For example, if you sell an AUD Put (USD Call) to us for a contract amount of USD 200,000 and a strike rate of 1.0200 and we exercise the Put at expiry date, you must sell USD 200,000 and buy the AUD equivalent at the agreed rate of 1.0200. There is the risk of losses to the extent to which the exchange rate moves against you and this risk is potentially unlimited.

Other Risks

Foreign currency markets are volatile and there is a risk that exchange rates will move adversely, commonly called "Currency risk". There is a risk that you could incur a loss to the extent that these move against you.

There is also a risk that the two currency transactions that form the Currency Option transaction will not entirely "offset" each other due to the difference between the Foreign Exchange and the underlying exposure. This is called Basis risk.

Counterparty risk also exists in a Currency Option transaction. This is the risk that a counterparty to a transaction may be unable to meet its obligations. Suncorp-Metway Ltd is the counterparty to your Currency Option and is an Approved Deposit taking Institution and subject to prudential regulation. Our financial position and other corporate information can be understood by referring to the information and documents at the "About Us" section on our website www.suncorpbank.com.au.

We are not obliged to sell or buy back this product before the settlement date and it can not be traded on a market with anyone else.

Minimum amount of currency you can buy or sell

AUD 100,000 or equivalent in another currency.

Term of the Currency Option

Factors that affect the allowable term for different currencies are:

- availability in the market for the specific Currency Option you are buying or selling; and
- changing market factors.

If you sell a Currency Option, the term is also subject to your credit facility.

Important information you need to know before you buy or sell a Currency Option

- What happens if a Currency Option is no longer needed?
  A Currency Option does not have to be held until it expires.
- If your circumstances change, you can:
  - sell it back to us if you have bought a Currency Option, or
  - buy it back from us if you have sold us a Currency Option.

Depending on the current market conditions, it could be worth more or less than the original premium. If you are selling a Currency Option back to us, you could get back a premium, which is more or less than the premium you paid. If you are buying back a Currency Option from us, you could have to pay back to us a premium, which is more or less than the premium you received. Please refer to your Treasury Representative.

Examples of Currency Options

Any rates used in these examples are for illustrative purposes only and may not reflect current market rates.

Call option example

Exporter, ABC Pty Ltd has sold goods overseas, and expects to receive USD 200,000 in 6 months. ABC has a view the AUD/USD exchange rate will fall in the next 6 months, but still wants protection against any rises between now and 6 months. The current AUD/USD spot rate is 1.0220 and the current 6-month AUD/USD forward exchange rate is 1.0076. ABC decides to buy a 6-month AUD Call (USD Put):

- for a contract amount of USD 200,000
- at a strike rate of 1.0300
- with a premium cost of AUD 5,573.00.

Buying an AUD Call gives ABC the right (but no obligation) to buy AUD and sell USD 200,000 at 1.0300 in 6 months.

This gives ABC

- a known worst case exchange rate of 1.0300
- flexibility in choosing a strike rate
- the ability to take advantage of a fall in the exchange rate
- a once-off premium cost of AUD 5,573.00

Possible outcomes on expiry date

Note: *These outcomes do not take into account the interest that you could have earned if you had invested the premium, or the interest that you would have paid if you had borrowed funds to pay for the premium, for the term of the call.*

Exchange rate	Deal at	Result
Below 1.0300 – 'Out of the money'	Current spot rate	The current spot rate is better than the strike rate of 1.0300. ABC can let the AUD Call expire and sell USD 200,000 at the current spot rate. For example, spot rate is 1.0100 at expiry. If ABC sells USD 200,000 at the current spot rate of 1.0100 it will receive AUD 471.66 less than if it had locked in the FEC rate of 1.0076. ABC has also paid a premium of AUD 5,573.00 so in total is AUD 6,044.66 **worse off** for buying the AUD Call than locking in the FEC rate of 1.0076. For example, spot rate is 0.9600 at expiry. If ABC sells USD 200,000 at the current spot rate of 0.9600 it will receive AUD 9,841.87 more than if it had locked in the FEC rate of 1.0076. ABC has also paid a premium of AUD 5,573.00 so in total is AUD 4,268.87 **better off** for buying the AUD Call than locking in the FEC rate of 1.0076.
1.0300 'At the money'	Current spot rate	The current spot rate is the same as (or very close to) the strike rate of 1.0300. ABC can let the AUD Call expire and sell USD 200,000 at the current spot rate. ABC will receive AUD 4,316.71 less than if it had locked in the FEC rate of 1.0076. ABC has also paid a premium of AUD 5,573.00 so in total is AUD 9,889.71 **worse off** for buying the AUD Call than locking in the FEC rate of 1.0076
Above 1.0300 – 'In the money'	1.0300	The strike rate is better than the current spot rate so ABC can exercise the AUD Call and sell 'In the Money' USD 200,000 at 1.0300. For example, spot rate is 1.0800 at expiry. If ABC exercises the AUD Call, it will receive AUD 8,989.57 more than if it had done nothing and had to sell the USD at the current spot rate of 1.0800. ABC has also paid a premium of AUD 5,573.00 so in total is AUD 3,416.57 better off for buying the AUD Call than if it had done nothing. For example, spot rate is 1.1000 at expiry. If ABC exercises the AUD Call, it will receive AUD 12,356.58 more than if it had done nothing and had to sell the USD at the current spot rate of 1.1000. ABC has also paid a premium of AUD 5,573.00 so in total is AUD 6,783.58 **better off** for buying the AUD Call than if it had done nothing. In both examples, if ABC had locked in the FEC rate of 1.0076 rather than buy the AUD Call, it would have received AUD 4,316.71 more than exercising the AUD Call. ABC has also paid a premium of AUD 5,573.00 so in total ABC would have been AUD 9,889.71 **better off** locking in the FEC rate of 1.0076 than buying and exercising the AUD Call.

Put option example

Importer, XYZ Pty Ltd has ordered a container of computer software from the US and is due to pay USD 200,000 in 6 months. XYZ has a view the AUD will strengthen but still wants protection against exchange rate falls.

The current AUD/USD spot rate is 1.0200 and the current 6-month AUD/USD forward exchange rate is 1.0055. To protect its costs against AUD/USD exchange rate falls between now and 6 months, XYZ decides to buy a 6-month AUD Put (USD Call):

- for a contract amount of USD 200,000
- at a strike rate of 1.0000
- with a premium cost of AUD 7,1750.

Buying an AUD Put gives XYZ the right (but no obligation) to sell AUD and buy USD 200,000 at 1.0000 in 6 months.

This gives XYZ:

- a known worst case exchange rate of 1.0000
- flexibility in choosing a strike rate
- the ability to take advantage of a rise in the exchange rate
- a once-off premium cost of AUD 7,175.00.

Possible outcomes on expiry date

Note: *These outcomes do not take into account the interest that you could have earned if you had invested the premium, or the interest that you would have paid if you had borrowed funds to pay for the premium, for the term of the Put.*

Exchange rate	Deal at	Result
Above 1.0000 – 'Out of the money'	Current spot rate	The current spot rate is better than the strike rate of 1.0000. XYZ can let the AUD Put expire and buy USD 200,000 at the current spot rate. For example, spot rate is 1.0300 at expiry. If XYZ buys USD 200,000 at the current spot rate of 1.0300 it will pay AUD 4,731.26 less for the goods than if it had locked in the FEC rate of 1.0055. XYZ has also paid a premium of AUD 7,175.00 so in total is AUD 2,443.74 **worse off** for buying the AUD Put than locking in the FEC rate of 1.0055. For example, spot rate is 1.0800 at expiry. If XYZ buys USD 200,000 at the current spot rate of 1.0800 it will pay AUD 13,720.83 less for the goods than if it had locked in the FEC rate of 1.0055. XYZ has also paid a premium of AUD 7,175.00 so in total is AUD 6,545.83 **better off** for buying the AUD Put than locking in the FEC rate of 1.0055.
1.0000 'At the money'	Current spot rate	The current spot rate is the same as (or very close to) the strike rate of 1.0000. XYZ can let the AUD Put expire and buy USD 200,000 at the current spot rate. XYZ will pay AUD 1,093.98 more for the goods than if it had locked in the FEC rate of 1.0055. XYZ has also paid a premium of AUD 7,175.00 so in total is AUD 8,268.98 **worse off** for buying the AUD Put than locking in the FEC rate of 1.0055.

Below 1.0000 – 'In the money	1.0000	The strike rate is better than the current spot rate. XYZ can exercise the AUD Put and buy USD 200,000 at 1.0000. For example, spot rate is 0.9600 at expiry. If XYZ exercises the AUD Put, it will pay AUD 8,333.33 less for the goods than if it had done nothing and had to buy the USD at the current spot rate of 0.9600. XYZ has also paid a premium of AUD 7,175.00 so in total is AUD 1,158.33 **better off** for buying the AUD Put than if it had done nothing. For example, spot rate is 0.9200 at expiry. If XYZ exercises the AUD Put, it will pay AUD 17,391.30 less for the goods than if it had done nothing and had to buy the USD at the current spot rate of 0.9200. XYZ has also paid a premium of AUD 7,175.00 so in total is AUD 10,216.30 **better off** for buying the AUD Put than if it had done nothing. In both examples, if XYZ had locked in the FEC rate of 1.0055 rather than buy the AUD Put, it would have paid AUD 1,093.98 less than exercising the AUD Put. XYZ has paid a premium of AUD 7,175.00 so XYZ would have been AUD 8,268.98 **better off** locking in the FEC rate of 1.0055 than buying and exercising the AUD Put.

How settlement takes place

The AUD or foreign currency that you or another party are paying to us must be cleared funds before you can transact with us. Our AUD payments will be made by electronic transfer. Our foreign currency payments will be made by electronic transfer.

To make a foreign currency payment, you will need to fax, email or send in any other agreed electronic form your signed instructions to Treasury Operations, including beneficiary and bank account details of the account it is being sent to.

Credit facility

If you are buying a Currency Option from us, you will need a Suncorp credit facility unless you choose to pay the premium on the date you purchase the option. This means the option, if exercised, will be on a cash settlement basis.

If you are selling us a Currency Option, you need a credit facility with us. If you have insufficient funds to settle a transaction, Suncorp may draw on your credit facility to settle/cover it.

If you are unable to meet your obligations under the credit facility, Suncorp may exercise rights against you under the terms of the credit facility.

Credit facilities should be discussed with your Suncorp lending representative and you should carefully consider the applicable fees and charges and terms associated with the credit facility. These will be fully disclosed in the relevant facility documentation.

You should read the credit facility documentation carefully to understand your rights and obligations and also Suncorp's rights and obligations under the terms of the credit facility.

Remuneration

Representatives employed in the Treasury area of the Suncorp Group receive an annual salary, which is based on a number of general factors including industry experience, location, qualifications and complexity of role. In addition, a Treasury Representative may be paid a bonus payment based on a number of factors including the Representative's individual performance. However, Representatives do not receive incentives, commissions or other payments based solely on individual sales or the advice provided by the Representative. At any point in time, it is not possible to determine if a Treasury Representative will receive a bonus or to quantify it.

Documents

We will send you either:

- a Derivatives Master Agreement ("DMA") for Foreign Currency Transactions; or
- a Master Agreement in the form produced by the International Swaps and Derivatives Association Inc. ("ISDA").

Both of the above set out the terms and conditions that apply to the Currency Option transactions we enter into with you and generally govern the relationship between you and Suncorp. You should also read the Suncorp terms and conditions below that also apply.

You can ask us for copies of these documents. We recommend you read the documents and that you seek your own independent legal advice.

We will not require an ISDA or DMA for a new transaction if;

- you already have one in place, or
- you are acquiring an option that you buy from us and your premium is to be settled by payment of clear funds on the date of purchase of the option.

If it is required you will need to sign the document and return it to Treasury Operations before you can transact a Currency Option. You may also need to satisfy other requirements that we may have before you can buy or sell a Currency Option.

Also, after you buy or sell a Currency Option, we will post an original Currency Option confirmation to your mailing address. You need to sign the original copy within seven working days and return it to Treasury Operations at:

Treasury Operations 4FI015
GPO Box 1453
Brisbane QLD 4001.

If we do not receive back from you a signed confirmation prior to the exercise date, settlement may not be effected or we may choose to unwind the transaction. In such circumstances Suncorp reserves its right to seek compensation from you where the contract been cancelled and a loss incurred by us.

How to transact

Contact your Treasury Representative. Please note that instructions by phone, fax, email, post or any other agreed electronic form can only be accepted from an individual properly authorised to give them. An Authorised Signatory of the product must sign the instructions.

If you are a new customer, we will send you forms that you need to complete, sign and then return the originals to us before you can transact.

How to contact your Treasury Representative

If you have any questions about this document, or to obtain details of our exchange rates or other fees and charges please contact your Treasury Representative:

City	Phone	Fax	Email
Brisbane	1300 557 763	(07) 3031 2209	treasuryfx@suncorp.com.au (payment instructions only)

Note: *All conversations with Suncorp Treasury are recorded*

Postal Address:
Treasury Operations (4FI015)
Suncorp-Metway Ltd
GPO Box 1453
Brisbane 4001

Terms and Conditions

These Terms and Conditions apply to all Treasury products (including foreign exchange products), to the extent relevant to the particular product.

General information

You agree that you accept the following Terms and Conditions and that they apply to you and your product when:

a) you or a person authorised by you initiates or makes a transaction; or

b) you or a person authorised by you accepts these Terms and Conditions in writing.

Headings used are a guide only. Singular references include the plural and vice versa.

Any reference to "includes" is given by way of example and is not intended to limit the term it applies to.

Subject to our legal obligations, we may exercise our discretion in any manner we think fit to protect our Legitimate Interests.

The parties say that it is their intention that, in the interpretation of these Terms and Conditions:

- if possible, words which have an ordinary meaning are given that meaning;
- these Terms and Conditions are to be interpreted broadly;
- if a general term is used, it must be given a broad meaning; and
- general terms must not be limited because of any rules of interpretation.

There are some words, abbreviations and phrases that apply to particular products or services we provide or may provide, that are defined in certain clauses of these Terms and Conditions. Where those words, abbreviations and phrases are defined in a particular clause of these Terms and Conditions those meanings only apply to the particular clause they appear in and will prevail over any equivalent word, abbreviation or phrase in this clause.

Any clause in these Terms and Conditions for a particular product or service we provide or may provide that is inconsistent with any other clause or provision of these Terms and Conditions shall prevail to the extent of the inconsistency to the extent allowed by law.

Severability

If apart from the operation of this provision, the application of a mandatory law or Code

applicable to this document would apply to a particular provision so that it would make that provision void, unenforceable or in breach of the applicable law or Code, then the relevant provision will be:

(a) read down; and

(b) construed as if it were varied so we are not required or permitted to apply or rely on that provision in a manner or to an extent that is inconsistent with that law or Code.

This provision prevails over any other provision in this document.

If, despite this clause any provision is void, unenforceable or remains in breach of a law or Code, then that provision will be treated as ineffective and severed to the extent only that the provision is void, unenforceable or in breach but without invalidating the other parts of this document.

Privacy and Confidentiality

Suncorp is a member of a financial services Group (the Suncorp Group). The Suncorp Group offers many different categories of financial products and services.

We need to collect personal information from our customers so we can:

- set up and administer a product for you;
- determine a customer's requirements and provide the appropriate product or service;
- assess a claim made by a customer under one or more of our products;
- assess our customers and their needs; and
- improve our financial products and services.

Without this information, we cannot provide the product or service. If you would like a copy of Treasury's complete Privacy statement please contact your Treasury Representative or visit our website www.suncorp.com.au/privacy.

Interception and recording of communications

All phone conversations with Suncorp Treasury are recorded. You agree and acknowledge that we can intercept, record, read or view by any means any communication you may have with or make to us by any means. Communication includes but is not limited to any telephone communication, email, fax and any other form of electronic or wireless communication.

Problems and complaints

We can help you with any problems you might have with our products and services. Most problems can be solved by simply talking to your Treasury Representative.

If you have a complaint concerning any of our products or services, please tell us. You can do this in any of the following ways:

Call us on:	1800 689 762 (FREE CALL)*
Send us a Fax on:	1300 767 337
Write to us at:	Reply Paid 1453 Suncorp Bank CEO Office (4RE058) GPO Box 1453 BRISBANE QLD 4001
Email us at:	CEOoffice@suncorp.com.au

Or contact us in person through our branches.

If we are unable to resolve your complaint within 24 hours we will acknowledge your complaint within 3 days and endeavour to resolve it within 21 days. For further information on our complaints handling procedure, please contact your Treasury Representative. If you are dissatisfied with the outcome of your complaint or the way in which it was handled please let us know.

Alternatively, you can contact the Financial Ombudsman Service (FOS). FOS provides a free, fair and accessible dispute resolution service for consumers and some small businesses unable to resolve a dispute directly through our complaints resolution process.

FOS provides a free service for customers with complaints involving less than $280,000.

You can contact FOS by:

phone on	1300 78 08 08 (for the cost of a local call#)
fax on	(03) 9613 6399
email at	info@fos.org.au
writing to	Financial Ombudsman Service Limited GPO Box 3 Melbourne VIC 3001

If you want more information on this service please ask us for a brochure.

* Calls to Freecall numbers are free of charge when dialled from a Telstra payphone
# A higher charge may apply for public telephones and mobile phones.

Financial Difficulty

We recommend that you inform us promptly if you are in financial difficulty and you have a credit facility with us.

Laws and codes of practice

Where applicable, the Code of Banking Practice, the ePayments Code and the AFMA Code of Ethics and Code of Conduct apply to your accounts and our services. The relevant provisions of the Code of Banking Practice (including any amendments) apply from the date Suncorp formally adopted the provisions of the Code.

We agree to follow the rules of the ePayments Code for electronic banking transactions made in Australia and we give you a warranty that we will do so. You have certain rights at law, which cannot be limited or excluded. Nothing in these Terms and Conditions limits or excludes those rights, however, Suncorp's liability is limited to the maximum extent permitted.

AFMA OTC market conventions

Where applicable, Suncorp endeavours to follow the Australian Financial Markets Association (AFMA) Over the Counter (OTC) Market Conventions.

The conventions are not legislative or prescriptive in nature. Rather, they are intended to mirror the consensus view of the market as to what are the most common practices in the respective markets. This will enable you, Suncorp and other parties to avoid misunderstandings due to differing perceptions of common market conventions when dealing.

If you require further information regarding the conventions please visit the AFMA website at www.afma.com.au.

Indemnity for loss or damage

Subject to these Terms and Conditions you indemnify us against any loss or damage we may suffer due to any claim, demand or action of any kind brought against us by any person arising directly or indirectly because you:

- did not observe any of your obligations under these conditions; or
- acted negligently or fraudulently in connection with these conditions.

You agree to pay us for any loss, damage or costs we might have, if:

(a) you do not follow any law or regulation that applies to your product, account, service or transactions on your account;

(b) you do not follow our Terms and Conditions;

(c) a transaction, including overseas transactions, you initiated is dishonoured, returned or cannot be processed; or

(d) there is any breach by you as a trustee or director.

Giving us instructions

Generally, we can act on instructions from you (including those given by telephone, fax, email or in any other electronic form where agreed from time to time). We can ask you to prove your identity and give us an acceptable indemnity before we act on your instructions. We can also delay or refuse to act on your instructions.

In consideration of us accepting or acting upon your instructions, including those given by telephone, fax, email or in any other electronic form from time to time, you acknowledge and agree:

1. Your instructions shall be sent to such number or email address and for the attention of such individuals as we may require from time to time.
2. That fax, email and other agreed electronic form instructions are sent on your letterhead or otherwise clearly identify you as the sender and signed by a duly Authorised Signatory. At our request you will confirm all instructions in writing.
3. We are not obliged to act upon instructions from you and acceptance of one or more instructions by us shall not oblige us to act on or otherwise accept further instructions from you.
4. We shall not be liable for any loss or damage (whether consequential or otherwise) incurred by you as a result of us acting on instructions which we believed were duly given by an Authorised Signatory or Authorised Dealer. You indemnify us against any loss incurred as a result of us acting in accordance with instructions, which we believed, were duly given.
5. Instructions shall be governed by and construed in accordance with the laws of Queensland.

Notices from us

Any notice or other document may be given by us by our sending it to your last known email or postal address (as last advised by you). Except where it contravenes a law or the ePayments Code, provided that we send it to your last known email or postal address, it is taken to have been received on the date it would have been delivered in the ordinary course. A certificate signed by an officer of Suncorp is evidence of the postage date and that the mail was posted on the date stated in the certificate.

Changing your details

You must write to tell us promptly if you or any person authorised to make transactions on your behalf changes name, signature, residential address, postal address, phone, fax number or email address.

You must also advise us promptly if you change your bank account details, standard settlement instructions or Authorised Dealer or Authorised Signatory.

If you would like to change the name on your product (eg due to marriage, change of a company name) please contact us for details of our requirements.

If we become aware of any changes to your account details we can take reasonable steps to amend our account records without notice to you.

Our rights

We can exercise our rights at any time within the limits of the law. If we delay in exercising our rights, this does not mean we give up those rights.

Identity

By law, we must be sure of your identity and hold certain information about you and other relevant parties (for example, beneficiaries, shareholders) before you open an account. Otherwise, we may not be able to open an account for you. So we can comply with the law, you must provide any information and/or documentation we request.

In addition, from time to time we may request further information and/or documentation from you to assist the Bank in meeting its legal obligations. You must provide such information and/or documentation when requested.

If you are an existing Suncorp customer you will not generally be required to repeat the customer identification process, however you will need to identify yourself if we ask.

Taxation

You can decide whether or not to give us your Tax File Number or ABN when you transact with us.

Under the Income Assessment Act, authority is given to collect and quote Tax File Numbers. We will keep your Tax File Number confidential. For more information about Tax File Number regulations, contact the Australian Taxation Office.

This product may have capital gains tax or income tax implications for you depending on your circumstances.

In this regard the Australian Government enacted legislation which affects foreign exchange gains and losses arising from transactions entered into from 1st July 2003. Depending on your circumstances foreign exchange gains/losses may need to be included in/deducted from your assessable income regardless of whether there is an actual conversion of foreign currency amounts into Australian dollars.

To better understand the tax implications of this product for your circumstances, you should contact your accountant.

Dealing authority and Power of Attorney

Dealing authority

You are able to give up to four people, authority to provide instructions and transact on your behalf. This means that they will be able to fully operate your Treasury product and will be allowed to conduct other transactions.

To authorise an individual to act on your behalf they must be listed on the Client Details Form, which must also be signed by you, and complete the customer identification process.

You can specify what the person you appoint can do and which products they can access by completing the Special Instructions section of the Client Details Form. If you want to change or cancel the appointment of the person, you must provide original written advice detailing all changes, signed by you or another Authorised Signatory.

The appointment will also cease once we are notified of your death or that you have become mentally incapacitated or in the case of a business, resignation or change of role of the Authorised Signatory.

We only accept telephone transaction instructions from an Authorised Dealer. We only accept written instructions of any kind from an Authorised Signatory.

A person can be both an Authorised Dealer and an Authorised Signatory.

Power of Attorney

You can appoint a person to be your attorney under a Power of Attorney to transact on your behalf.

We must have an acceptable, certified copy of the original Power of Attorney and completed the customer identification process before an attorney can access an account/product. You must tell us as soon as possible if you cancel, change or revoke the Power of Attorney.

Risks with appointing Dealing Authorities and Powers of Attorney

You appoint a dealing authority or an attorney at your own risk.

You are responsible for any transactions that person makes on your behalf, even if you do not know about the transactions.

You must not give your Telephone Access Code, any password or other secret code or access method we give you to the appointed person or anyone else. We may issue a separate Telephone Access Code, password or other secret code or access method to the appointed person if you have authorised a third party to operate your account/product.

Unless we are found to be negligent, fraudulent or to have otherwise breached our legal obligations, we are not responsible for a dealing authority/attorney or the way that a dealing authority/attorney accesses an account/product. Subject to law, unless we are found to be negligent, fraudulent or to have otherwise breached our legal obligations, we are not liable for any loss or damage caused by a person you have authorised to operate on your behalf.

Trusts

If you are a trustee, you:

(a) must act according to the terms of the trust and for the benefit of the trust and its beneficiaries;

(b) must not misuse the trust funds or use any rights you have against the trust funds;

(c) agree to these Terms and Conditions as trustee and in your own personal capacity;

(d) must be the only trustee (unless we agree to something different in writing);

(e) must not breach the terms of the trust for as long as you have the account/product.

All transactions must follow the trust's guidelines. You must be authorised as trustee as well as complete the customer identification process to agree to these Terms and Conditions and any particular conditions.

Companies, partnerships and incorporated associations

If the account and/or product holder is a company, partnership or incorporated association we can only accept instructions/requests in the way the rules of the company, partnership or incorporated association allow.

Errors on statements or confirmations, mistakes and unauthorised transactions

You must read statements and other records and write to us promptly if there is a mistake, if information is missing or if statements show transactions you did not make.

If you detect an error or believe a transaction was not authorised you must notify us as soon as you become aware of the transaction.

We are not responsible for any loss you may suffer due to errors, inaccuracies or omissions in relation to authorised but mistaken instructions given to us for the operation of your account and/or product.

Some transactions are governed by the ePayments Code. We will comply with the requirements of any law, code or scheme applying to any disputed transaction.

Confirmations

We will send you a confirmation of transactions made and the terms applying to same via fax, email or in any other electronic form where agreed from time to time. The confirmation will be conclusive evidence of the transaction made and terms applying to same unless you advise us otherwise, within 24 hours of receipt of the confirmation.

If you advise us of any incorrect information contained in the confirmation within 24 hours of receipt of the confirmation we will proceed to investigate and attempt to resolve the disputed information. In doing this, we will comply with the requirements of any law, code or scheme applying to any disputed transaction.

Refer to the Documents section for additional requirements to return the confirmation when you buy or sell a Currency Option.

Losses and errors

An unauthorised transaction, that is a transaction you do not authorise, does not include any transaction carried out by you or by anyone performing a transaction with your knowledge and consent.

Where you do not authorise a transaction, you will not be responsible for losses, which are:

(a) caused by fraudulent or negligent conduct of our staff or agents of ours or companies involved in networking arrangements or merchants or their agents or employees; or

(a) losses that are caused by the same transaction being incorrectly debited more than once to the same account.

Where it is clear that you have not contributed to any loss caused by unauthorised transactions you will not be liable.

When you are liable for losses

You will be liable for losses resulting from unauthorised transactions where on the balance of probability we can prove that you contributed to the losses through fraud. We are not responsible for any loss suffered if the account numbers, BSB or amounts of transactions you authorise are incorrect or invalid or if you authorise transactions more than once in error.

You must check the details of each transfer and each transaction in a payment and ensure that the accounts, BSB and amounts are correct. Once you authorise transactions to be processed we will not be able to stop, withdraw, suspend or delete the transfer, change any details or recover the funds.

If a transfer is unable to be processed by the receiving financial institution, the funds will be returned to your account. This may take approximately 5 days but can take longer depending on the other financial institution.

If an electronic transfer to another financial institution fails, it is possible that the funds returned to us and subsequently returned to you, may be less than the funds originally transferred due to failure fees charged by the other financial institution or market movements in exchange rates if the return of funds involves an exchange.

Overseas transactions

Transactions processed in foreign currency may be converted to Australian dollars using the exchange rate specified by your Treasury Representative at the time of processing.

We will not be responsible for any losses as a result of fluctuations in exchange rates between when the overseas transaction was effected or requested and when the exchange rate was applied.

If we have reasonable grounds for thinking that your overseas transaction breaks any law applying at the time, we can refuse to process it.

Some terms explained

The following table defines and explains the meaning of some terms used in this PDS.

Term	Meaning
AEST	Australian Eastern Standard Time
AFMA	The Australian Financial Markets Association.
AFSL	Australian Financial Services Licence.
At the money	An option with a strike rate that is equal to or very close to the current spot market rate.
Authorised Dealer	Has the authority to exchange information and book in a deal or transaction.
Authorised Individual	Has full authority to transact and sign on the account, unless otherwise indicated on the Treasury Client Details Form
Authorised Signatory	Has the authority to sign all documents. This includes settlement instructions, transactional instructions and amendments to customer details.
Business day	A day when banks are open for business in each of the centres applicable to the currencies being transacted and the United States.
Cleared funds	Those funds that are available for withdrawal. Cheques and payments other than cash may have a waiting period during which the funds are unavailable. Funds paid in by cheque may take up to five days to become available, however the length of the waiting period depends on the beneficiary's bank and the type of payment involved. For example, funds from electronic transfers are usually available more quickly than funds from cheques.
Code	Any industry code of practice that applies to us, your account, or a transaction and includes the ePayments Code and the Code of Banking Practice.
Confirmation	Our advice that is proof of your transaction. It shows details such as the date, name, address, term, amount, currency, interest or exchange rate and beneficiaries.
Contract amount	The amount of currency (and other currency equivalent) as agreed by you and us, which is covered by the transaction.
Credit facility	The facility under which we have agreed to provide an agreed amount of credit you can use for a set period.
Currency Option Collar	Buying a Call or Put option and selling a Put or Call option respectively, but at different strike rates creating a best and worst case range.
Deal date	The date when the terms of the transaction are agreed.
Derivatives Master Agreement	The Master Agreement for Foreign Currency and Derivative Transactions issued by Suncorp-Metway Limited.
ePayments code	Regulates electronic payments, including online payments, internet and mobile banking, BPAY, ATM, EFTPOS and credit card transactions.
Exchange rate	The value of one currency in terms of another currency.
Exchange rate exposure	Your income or expenses can be affected by a movement in the exchange rate.
Expiry date	The date when the buyer's right to exercise an option ends.

Term	Meaning
Forward Exchange Contract (FEC)	A binding agreement between two parties to exchange one currency for another on an agreed future date (more than two business days from transaction date) at an agreed rate.
Forward margin	The forward exchange margin set by the market to calculate the forward exchange rate. It is determined by the difference between the two currencies interest rates for the term of the forward exchange contract. Effectively it is priced to compensate the buyer of the higher yielding currency for extra interest that could have been earned between the spot date and the forward date. Thus for AUD/USD, if Australian interest rates are higher than in the US, the margin will be negative and subtracted from the spot date. Conversely if the Australian interest rates are lower than the US, the margin will be positive and added to the spot rate.
Hedging	Reducing a risk or setting a worst case.
In the money	The strike rate is better than the current market rate.
ISDA Master Agreement	The Master Agreement approved by the International Swaps and Derivatives Association Inc. that governs a variety of derivative transactions entered into between the parties named in the Agreement. The Agreement outlines the terms and conditions which each party has agreed to comply with and are read in conjunction with the confirmation.
Out of the money	The strike rate is worse than the current market rate.
Spot rate	The value date for settlement of a foreign exchange transaction whereby settlement will occur in two business days for the currencies being exchanged and includes the United States. For example if the currencies being exchanged were AUD and NZD the spot date would require to be two business days for AUD, NZD and USD after the date of the agreement of the exchange rate.
Standard settlement instructions (SSI) -for AUD transactions	Payment or receipt instructions, including beneficiary's name, bank, branch, account number, invoice details and codes so we can pay or receive money correctly. The details must be: • given to us in writing by an Authorised Signatory for the product • in the same name as the product and • agreed to by appropriate authorities in Treasury Operations.
Standard settlement instructions (SSI) -for foreign currency transactions	Payment or receipt instructions, including beneficiary's name, bank, branch, account number, invoice details and codes so we can pay or receive money correctly. The details must be: • given to us in writing by an Authorised Signatory for the product and • agreed to by appropriate authorities in Treasury Operations.
Strike rate	The rate or price at which an option may be exercised.
Suncorp	Suncorp-Metway Ltd ABN 66 010 831 722, its successors and assigns.
Terms and conditions	(a) the contents of this booklet; (b) changes made to this booklet; (c) conditions set out by law; (d) fees and charges and interest rates specified by us; and (e) any application form completed and signed by you in relation to a Suncorp Treasury Product.
Transaction	Any fees, charges, deposits, withdrawals, credit or debit instructions or advice made from or added to your product in any way.

Term	Meaning
Value spot (spot date)	A foreign exchange transaction where settlement occurs two business days from the deal date.
‘we’, ‘our’ or ‘us’	Suncorp
‘you’ or ‘your’	The person who has a product with us. It can also include a partnership, trust, company or corporation. If more than one person has the product, ‘you’ includes all those people - singly and as a group, ‘your’ is used in the same way. All references to ‘you’ and ‘your’ include the successors, administrators or assigns of you or that person.

For more information regarding this product:

1300 557 763

www suncorpbank.com.au

SUNCORP BANK

10710 15/05/14 A