

Foreign Exchange Swaps

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

Level 18, Suncorp Centre
36 Wickham Terrace
Brisbane QLD 4000

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Welcome

This Product Disclosure Statement (PDS) is an important legal document that contains statements and information concerning, and Terms and Conditions applicable to, Foreign Exchange Swaps. 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 you can only deal with us in relation to this product.

Product overview

A Foreign Exchange Swap involves the exchange of one currency for another at an agreed exchange rate and on an agreed date (start date), and then a re-exchange of these two currencies on a later date (end date), also at an agreed exchange rate. The exchange rates are agreed at the time the Foreign Exchange Swap is entered into, thereby removing any exposure to exchange rate movements during the term of the Foreign Exchange Swap.

For example, an Australian company buys a business based and operated in New Zealand (NZ). The operating income and expenses of the NZ business are in NZ dollars (NZD) but the company borrows in Australian dollars (AUD) to fund the acquisition. They have an exchange rate exposure. They could eliminate this exposure by entering into a Foreign Exchange Swap, to swap the borrowed AUD into NZD for a nominated term, the same as the term of the AUD borrowings.

You will need an approved Suncorp corporate credit facility with us before you transact a Foreign Exchange Swap 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.

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

What is a Foreign Exchange Swap?

A Foreign Exchange Swap is a product used by customers who may have a need to exchange two currencies on one day and then re-exchange (swap) the same currencies at a later date.

The exchange of the two currencies has:

- a fixed term; and
- an agreed rate (swap rate).

A Foreign Exchange Swap is a simultaneous sale and purchase transaction that has two settlement dates:

- the “start date”, when a currency is first exchanged for another at an agreed exchange rate (agreed rate/swap rate); and
- the “end date” when the currencies are exchanged back at an agreed exchange rate.

The exchange rate for each of the transactions is usually different and this difference is called “swap points”. Swap points are set by the market and will generally reflect the current interest rates of the two countries involved for the term of the Foreign Exchange Swap. They are added to, or subtracted from, the spot rate and therefore can represent either a premium or discount to you.

It is also important to understand that when Suncorp quotes you an exchange rate, this quote includes a margin. For more information on margins see the section “Fees and Charges” on page 9 of this PDS.

How a Foreign Exchange Swap works in practice is demonstrated in the examples that follow in this PDS.

What are the benefits of a Foreign Exchange Swap?

A Foreign Exchange Swap allows you to exchange one currency for another at an agreed exchange rate and on an agreed date and then a re-exchange of these two currencies on a later date, also at an agreed exchange rate.

Exchange rates are volatile. The benefits of a Foreign Exchange swap includes protection in the event of unfavourable movements in exchange and provides greater cash flow certainty.

What are the disadvantages of a Foreign Exchange Swap?

Once you entered into a Foreign Exchange Swap you will not be able to take advantage of any favourable movements in exchange rates for that transaction.

Foreign Exchange Swaps cannot be extended.

You cannot extend the end date of a Foreign Exchange Swap.

What happens if the Foreign Exchange Swap is no longer needed?

You cannot cancel a Foreign Exchange Swap. It must be settled. You can however achieve a similar effect by undertaking an opposite Foreign Exchange Swap transaction. You will need to discuss this with your Treasury Representative.

What are the implications of an opposite transaction?

An opposite Swap transaction has the same features of a Foreign Exchange Swap as described in this PDS. The original Swap transaction gives you a future exposure and by entering an opposite Swap transaction you are essentially bringing that future exposure back to today. This effectively cancels the future risks and or benefits associated with the original Swap transaction and creates another (opposite) foreign exchange position today.

What are the significant risks of a Foreign Exchange Swap?

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 Swap transaction will not entirely "offset" each other due to the difference between the Foreign Exchange Swap and the underlying exposure. This is called Basis risk.

Counterparty risk also exists in a Foreign Exchange Swap. 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 Foreign Exchange Swap 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.suncorp.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.

Examples of how Foreign Exchange Swaps can work

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

1. Foreign Exchange Swap used instead of a foreign currency loan

ABC Pty Ltd needs NZD 200,000 for 90 days. Rather than borrow NZD 200,000, ABC could borrow the equivalent in AUD (or use its available AUD funds) and enter into a Foreign Exchange Swap to:

- convert the AUD funds to NZD at an agreed exchange rate, and
- re-exchange the NZD back to AUD in 90 days at an agreed swap rate.

If ABC borrows the AUD, the loan can be with Suncorp or another financial institution. The loan is a separate transaction to the Foreign Exchange Swap. ABC contacts our Treasury Representative and asks for a Foreign Exchange Swap rate for NZD 200,000 with today as a start date and an end date in 90 days.

ABC is quoted:

- an initial exchange rate of 1.0610
- swap points of +0033 (33 points)
- a re-exchange rate of 1.0643

ABC confirms it will accept the rates. The transactions today are:

- ABC pays us AUD 188,501.41 (NZD 200,000/1.0610)
- we pay ABC NZD 200,000.

90 days later:

- ABC pays us NZD 200,000
- we pay ABC AUD 187,916.94 (NZD 200,000/1.0643).

The difference in AUD amounts reflects the interest rate differential between Australia and New Zealand for 90 days (which was quoted to ABC as +33 points).

Please note the above example does not include any fees, charges or interest costs that may be associated with any loan you have.

2. Foreign Exchange Swap used to roll (extend) Forward Exchange Contracts (FECs)

XYZ Pty Ltd, an Australian importer, has an FEC maturing in two days.

The FEC is for:

- an amount of USD 200,000 and
- an exchange rate of 0.7228.

Shipment has been delayed and XYZ does not need to pay the USD for another month. It has two choices.

Choice 1

XYZ could settle the existing FEC in two days and invest USD for one month. XYZ would need to borrow AUD to pay for the USD (or use available AUD funds).

Choice 2

XYZ could settle the FEC in two days and use a Foreign Exchange Swap to delay the cash flows for a month. XYZ tells our Treasury Representative it wants a Foreign Exchange Swap to extend the FEC for one month.

XYZ is quoted:

- an initial exchange rate of 0.7208
- swap points of -0.0023 (23 points)
- a re-exchange rate of 0.7185

In two days when the FEC matures and settles (the start date of the Foreign Exchange Swap):

- XYZ buys USD 200,000 and sells AUD 276,701.72 (USD 200,000/0.7228)
- there is the initial exchange of the Foreign Exchange Swap – XYZ sells USD 200,000 and buys AUD 277,469.48 (USD 200,000/0.7208)
- the only cash flow is that XYZ receives AUD 767.76 (the net result from the FEC and the initial exchange of the Foreign Exchange Swap)
- no USD is exchanged.

In one month there is a re-exchange of the Foreign Exchange Swap. XYZ buys USD 200,000 and sells AUD 278,357.69 (USD 200,000/0.7185).

By using a Foreign Exchange Swap to delay buying USD, XYZ has not had to borrow AUD for one month (or use its available funds). XYZ has been able to delay outlaying AUD 276,701.72 until it needs to pay USD.

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 your signed instructions to Treasury Operations, including beneficiary and bank account details of the account it is being sent to.

Term of Foreign Exchange Swap

The term of the Foreign Exchange Swap transaction will be agreed between us and is for a fixed duration. The duration of the term will also be subject to the term of your Suncorp corporate credit facility. The term of a Foreign Exchange Swap transaction:

- is not subject to any minimum time period;
- can not exceed the term of your credit facility (see the section “Credit Facility” below for more information).

Credit facility

You will need an approved Suncorp corporate credit facility with us before you transact a Foreign Exchange Swap covered by this PDS. If you have insufficient funds to settle a transaction, Suncorp may draw on your credit facility to settle or 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 and other benefits paid to the Representatives

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

Unless you already have an agreement in place, we will send you either:

- a Derivatives Master Agreement 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 Swap 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.

You need to sign the document and return it to Treasury Operations before you can enter into a Foreign Exchange Swap agreement. You may also need to satisfy other requirements that we may have before you can enter into a Foreign Exchange Swap agreement.

Fees and charges

There are no direct charges for Foreign Exchange Swaps; however in line with common market practice we apply a buy-sell spread (often called a margin) to our products.

This margin is the difference between the rate at which we lend or sell and the rate at which we borrow or buy. The margin will depend on a number of factors including for example:

- size of transaction
- term of product
- prevailing market rates
- our business relationship with you.

The margin is not an additional cost but is incorporated in the price or rate you are quoted by us.

Other fees or charges may apply for related services such as a telegraphic transfer and will be disclosed to you separately should you require these services. Refer to your Treasury Representative.

How to transact

Contact your Treasury Representative. Please note that instructions by phone, fax or post can only be accepted from an individual properly authorised to give them. An authorised signatory of the product must sign the fax or postal instructions.

If you are a new customer, we will send you forms that you need to complete, sign and then return 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
Brisbane	1300 557 763	(07) 3031 2209

Note: All conversations with Suncorp Treasury are recorded

Postal Address:
Treasury Operations (FI015)
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/account 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.

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.

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/Treasury_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 Customer Relations Unit (RE058)
GPO Box 1453
BRISBANE QLD 4001

Email us at: customerrelations@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). The 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.

The 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 Electronic Funds Transfer Code of Conduct (EFT 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 2003 (including any amendments) apply from the date Suncorp formally adopted the provisions of the new Code.

We agree to follow the rules of the EFT 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 by law. If any provision in this document is or becomes invalid, unenforceable or breaches any law or applicable Code then it is deleted and will not affect the remaining parts of this document.

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 supposed 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 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 or in any other electronic form from time to time, you acknowledge and agree:

1. Your instructions shall be sent to such number and for the attention of such individuals as we may require from time to time.
2. That fax instructions are sent on your letterhead and signed by a duly authorised signatory. At our written 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 sending it to your last known address. Except where it contravenes a law or the EFT Code, if we send it to your last known address, it is taken to have been received on the date it would have been delivered in the ordinary course of the post. 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 or fax number.

You must also advise us promptly if you change your bank account details, standard settlement instructions or authorised dealers or authorised signatories.

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 our 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 dealing 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 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 them.

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 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.

We are not responsible for a dealing authority/attorney or the way that a dealing authority/ attorney accesses an account/product. Subject to law, 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 by you, 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 EFT Code of Conduct. We will comply with the requirements of any law, code or scheme applying to any disputed transaction.

Confirmations

We will send you a written confirmation of transactions made and the terms applying to same. The written confirmations 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.

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
- (b) 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.

AFMA The Australian Financial Markets Association.

AFSL Australian Financial Services Licence.

Authorised dealer The person/s who are authorised to operate the product.

Authorised signatory The person/s who are authorised to sign on the product and are authorised to change your operating 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 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 5 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 EFT Code and the Code of Banking Practice.

Confirmation Our written 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.

Credit facility The facility under which we have agreed to provide an agreed amount of credit you can use for a set period.

Derivatives Master Agreement The Master Agreement for Foreign Currency and Derivative Transactions issued by Suncorp Metway Limited.

Forward Exchange Contract or 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 exchange rate The rate agreed between two parties today at which one currency is exchanged for another currency at a future date.

Forward term The period of time from start date to end date of contract.

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 that each party has agreed to comply with and is read in conjunction with the confirmation.

Maturity date (end date) The date when the terms of a contract end.

Spot rate The exchange rate to buy or sell one currency for another in two business days. It is market convention for banks to quote spot rates unless another value date is specified.

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 of the product
- in the same name as the account 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 of the product and
- agreed to by appropriate authorities in Treasury Operations.

Suncorp Suncorp-Metway Ltd ABN 66 010 831 722, its successors and assigns.

Swap A foreign exchange swap described in this PDS. “Foreign Exchange Swap” and “Swap” are used interchangeably in this PDS.

Terms and conditions

- (a) the contents of this document;
- (b) changes made to this document;
- (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.

Value date The date when cash flows occur.

‘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.



CONSUMER

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www

suncorp.com.au



Visit your local branch or agency



Mail to GPO Box 1453, Brisbane QLD 4001



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