

TREASURY DEPOSITS TERMS AND CONDITIONS

Effective date: 1 February 2011

IMPORTANT INFORMATION YOU SHOULD READ BEFORE PROCEEDING

THIS DOCUMENT CONTAINS TERMS AND CONDITIONS FOR THE FOLLOWING RURAL BANK LIMITED PRODUCTS:

- Treasury Term Deposit;
- 11am Deposit;
- Negotiable Certificate of Deposit.

Effective date: 1 February 2011

Issuer of the Products: Rural Bank Limited

ABN 74 083 938 416

Australian Financial Services Licence (AFSL) 238042

Registered Office: 27 Currie Street Adelaide SA 5000

The Treasury Deposits Terms and Conditions (Terms) contains important information you should consider before making a decision to acquire, or continue to hold, a Rural Bank Limited Treasury Deposit product. Please read them carefully. We recommend you compare products available in the marketplace and select a product that best suits your individual needs. You should keep the Terms in a safe place as they may be a useful reference guide in the future. Please contact us if you require further information or if you have any questions.

Statements made in the Terms do not constitute investment advice. We recommend you seek independent financial advice.

To the extent that general advice about financial products is provided in the Terms, you should note that:

- the advice has been prepared without taking into account your objectives, financial situation or needs;
- because of this you should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs; and
- you should read the Terms and consider the risk factors and other information contained in the Terms before deciding whether to acquire one of our Treasury Deposit products.

Contents	2	SECTION 4 – 11AM DEPOSIT	11
Definitions and interpretations	3	4.1 Key features	11
SECTION 1 – OVERVIEW OF TREASURY DEPOSIT PRODUCTS	4	4.2 Risks	11
1.1 Treasury Term Deposit	4	4.3 Notice of variations	12
1.2 11am Deposit	4	4.4 Interest rates that may apply	12
1.3 Negotiable Certificates of Deposits (NCD)	4	4.5 Closing an 11am Deposit	12
SECTION 2 – GENERAL INFORMATION	4	4.6 Inactive 11am Deposit	12
2.1 Contacting us	4	4.7 11am Deposit Statements	12
2.2 About us	4	SECTION 5 – NEGOTIABLE CERTIFICATES OF DEPOSIT	13
2.3 Your privacy and confidentiality	4	5.1 Key features	13
2.4 About the terms and conditions	4	5.2 How an NCD works	13
2.5 Fees and charges	5	5.3 Risks	13
2.6 Communicating with you	5	5.3.1 Market risk	13
2.7 Changes to terms and conditions and ongoing disclosure	5	5.3.2 Repurchase or Sale	13
2.8 Other important terms	6	5.3.3 Bearer product risk	13
2.9 Anti-Money Laundering	6	5.4 Notice of variations	14
2.10 If you have a complaint	6	5.5 Redeeming an NCD prior to maturity	14
2.11 Acquiring a Treasury Deposit product	7	5.6 Transfer of NCDs	14
2.11.1 Identification requirements	7	5.7 Maturing NCDs	14
2.11.2 Joint facilities	7		
2.11.3 Authorising someone to act on a product	7		
2.11.4 Facilities in the name of a Trust	7		
2.11.5 Taxation implications and providing a Tax File Number (TFN) or Australian Business Number (ABN)	8		
2.12 Accessing your Treasury Deposit product	8		
2.13 Providing us with instructions	8		
2.14 Cut-off times	8		
2.15 Depositing cheques	8		
2.16 Changing details	8		
2.17 Confirmations	8		
2.18 Closing a facility	8		
2.19 Commission	8		
SECTION 3 – TREASURY TERM DEPOSITS	9		
3.1 Key features	9		
3.2 Risks	9		
3.3 Notice of variations	10		
3.4 Closing a Treasury Term Deposit prior to maturity and early withdrawals	10		
3.4.1 Agreement required	10		
3.4.2 Interest reduction for early withdrawal	10		
3.5 Maturing Treasury Term Deposits	10		

Definitions and interpretations

In the Terms and Conditions, unless the context otherwise requires:

'ADI' means an authorised deposit-taking institution. An ADI is a bank, building society or credit union supervised by the Australian Prudential Regulation Authority (**APRA**);

'authorised agent' means a broker you have authorised to give us instructions in relation to a facility or NCD;

'authorised representative' means an employee or other officer representing an authorised agent permitted by you to deal on your behalf;

'authorised operator' means a person you have authorised to use a facility, or give instructions relating to an NCD, in the same way you can;

'business day' means a day other than a Saturday, Sunday or public, special or bank holiday in Adelaide, South Australia;

'deal date' means the date on which a Treasury Deposit product is issued to you;

'earnings' means the difference between the purchase price of an NCD and the face value of the NCD on redemption on the maturity date, or the difference between the purchase price of an NCD and the repurchase price for that NCD should the NCD be repurchased prior to the maturity date, as the case may be;

'face value' means the amount payable to the bearer of an NCD on the maturity date;

'maturity date' means in the case of a Treasury Term Deposit the date on which the term of the Treasury Term Deposit expires, or in the case of an NCD the date on which the NCD matures, as the case may be;

'Negotiable Certificate of Deposit' or **'NCD'** means a financial instrument in the form of a certificate issued by us that evidences our obligation to pay the face value on the maturity date;

'purchase price' means the amount you deposit when acquiring an NCD;

'repurchase' means the situation where you wish to redeem your NCD prior to the maturity date and you request us to repurchase your NCD and we agree to such request;

'repurchase price' means the amount we pay to you upon repurchase of an NCD;

'term' means the period between the deal date and the maturity date;

'Treasury Deposit product' means any of a Rural Bank Treasury Term Deposit, 11am Deposit or Negotiable Certificate of Deposit;

'we' means Rural Bank Limited ABN 74 083 938 416 AFSL 238042 and its successors and assigns and 'our' and 'us' have a corresponding meaning;

'you' means the person or persons in whose name a facility is to be opened or, in the case of an NCD, to whom the NCD is to be issued, as evidenced by the application form for the product, and 'your' has a corresponding meaning; and

A reference to:

- (a) the singular includes the plural and vice versa;
- (b) a document includes any replacement or variation of it;
- (c) a thing includes the whole and each part of it; and
- (d) a law means common law, equity or statutory laws (which, in the case of statutory laws, include any instruments made under them and amendments to and replacements of them).

Section 1 – Overview of Treasury Deposit products

Rural Bank offers three Treasury Deposit products.

1.1 TREASURY TERM DEPOSIT

A Treasury Term Deposit is a facility in which you deposit an agreed sum of money for a fixed term to receive a fixed return. Refer to sections 2 and 3 of this document for details.

1.2 11AM DEPOSITS

An 11am Deposit is a facility in which you may deposit or withdraw money from time to time. We must be notified of any withdrawals by 11am Adelaide time on the date of withdrawal, which must be a business day. A variable rate of interest applies. Refer to sections 2 and 4 of this document for details.

1.3 NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)

An NCD is a certificate that we issue when you deposit funds with us (purchase price) evidencing our obligation to pay the face value to the person who holds the NCD (owner or bearer) on the final day of an agreed term (maturity date). NCDs are issued at a discount to face value, which means the purchase price is less than the face value. The face value of the NCD is paid to you (being the owner or the bearer) at maturity. The difference between the purchase price and the face value represents the earnings on your investment. Refer to sections 2 and 5 of this document for details.

Section 2 – General information

2.1 CONTACTING US

If you require further information or have questions at any time, please contact us. Our contact details are:

Name	Rural Bank Limited
ABN	74 083 938 416
AFSL	238042
Address	Level 1 27 Currie Street Adelaide SA 5000
Mailing address	GPO Box 551 Adelaide SA 5001
Treasury Department	1800 644 824
Facsimile	(08) 8211 9014
Treasury Email	markets@ruralbank.com.au
Website	www.ruralbank.com.au

2.2 ABOUT US

Rural Bank Limited is a wholly owned subsidiary of Bendigo and Adelaide Bank Limited. We offer banking services to rural Australia for the benefit of all Australians via a number of tailored deposit and lending products. These products are issued by us. Any deposits are deposits with us and any loans are loans made by us.

Our products are available by contacting us, and many products are also distributed through third parties such as Elders Rural Services, Bendigo and Adelaide Bank Limited and Community Bank[®] branches (Bendigo Bank franchises), our agents and authorised representatives. Our Treasury Deposit products are only available through our Treasury Department. Refer to section 2.1 for contact details for the Treasury Department.

2.3 YOUR PRIVACY AND CONFIDENTIALITY

Our Privacy Statement explains our commitment to the protection of your personal information. You can obtain a copy of this statement by contacting our Customer Service Centre on 1300 660 115 or by accessing our website at www.ruralbank.com.au.

2.4 ABOUT THE TERMS AND CONDITIONS

The terms and conditions for our Treasury Deposit products are contained within this document (Terms). We encourage you to read the Terms and ensure you understand them.

Section 2 – General information cont.

2.5 FEES AND CHARGES

We may charge fees and charges in relation to Treasury Deposit products. The current fees and charges are:

- company search fee (for each company search we undertake prior to issuing a Treasury Deposit product) – \$15 per request;
- additional statement request fee (for each copy of an additional statement you request – applicable only for 11am Deposits as other Treasury Deposit products do not have statements) – \$25 per request;
- audit request fee (for each audit certificate you request from us) – \$30 per request;
- administration fee (for miscellaneous requests) – the amount of this fee will vary depending on the time it takes us to deal with the request. It is calculated at \$60 per hour, or part thereof.

The company search fee is payable before we undertake the company search. The other fees are payable at the time your request is made, or later if we agree.

We may vary fees and charges, or introduce new fees or charges, and Government fees and charges may apply in the future. Refer to sections 2.7, 3.3, 4.3 and 5.4 for details. You agree to pay us all fees and charges that apply to your Treasury Deposit product at any time (including any new or varied fees and charges that apply), including those that arise as a result of the actions of an authorised agent or authorised operator. These fees are payable separately (i.e. they are not debited to your Treasury Deposit product).

A failure by us to charge a fee shall not constitute a waiver of that fee or of the right to charge that fee.

2.6 COMMUNICATING WITH YOU

This section deals with notices, certificates and other communications between you and us that apply to Treasury Deposit products. If a communication is given by you, then unless we agree otherwise, it must be signed by you, or where you are not an individual, by an authorised operator. Notices for us should be sent to our mailing address outlined in section 2.1.

We may give you a notice, certificate or other communication personally, by post, by facsimile, by email, by publication in a national or local newspaper, on our website or by any other means permitted by law. Notices or other documents are deemed to be received by you:

- where given personally, on the date of service;
- where posted, on the date it would have been delivered in the ordinary course of post;
- where sent by facsimile, email or other electronic means, on the date on which the machine from which it was sent produces a report indicating that the notice or other document has been sent; and
- in the case of notices published in a newspaper or on our website, on the date of the first publication.

Where there is more than one of you, or where you have appointed an authorised agent, in addition to the above, you appoint each other holder and authorised agent as your agent for receiving communications. Where you or an authorised agent receive communications by post, you and any authorised agent consent to receipt both in the case of you in your capacity as holder and as agent for other holders, and in the case of an authorised agent as agent for the holder(s), and agree to notify all holders of the content of any such communications.

- If we do this, all of you are deemed to have received the notice, statement, certificate or other communication on the date it would have been delivered to the person to whom it is sent in the ordinary course of post; and
- If we give a disclosure document (such as terms and conditions) to any one of you or to an authorised agent, it is deemed to have been given to all of you.

2.7 CHANGES TO TERMS AND CONDITIONS AND ONGOING DISCLOSURE

We may vary the terms and conditions applicable to a Treasury Deposit product as set out in this document (Terms), but where the product was issued to you as a basic deposit product, we cannot vary the terms and conditions in a way that would not permit the product to remain as a basic deposit product. Basic deposit products are relatively simple deposit products for which separate rules may apply under the Corporations Act (2001). In addition, where we have agreed to a fixed rate of interest or face value, we cannot vary that rate or face value unless we agree to you withdrawing funds or redeeming an NCD prior to the end of the agreed term. We will notify you of variations to terms and conditions applicable to your Treasury Deposit product as set out in sections 3.3, 4.3 and 5.4 (as the case may be).

After you acquire a Treasury Deposit product, we will notify you of any material changes to matters specified in, or of significant events affecting matters specified in, the Terms and to matters relevant to your Treasury Deposit product whilst you hold the Treasury Deposit product. Some specific matters are covered in sections 3.3, 4.3 and 5.4. We will notify you of other such information prior to, or as soon as possible after, the change or event occurs (except where the material change or significant event is not adverse to your interests and accordingly you would not be expected to be concerned about any delay in receiving the information, in which case the notification will be given no later than twelve months after the change or event occurs).

You agree that we may notify you of variations to terms and conditions, including such other information as contemplated in sections 3.3, 4.3 and 5.4, in writing, by press advertisement or publication on our website, or by any other means permitted by law. Where a notification is posted on our website, we will place a clear statement on our homepage that such a notice exists, with a link to the full notice.

Information in the Terms that is not materially adverse may have changed. In addition, and subject to our obligation to notify you of certain matters set out above, information contained in the Terms that is not materially adverse may change in the future. We may update such information by publication on our website. You can obtain updated information by contacting the Treasury Department on 1800 644 824 or by accessing our website at www.ruralbank.com.au. A paper copy of any updated information will be provided free of charge upon request.

2.8 OTHER IMPORTANT TERMS

You authorise us to debit to a facility, or withdraw or transfer from a facility, all amounts that you or any authorised agent or authorised operator instruct or request us to debit, withdraw or transfer. You authorise us to take action in relation to an NCD, including in relation to redemption or release of the physical certificate, as you, an authorised agent or authorised operator may instruct. Without limiting the generality of any such authority regarding a facility or NCD, you agree that it extends to any separate or independent authorisation that you may give (for example if you have instructed us, or have agreed that some or all of the funds in a facility may be applied by us by way of set off against, or payment of, some other amount or amounts that you owe to us).

We may adjust debits and credits made to a facility to reflect your and our legal obligations (for example, if we have credited your facility with the proceeds of a cheque that is subsequently dishonoured). We credit funds on the day they are received by us. For the purpose of determining the closing daily balance, transactions that occur before the end of the calendar day Eastern Standard Time will be included in your closing balance that day for the purpose of interest calculations.

Any certificate we give you shall be evidence of the matters referred to therein unless subsequently proven to be incorrect.

We may exercise any power, right or remedy referred to in the Terms in any way that we deem fit, including by imposing any conditions that we require. Our failure to exercise a power, right or remedy does not prevent us from exercising it in the future. Our powers, rights or remedies cannot be waived unless we have agreed, in writing, to waive them.

Our rights and remedies as set out in the Terms are in addition to those that we otherwise have at law. Our rights and remedies may be exercised by us or by persons we authorise. We are not liable for any loss you or anyone else incurs as a result of the actual or contemplated exercise or failure to exercise a right or remedy we have.

We may assign our rights in relation to your Treasury Deposit product and associated terms and conditions as set out in this document. This means that we can transfer them to another person. To assist us to do this, you agree that we may disclose any information we require to any person. You may not assign your rights unless we have agreed to the assignment in writing. You may transfer an NCD (refer to section 5.6 for details). You will lose your rights in respect to an NCD should you transfer or lose the physical certificate.

The terms and conditions in this document are governed by the law of South Australia. You and we submit to the non-exclusive jurisdiction of the courts of South Australia.

If any law would make any terms or conditions applicable to a facility or NCD void, voidable, illegal, invalid or unenforceable, or if any term or condition imposes an obligation or requirement prohibited by law, then such term or condition shall be read as if it is varied to the extent necessary to comply with that law or, if necessary, is omitted. Where allowed by law, and subject to the previous sentence, the terms and conditions prevail to the extent that they are inconsistent with any law.

We can combine the balances of two or more of your facilities (not being limited to Treasury Deposit product facilities), even if one or both of the facilities are held by you jointly with others. This may occur when one of your facilities is overdrawn or is in debit, and another is in credit. This means the credit balance in one facility can be used to repay us the debit balance in another facility. We will promptly notify you if we have combined any of your facilities. We need not notify you in advance. You should not treat your facilities as combined unless we have agreed to such an arrangement.

Facility balances and NCDs are denominated in Australian dollars.

2.9 ANTI-MONEY LAUNDERING

You agree we may delay, block or refuse to process any transaction without incurring any liability if we suspect that:

- (a) making a payment may breach any law in Australia or any other country;
- (b) the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, unlawful conduct.

You agree to provide all information to us which we believe we reasonably require to manage money-laundering or terrorism financing risk or to comply with any laws in Australia or another country. You agree that we may disclose information which you provide to us where required by any laws in Australia or any other country.

Unless you have disclosed that you are acting in a trustee capacity or on behalf of another party, you warrant that you are acting on your own behalf in entering into this agreement.

You declare and undertake to RB that the payment of monies by RB in accordance with the customer's instructions will not breach any laws in Australia or any other country.

2.10 IF YOU HAVE A COMPLAINT

We value your feedback, as it provides us with an opportunity to improve our products and services. If our products and services do not meet your expectations, we want to hear from you. We will ensure your concern is responded to as soon as possible.

You can notify us of a complaint by:

Mail	Rural Bank Customer Relations Officer Reply Paid 551 Adelaide SA 5001
Phone	1300 660 115
Email	service@ruralbank.com.au

We aim to respond to complaints immediately. Upon the receipt of your complaint, we will take the following steps:

Step 1 – We will contact you, in writing, within three business days to acknowledge your complaint.

Step 2 – We will aim to resolve your complaint within 45 calendar days of the complaint being received.

Step 3 – We will keep you informed of our progress in resolving the complaint.

If you feel your complaint has not been properly handled or resolved, you may be able to refer it to the Financial Ombudsman Service. The Ombudsman will generally be able to consider your complaint if:

- it is about a financial service provided by us or an affiliate;
- you are an individual or a small business; and
- the amount you are claiming is less than \$250,000.

Section 2 – General information cont.

If you are unsure whether the Ombudsman can deal with a complaint, contact the Ombudsman's office on 1300 780 808, or access the website at www.fos.org.au and use the Jurisdiction Checker.

The Ombudsman's office can be contacted via:

Mail Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

Phone 1300 780 808

Facsimile (03) 9613 6399

Website www.fos.org.au

For more information about resolving complaints, contact our Customer Service Centre on 1300 660 115, or access our website at www.ruralbank.com.au.

2.11 ACQUIRING A TREASURY DEPOSIT PRODUCT

To acquire a Treasury Deposit product, you are required to complete an application form indicating the relevant Treasury Deposit product, and return it to us. You should not complete the application form until you have had an opportunity to read and understand the Terms.

If we accept your application, a facility will be opened, or an NCD issued, in accordance with your instructions (as appearing on the application form) upon receipt of your initial deposit.

We will issue you an acceptance letter following the opening of a facility or the issue of an NCD.

Treasury Term Deposits and NCDs will only be issued for maturities where the maturity date is a business day.

We are not obligated to accept your facility application, and may refuse your facility application at our discretion.

2.11.1 Identification requirements

Federal Government legislation requires RB to verify the identity of all facility holders. All facility holders must satisfactorily meet RB's Customer Identification Process. RB's Customer Identification Process is detailed on the Treasury Deposit application forms. RB reserves the right to request documents in addition to those detailed in the application form.

RB may conduct a company search to verify certain information. You may be charged the amount of the government search fee in these instances.

2.11.2 Joint facilities

If there is more than one of you, then unless we agree with all of you:

- (a) The authority of all of you is required for any withdrawal or transfer from a facility.
- (b) The authority of all of you is required to vary the manner of facility operation (for a facility), to remove or appoint an authorised agent or authorised operator, to close a facility or redeem an NCD, or to give us any other instruction regarding a facility or NCD.
- (c) In other circumstances, the authority of any one you is all that is required.

Please also note that if there is more than one of you:

- each of you is jointly and severally liable to us for all obligations incurred in relation to the Treasury Deposit product;
- you will be treated as holding the Treasury Deposit product jointly and we may accept for credit to the Treasury Deposit product any cheque, payment order or bill of exchange that is not payable to all of you. This means that each of you has the right to all of the balance of the facility or NCD, jointly with the other facility holders; and
- In the event of a dispute, we will place a hold on the funds in the facility and will require the authority of all of you to withdraw any funds from the facility.

2.11.3 Authorising someone to act on a product

You can appoint authorised agents (and authorised representatives of agents) and authorised operators for a facility or NCD (but you cannot appoint a joint facility holder after you open your facility or NCD).

You may only appoint one authorised agent at any time. For any NCD, you cannot remove the authorised agent prior to the redemption of the NCD.

Authorised operators and authorised agents can use a facility, or give instructions relating to an NCD, in the same way you can.

Authorised agents and authorised operators can give us instructions including, where relevant to the Treasury Deposit product, making withdrawals or transfers, arranging redemption or repurchase, giving us maturity instructions and performing other actions (including actions that may incur fees) and you agree to be bound by such actions.

It is your responsibility to make any authorised agent or authorised operator aware of the terms and conditions applicable to the facility or NCD.

As the holder of a Treasury Deposit product, you should remember that you are giving someone the authority to act in relation to your Treasury Deposit product and you are liable for all transactions and for any fees or charges arising from an authorised agent's or authorised operator's conduct in relation to your Treasury Deposit product. You authorise us to provide your facility, NCD, and personal and financial information to any authorised agent or authorised operator.

If you wish to alter the authorisations, you must notify us, in writing, as soon as possible.

2.11.4 Facilities in the name of a Trust

Trust facilities can be opened, or NCDs issued, to a trustee, on request, for example, where:

- one or more persons open a facility, or apply for an NCD, where they are named as trustee for another person(s);
- you are the Trustee under a will; and/or
- you are the Trustee under a deed or family arrangement.

If you acquire a Treasury Deposit product as trustee:

- we are not taken to be aware of the terms of the trust; and
- we do not have to verify that any instructions or transactions are authorised by the terms of the trust.

You indemnify us against any claim made upon us in relation to, or arising out of, the trust.

2.11.5 Taxation implications and providing a Tax File Number (TFN) or Australian Business Number (ABN)

The taxation implications of investing in a Treasury Deposit product depend on your individual circumstances. Income (interest and earnings) that you receive is assessable income for income tax purposes unless you are exempt from income tax. You should consult your taxation advisor for further information.

When acquiring a Treasury Deposit product, you have the option of providing us your TFN. You are not obliged to provide us with these details, however unless an exemption applies, if you do not quote a TFN, we must deduct withholding tax from the income payable to you, calculated at the highest marginal tax rate, plus the Medicare Levy. The amount deducted is forwarded to the Australian Taxation Office.

We ensure that your TFN details are kept confidential in accordance with the Privacy Act 1988 (Cth).

You may provide your TFN either when you acquire a Treasury Deposit product, or at a later time. If you provide your TFN at a later time, or it has not been provided at all and withholding tax has already been deducted, you can claim this on your next tax return. We can only refund a deduction that was made in error in the current tax year. Businesses may provide an ABN as an alternative to a TFN.

If you are acquiring a Treasury Deposit product in joint names, TFNs for each applicant are required if withholding tax is not to be deducted.

Where a formal trust has been established, you should provide the trust's TFN. If your Treasury Deposit product is said to be held in trust for someone else but no formal trust has been established, you should provide your own TFN or ABN.

You may have an exemption from quoting a TFN. Please advise us of this exemption upon application.

If you are a non-Australian resident, you may not have an Australian TFN. You will be charged non-resident withholding tax unless you are exempt.

TIP! If you do not have a TFN or ABN, you may be able to obtain one from the Australian Taxation Office.

2.12 ACCESSING YOUR TREASURY DEPOSIT PRODUCT

Treasury Deposit products may only be accessed by certain specific means. Refer to sections 3 to 5 of this document for further information.

2.13 PROVIDING US WITH INSTRUCTIONS

We can accept instructions from you or any authorised operator by telephone, facsimile or in any other electronic form.

We can accept instructions from authorised agents by telephone.

We can ask for proof of identity, and for an acceptable indemnity, before we act on instructions.

You acknowledge and agree that:

- for telex, facsimile or other electronic instructions, your instructions shall be sent to such number and for the attention of such individuals as we may require from time to time;
- facsimile instructions shall be sent on your letterhead and signed by you or an authorised operator. At our request you will confirm all instructions in writing;
- we are not obliged to act upon instructions and the acceptance of one or more instructions by us shall not oblige us to act on, or otherwise accept further instructions.

2.14 CUT-OFF TIMES

Requests for withdrawals from a facility, where permitted, must generally be received by our Treasury Department by 11am Adelaide time on any business day. Refer to section 2.1 for contact details.

2.15 DEPOSITING CHEQUES

The proceeds of cheques and other instruments deposited to an 11am Deposit are not available until cleared and paid, which usually takes up to three business days. For joint facilities, we may accept a cheque payable to any one facility holder into the facility. For Treasury Term Deposits and NCDs, a product may be issued upon receipt of your cheque. However, for NCDs, the physical certificate will not be made available until after the cheque has cleared, and for NCDs and Treasury Term Deposits, the product will be cancelled by us should the cheque not clear.

2.16 CHANGING DETAILS

If you choose to revoke the authority of an authorised operator or authorised agent, appoint a new operator or authorised agent, or change your information supplied in the application form for a Treasury Deposit product such as address or facility details to receive funds, such a change will only be acted upon by us upon receipt of written notice of that change. For NCDs, an authorised agent cannot be changed during the term.

You must notify us promptly of any change to your name or address. We are not responsible for any errors or losses associated with changes where we have not received prior notice.

2.17 CONFIRMATIONS

We will send you written confirmations of transactions made to Treasury Deposit products. The written confirmation will be conclusive evidence of the transaction. You will receive such confirmations shortly after a transaction is made.

2.18 CLOSING A FACILITY

If your Treasury Deposit product is not operated in accordance with the Treasury Deposit product terms and conditions or other operating instructions, it may, at our discretion, be closed as soon as we become aware of the breach. We will give you notice as soon as possible after closing the Treasury Deposit product. We may also close the Treasury Deposit product after giving you notice that is reasonable in all the relevant circumstances. In either case, we will repay the amount of any credit balance to you (including interest), after deducting amounts due to us such as fees.

2.19 COMMISSION

Where your application for a Treasury Deposit product is forwarded to us by your broker or other adviser (as evidenced by the broker/adviser stamp or other details appearing in the relevant section of your application form), then we may pay commission to that person. This commission is generally calculated as a percentage of the funds you deposit with us, calculated daily during the life of your deposit. The amount of the commission does not directly affect your interest or earnings as those amounts apply irrespective of the amount of commission we pay. Contact the broker or adviser for details about this commission.

Section 3 – Treasury Term Deposits

The information, terms and conditions in this section apply to Treasury Term Deposit facilities.

3.1 KEY FEATURES

Term	30 days to 5 years, or such other period as we may agree.
Minimum balance	A minimum balance of \$100,000 is required to open and maintain a facility.
Interest	<p>A fixed interest rate applies for the term of the deposit. The interest rate is negotiated with you based on a number of factors including:</p> <ul style="list-style-type: none">• term;• amount of deposit;• our commercial relationship with you;• how often interest is to be paid to you; and• current market conditions. <p>For details about current interest rates, contact the Treasury Department on 1800 644 824.</p>
Interest calculated and paid	<p>Interest is calculated daily on the closing balance of the facility, based on a 365 day year, and is paid:</p> <ul style="list-style-type: none">• Terms up to 12 months – at maturity.• Terms equal to or greater than 12 months – quarterly, semi-annually, annually, at maturity or at such other interval as we may agree.
Interest payments	<p>Interest payments can be made via one of the following methods:</p> <ul style="list-style-type: none">• credited to your facility;• corporate cheque made payable to you; or• credited to another facility or account held with us, or an account held with another Australian Deposit-taking Institution (ADI), in your name.
Where permitted, deposits accepted by	<ul style="list-style-type: none">• cheque made payable to Rural Bank Limited; or• Electronic Funds Transfer. <p>Note: Endorsed cheques and cash cannot be accepted.</p>
Where permitted, withdrawals may be made by	<ul style="list-style-type: none">• corporate cheque made payable to you; or• credited to another facility or account held with us, or an account held with another ADI, in your name.
Statements	Statements are not issued. It is therefore important that you retain all confirmations.

3.2 RISKS

Fixed interest rates apply to Treasury Term Deposit facilities. This means that the interest rate for the term is fixed at the start of the term. Should market interest rates change during the term, the interest rate on your Treasury Term Deposit will not change.

If you do not provide us with instructions regarding application of the proceeds of your facility at the maturity date, your funds will be invested in an 11am Deposit at a variable interest rate determined by us.

If you request, and we agree, that an early withdrawal be permitted from your Treasury Term Deposit, then we may reduce the interest paid or payable by such amount as we determine. If we do this, this will mean that your interest is less than you had anticipated.

It is important that you consider these risks before making a decision to apply for a Treasury Term Deposit as they may affect your decision.

Section 3 – Treasury Term Deposits cont.

3.3 NOTICE OF VARIATIONS

We will notify you of variations to the terms and conditions that apply to your Treasury Term Deposit facility as follows:

Type of variation	Minimum notice	Method of notice
Adding, deleting or varying terms and conditions that affect your facility other than as specified elsewhere in this table.	Before the variation(s) takes effect.	In writing, press advertisement or publication on our website.
Introducing fees and charges (other than a government charge) that affect your facility.	30 days before the fee(s) and/or charge(s) takes effect.	In writing, press advertisement or publication on our website.
Increasing fees and charges (other than a government charge) that affect your facility.	30 days before the variation(s) takes effect.	In writing, press advertisement or publication on our website.
Introducing or varying government fees and charges (if not publicised by the government in which case we will notify you separately) that affect your facility.	Before the variation(s) takes effect.	In writing, press advertisement or publication on our website.

3.4 CLOSING A TREASURY TERM DEPOSIT PRIOR TO MATURITY AND EARLY WITHDRAWALS

3.4.1 Agreement required

If you wish to withdraw all, or part of, your Treasury Term Deposit prior to its maturity date, you will require our agreement. Any request made must be in writing. We do not have to agree to a request.

3.4.2 Interest reduction for early withdrawal

If we agree to an early withdrawal, we are entitled to reduce the interest that is paid or payable on your facility by such amount as we determine in our absolute discretion. We may reduce the interest payable if interest has already been paid and we agree to an early withdrawal. We will effect an interest reduction by:

- reducing future interest payments if you withdraw part of your balance prior to maturity; and
- if the interest reduction is not fully effected by reducing future interest payments, debiting such amounts from your facility.

You should contact the Treasury Department on 1800 644 824 for information about any interest reduction that may apply if you want to close your Treasury Term Deposit prior to its maturity date or effect an early withdrawal.

3.5 MATURING TREASURY TERM DEPOSITS

Your Treasury Term Deposit facility terminates on the maturity date.

Prior to the maturity date you may instruct us that at maturity date you want to:

- roll the balance of your Treasury Term Deposit facility over into a new Treasury Term Deposit facility for the same, or a different term, at the interest rate we are prepared to offer on the maturity date; or
- add funds to your Treasury Term Deposit facility and roll the increased balance of the Treasury Term Deposit facility over into a new Treasury Term Deposit facility for the same, or a different term, at the interest rate we are prepared to offer on the maturity date; or
- withdraw part of the balance of your Treasury Term Deposit facility in accordance with one of the methods of withdrawal identified in section 3.1 and, subject to minimum balance requirements, roll the remaining balance into a new Treasury Term Deposit facility for the same, or a different term, at the interest rate we are prepared to offer on the maturity date; or
- withdraw all of the balance of your Treasury Term Deposit facility in accordance with one of the methods of withdrawal identified in section 3.1.

If you instruct us that you wish to withdraw funds from your Treasury Term Deposit facility, that request will be processed on the maturity date, thus reducing the balance of your Treasury Term Deposit facility. Funds will be disbursed in accordance with your instructions on the maturity date.

In the absence of acceptable instructions regarding the application of the proceeds of your facility at the maturity date, an 11am Deposit will be established in your name at a rate determined by us. Please read the relevant sections of the Terms for information about that facility.

Section 4 – 11am Deposit

The information, terms and conditions in this section 4 apply to all 11am Deposits.

4.1 KEY FEATURES

Term	No minimum or maximum term.
Minimum balance	A minimum balance of \$100,000 is required to open and maintain a facility.
Interest	<p>A variable rate of interest applies. The applicable rate differs between customers. The rate is set by us, and varied by us, based on a number of factors including:</p> <ul style="list-style-type: none">• amount deposited;• our commercial relationship with you;• how often interest is paid to you; and• current market conditions. <p>We are not required to vary this rate due to a change in any of these factors.</p> <p>For details about current interest rates, contact the Treasury Department on 1800 644 824.</p>
Interest calculated and paid	Interest is calculated daily on the closing balance of the facility, based on a 365 day year, and is paid monthly on the first business day of each month and on the date of facility closure.
Interest payments	Credited to your facility.
Deposits accepted by	<ul style="list-style-type: none">• cheque made payable to Rural Bank Limited; or• Electronic Funds Transfer. <p>Note: Endorsed cheques and cash cannot be accepted.</p>
Withdrawals may be made by	<ul style="list-style-type: none">• corporate cheque made payable to you; or• credited to another facility or account held with us, or to an account held with another ADI, in your name.
Statements	Statements are issued monthly.

4.2 RISKS

A variable interest rate applies to your facility. We can vary the interest rate on a daily basis. This means that the interest rate paid on a facility may fall. We base our decision to vary the rate on a number of factors, some of which are beyond our control (e.g. changes by the Reserve Bank of Australia to the official cash interest rate, or changes to market rates generally. Those rates themselves may be affected by external factors). We are not required to vary a rate because of a change in any of these factors.

It is important that you consider this risk before applying for an 11am Deposit as it may affect your decision.

Section 4 – 11am Deposit cont.

4.3 NOTICE OF VARIATIONS

We will notify you of changes to terms and conditions and interest rates applicable to your 11amDeposit as follows:

Type of variation	Minimum notice	Method of notice
Adding, deleting or varying terms and conditions that affect your facility other than as specified elsewhere in this table.	Before the variation(s) take effect.	In writing, press advertisement or publication on our website.
Introducing or increasing fees and charges (other than a government charge) that affect your facility.	30 days before the fee(s) and/or charge(s) takes effect.	In writing, press advertisement or publication on our website.
Introducing or varying government charges (if not publicised by the government in which case we will notify you separately) that affect your facility.	Before the variation(s) take effect.	In writing, press advertisement or publication on our website.
Varying the method by which interest is calculated or the frequency which it is credited that affects your facility.	30 days before the variation(s) takes effect.	In writing, press advertisement or publication on our website.
Varying an interest rate that affects your facility.	Before or as soon as reasonably possible after the variation(s) takes effect.	In writing.

4.4 INTEREST RATES THAT MAY APPLY

The interest rate is variable. We confirm the initial rate to you upon facility opening. We reserve the right to vary this rate. Your monthly facility statement will display the applicable rate at the beginning and ending balance of your facility.

You may ascertain the current interest rate for your facility by contacting the Treasury Department on 1800 644 824, or via email at markets@ruralbank.com.au.

4.5 CLOSING AN 11AM DEPOSIT

You can close your 11am Deposit at any time, subject to our cut-off times.

4.6 INACTIVE 11AM DEPOSITS

We may be required to transfer your money to the Commonwealth Government (as unclaimed money) if your 11am Deposit is not operated for seven years and has a balance of \$500 or more.

4.7 11AM DEPOSIT STATEMENTS

Facility statements for a month are issued on or near the first business day of the following calendar month. This provides a record of all transactions made on the facility for the statement period. You should check your facility statement and immediately report any discrepancy by calling the Treasury Department on 1800 644 824, by writing to us, or via email at markets@ruralbank.com.au.

Section 5 – Negotiable Certificates of Deposit

The information, terms and conditions in this section apply to NCDs.

5.1 KEY FEATURES

Term	From 7 days to 1 year, or such other period as we may agree.
Minimum purchase price	A minimum purchase price of \$100,000 applies.
Earnings	<p>The face value of the NCD will be paid to the bearer of the NCD on the maturity date. When dealing with you we may express the difference between the purchase price and the face value in terms of a nominal per annum rate of interest, however interest is not paid on NCDs.</p> <p>For details about current interest rates, contact the Treasury Department on 1800 644 824.</p>
Face value or early redemption amount (if agreed) payable by	<ul style="list-style-type: none"> • corporate cheque made payable to you; or • credited to a facility or account held with us, or to an account held with another ADI, in your name.
Purchase price may be paid to us by	<ul style="list-style-type: none"> • cheque made payable to Rural Bank Limited; or • Electronic funds transfer. <p>Note: Endorsed cheques and cash cannot be accepted.</p>
Statements	Statements are not issued, however we will send you a confirmation each time an NCD is issued and at maturity.

5.2 HOW AN NCD WORKS

On the deal date, you agree with us the term and either the face value or purchase price of your NCD, together with the nominal interest rate.

A formula is then applied by us to calculate either the purchase price or the face value of your NCD. The purchase price is payable by you on the deal date.

If you nominate a specific face value, the purchase price is calculated as follows:

Purchase price =

$$\frac{\text{face value}}{1 + (\text{interest rate \% per annum} \times \frac{\text{term in days}}{365})}$$

If you nominate a specific purchase price, the face value is calculated as follows:

Face value =

$$\text{purchase price} \times (1 + (\text{interest rate \% per annum} \times \frac{\text{term in days}}{365}))$$

After the deal date, we will send you a confirmation letter outlining the details of your NCD. You should retain a copy of this confirmation for taxation purposes.

Example 1*

You wish to purchase an NCD with a face value of \$100,000 for a term of 180 days. We quote you a nominal interest rate of 5.00% per annum, which you accept. Your purchase price is calculated as follows:

$$\frac{\$100,000}{1 + (5.00\% \times \frac{180}{365})} = \$97,593.58$$

On the deal date, you pay the purchase price of \$97,593.58 and on the maturity date you will receive the face value of \$100,000. The earnings on your investment are the difference between the face value and the purchase price, which is \$2,406.42 in this example.

* Examples are for illustration purposes only and assume no early repurchase or sale of the NCD.

Example 2*

You wish to purchase an NCD with a purchase price of \$100,000 for a term of 180 days. We quote you a nominal interest rate of 5.00% per annum, which you accept. Your face value is calculated as follows:

$$\$100,000 \times (1 + (5.00\% \times \frac{180}{365})) = \$102,465.75$$

On the deal date, you pay the purchase price of \$100,000 and on the maturity date you will receive the face value of \$102,465.75. The earnings on your investment are the difference between the face value and purchase price, which is \$2,465.75 in this example.

* Examples are for illustration purposes only and assume no early repurchase or sale of the NCD.

5.3 RISKS

It is important you consider the following risks before making a decision to apply for an NCD, as they may affect your decision.

5.3.1 Market risk

The rate of return and the term for NCDs is fixed. There is a risk that interest rates on alternative investments may rise during the term of the NCD. This means you forego a potentially better return by agreeing to the fixed return.

5.3.2 Repurchase or Sale

We do not guarantee that we will repurchase an NCD prior to its maturity date. Further, there is no guarantee that you would find a third party willing to purchase your NCD during its term. Even if we agree to a repurchase, or you find a buyer, the price you would receive may not be acceptable to you.

In particular, a risk exists that upon early repurchase or a sale, the price payable to you may be less than you had anticipated, and possibly less than your purchase price.

5.3.3 Bearer product risk

The face value of the NCD is paid by us to the owner or bearer of the physical certificate on the maturity date, whoever that may be (assuming no early repurchase occurred).

Whilst the physical certificate is initially held by us in safe custody, you should be aware that if you or an authorised agent or authorised operator request the release of the physical certificate, there is a risk to you if you do not control the physical certificate. This is because the bearer on the maturity date will receive the face value, whether they are you or not and whether or not the certificate was lost or stolen.

Section 5 – Negotiable Certificates of Deposit cont.

5.4 NOTICE OF VARIATIONS

We will notify you of changes to terms and conditions applicable to your NCD as follows:

Type of Variation	Minimum Notice	Method of Notice
Increasing fees and charges that affect your facility (other than a government charge).	30 days before the increase(s) takes effect.	In writing, press advertisement or publication on our website.
Introducing or varying government charges (if not publicised by the government in which case we will notify you separately) that affect your facility.	Before the variation(s) takes effect.	In writing, press advertisement or publication on our website.

These are the only type of variation we will make during the term of an NCD. New terms and conditions may apply if you wish to invest in a further NCD at the end of the term, and you will be notified of these at the relevant time.

5.5 REDEEMING AN NCD PRIOR TO MATURITY

To redeem an NCD prior to its maturity, we will have to repurchase the NCD from you. We are not obliged to agree to any request for a repurchase.

Repurchases can only be of the whole NCD. Partial repurchases are not permitted.

When you request a repurchase, we will calculate a repurchase price. The repurchase price is calculated using a repurchase rate, which is determined by us using the following factors:

- face value to be repurchased;
- market rates as determined by us on the repurchase date;
- remaining term to maturity; and
- the cost incurred by us to settle the repurchase.

We calculate the repurchase price as follows:

$$\text{Repurchase price} = \frac{\text{face value being repurchased}}{1 + \left(\text{repurchase rate \% per annum} \times \frac{\text{remaining term to maturity in days}}{365} \right)}$$

The repurchase price you receive on the repurchase date depends on the factors above and the repurchase price may be:

- equal to your purchase price;
- less than your purchase price; or
- more than your purchase price.

We will notify you verbally of the repurchase price as soon as possible after determining the repurchase price.

Example*

You purchased a 180-day NCD with a face value of \$100,000 at an interest rate of 5.00% per annum. The purchase price was \$97,593.58.

You request that we repurchase the NCD and we agree to your request. There are 80 days remaining until the maturity date of your NCD.

We determine a repurchase rate of 5.50% per annum. Note that a higher repurchase rate leads to a lower repurchase price.

Example* Continued

The repurchase price is calculated as follows:

$$\frac{\$100,000}{1 + \left(5.50\% \times \frac{80}{365} \right)} = \$98,808.88$$

On the deal date, you paid \$97,593.58 for the NCD. On the repurchase date, you receive \$98,808.88. Your earnings on the NCD will be \$1,215.30, which is the difference between the purchase and repurchase price, and which is \$107.11 less than if the initial rate of 5% had been applied.

*Example is for illustration purposes only. The final purchase price will depend on the repurchase rate that we determine on the repurchase date. So, even if your NCD matches that in the example, the repurchase price may be different. Earnings could in fact be negative depending on interest rate movements.

5.6 TRANSFER OF NCDS

An NCD is transferable, but there is no guarantee that you will be able to find a willing buyer, or a willing buyer at a price acceptable to you. When the NCD is issued, we retain the physical certificate for safekeeping and, unless instructed otherwise, retain it until the maturity date. To transfer an NCD, you will need to contact us and authorise the release of the physical certificate. You can sell the physical certificate to a third party. We will pay to the bearer of the physical certificate, whether you or anyone else, on the maturity date, the face value. The physical certificate will need to be presented at our Head Office (refer to section 2.1 for address details) on the maturity date to enable redemption.

5.7 MATURING NCDS

Your NCD terminates on the maturity date.

On the maturity date, we will pay you the face value of the NCD. The difference between the purchase price and face value is earnings on the investment.

You or any authorised operator or authorised agent can provide us with maturity instructions prior to the maturity date of your investment. You can choose to invest your maturing funds in another NCD for the same or a different term, or request the face value be paid into a nominated facility in your name.

If on the maturity date we have not received acceptable maturity instructions, we will automatically rollover the proceeds into an 11am Deposit at an interest rate determined by us. Please read the relevant sections of the Terms for details about that product.



Rural Bank Limited
ABN 74 083 938 416
AFSL 238042

Postal Address:
GPO Box 551,
Adelaide SA 5001

Registered Office:
Level 1, 27 Currie Street,
Adelaide SA 5000

Telephone: 1300 660 115
Facsimile: 08 8121 0106
service@ruralbank.com.au
www.ruralbank.com.au

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