



NAB Equity Lending Cash Management Account

**Product Disclosure Statement including
Terms and Conditions
effective 01.12.10**

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Product Disclosure Statement

This document forms part of the Product Disclosure Statement (PDS) for the NAB Equity Lending Cash Management Account, along with the document titled “NAB Equity Lending Cash Management Account Rates Schedule.”

If **you** have not already received a copy of the **Schedule** please contact **NAB**.

This PDS sets out important information about the **account**. By using this PDS **you** will be able to understand:

- significant characteristics and features of the **account**;
- the benefits and risks associated with the **account**.

Make sure you read this PDS thoroughly before making a decision to acquire the **account**.

Any advice in this PDS has been prepared without taking into account **your** objectives, financial situation or needs. Before acting on any advice in this PDS, **NAB** recommends that **you** consider whether it is appropriate for **your** circumstances.

The **account** is issued by the National Australia Bank Limited ABN 12 004 044 937. **You** can contact **NAB** by visiting **nab.com.au/equitylending** or any branch, or calling 1300 135 145 (8.30am – 5.30pm EST, Monday to Friday).

Part A

General information

Where this PDS refers to the operation of the NAB Equity Lending Facility you should refer to your NAB Equity Lending Facility Terms for further information. Please contact NAB on 1300 135 145 (8.30am – 5.30pm EST, Monday to Friday) if you would like another copy of the Facility Terms.

Features and benefits

An **account** may be used for certain purposes by a client or a guarantor under a **Facility** including:

- to receive fixed rate advances;
- to receive the net proceeds from the **disposal** of investments acquired under the **Facility** during a fixed rate period;
- to debit fees, costs and charges on the relevant **Facility**;
- to debit accrued fixed rate interest on the relevant **Facility** if a fixed interest rate applies to the **Facility**;
- to receive and hold any cash collateral provided for the relevant **Facility** (including following a **Equity call**);
- to receive the net proceeds from the disposal of a guarantor's secured property.

Interest is paid on credit balances in an **account**.

Further information on the features and benefits of the **account** can be found in the terms and conditions in Part B of this PDS.

Risks

There are several aspects to operating the **account** detailed in this PDS that may involve some risks, including those detailed below. Further information on each of these risks is set out in Part B of this PDS.

Restrictions on drawings

In certain circumstances **you** may be restricted from drawing amounts from an **account**. Further information on when restrictions may apply can be found in Part B of this PDS.

Joint accounts

If **you** hold an **account** jointly with another person, each of **you** will be liable for the whole of any debit balance on the **account**.

Significant taxation implications

Interest earned on an **account** may form part of **your** taxable income.

If **you** do not provide **your** Tax File Number (TFN), Australian Business Number (ABN), or advise that **you** are eligible for an exemption from providing a TFN or ABN, **NAB** is obliged to deduct Resident Investment Withholding Tax at the maximum Equital tax rate, plus the Medicare levy from any interest income **you** earn. If you are a non-resident for Australian taxation purposes then **NAB** may be obliged to deduct non-resident withholding tax.

NAB recommends that **you** seek independent tax advice.

Labour, environmental, social or ethical standards

NAB does not take labour, environmental, social or ethical standards into account for the purpose of selecting, retaining or realising any investment relating to the **account**.

How can I get more information?

You can obtain more information about:

- the **account**,
- **NAB's** current interest rates, or
- **NAB's** fees and charges,

by calling **1300 135 145** (8:30am – 5:30pm EST, Monday to Friday) or visiting **nab.com.au/equitylending**

What do I do if I have a problem or dispute relating to my account?

For information about resolving problems or disputes, contact **NAB** on **1800 152 015**, or ask at any **NAB** branch.

If **you** subsequently feel that an issue has not been resolved to **your** satisfaction, **you** may be able to raise **your** concerns with the Banking Ombudsman if **you** are an individual or small business customer covered by the Banking and Financial Services Ombudsman scheme.

Are commissions payable on these products to NAB staff members?

Staff members are salaried employees of the National Australia Bank Limited and do not receive any proportion of any fees or commissions paid to **NAB** in connection with an **account**.

Staff members may be entitled to receive additional monetary or non-monetary benefits and/or rewards resulting from participation in programs conducted by **NAB**. Monetary benefits or rewards may include an annual bonus the level of which may depend on the overall performance of **NAB** group of companies. Non-monetary benefits or rewards for staff members and their partner may include gift vouchers, film tickets, restaurant meals, attendance at an annual conference or other functions.

Whether staff members receive any such benefits and rewards depend on a number of performance related factors including the level of remuneration generated for **NAB** from sales of products as a consequence of the staff member's advice.

It is not possible to determine at any given time whether a staff member will receive such benefits or rewards or to quantify them. They are generally not directly attributable to any particular product that the staff member has given advice on.

Updating information

Information in Part A of this PDS that is not materially adverse information may change from time to time, and may be out of date at the time this PDS is given to **you**. Information in Part A of this PDS may be updated by making a notice containing the updated information available:

- through **NAB** on 1300 135 145 (8.30am – 5.30pm EST, Monday to Friday), or
- at **nab.com.au/equitylending**

You can find out details of changes to Part A of this PDS through either of these channels. A paper copy of any updated information for such changes may be obtained without charge on request.

After the product is issued **you** will be notified of any material change to, or significant event affecting, the information in this PDS. Changes to terms and conditions will be notified as set out in Part B of this PDS.

Meaning of words

Words defined in Part B of this PDS have the same meaning as in Part A.

Part B

Terms and Conditions

1 NAB Equity Lending Cash Management Account

How will the account work?

- 1.1 An **account** may be opened for certain purposes under a **Facility**.
- 1.2 **You** may withdraw funds from the **account** up to the available credit balance at any time by written request to **NAB** (which must be in a letter physically signed by **you** and posted or faxed to **NAB**) provided that under the relevant **Facility**:
 - (a) the **current LVR** both before and after any withdrawal is less than the **base LVR**; and
 - (b) no **default event** subsists (before the withdrawal) or would occur or be likely to occur (after the withdrawal); and
 - (c) if **you** have the **account** to hold cash collateral **you** have provided as a guarantor under the **Facility Terms**, no **Equity call** under those **Facility Terms** remains unsatisfied.

The proceeds of any cheque or other item deposited in the **account** will not be available until the cheque or other item has been cleared.

What interest will I receive/pay?

- 1.3 **NAB** will pay interest calculated on the daily credit balance of the **account** as at the end of each day up to and including the day before the last **banking day** of each month (or, if there is a further **banking day** in another State or Territory because it does not have a holiday, the day before this further **banking day**) and will credit the interest to the **account** the next **banking day**.

- 1.4 The rate applies to the whole of the credit balance and will fluctuate. The rate is as notified to **you** at the time **you** open **your account** in the **Schedule**. That Schedule forms part of these terms and conditions. **You** will be notified of any change to the rate and applicable **account** balances. The rate is also available from **NAB**.
- 1.5 **NAB** may debit to the **account** fixed rate interest payable under the relevant **Facility**.

When will I receive statements?

- 1.6 **NAB** will send **you** statements of the **account** at least 6 monthly, unless **you** request otherwise.

What Bank fees are applicable to this account?

- 1.7 **NAB** will not charge **you** any bank fees in respect of the **account**.

2 General matters

Code of Banking Practice

- 2.1 **NAB** has adopted the Code of Banking Practice and relevant provisions of the Code apply to the **account**, if **you** are an individual or a small business customer (as defined by the Code).
- 2.2 **You** can obtain from **NAB** upon request:
- (a) information on **NAB's** current interest rates and standard fees and charges relating to these products if any;
 - (b) general descriptive information concerning **NAB's** banking services including:
 - (i) for **accounts** with cheque access, general descriptive information about cheques;
 - (ii) **account** opening procedures;
 - (iii) **NAB's** obligations regarding the confidentiality of **your** information;

- (iv) complaint handling procedures;
 - (v) bank cheques;
 - (vi) the advisability of **you** informing NAB promptly when **you** are in financial difficulty;
 - (vii) the advisability of **you** reading the terms and conditions applying to each banking service NAB provides to **you**;
- (c) general descriptive information about:
- (i) the identification requirements of the Financial Transactions Reports Act 1988;
 - (ii) the options available to **you** under the tax file number legislation; and
- (d) a copy of the Code of Banking Practice.

Changes NAB may make

- 2.3 In addition to the other changes **NAB** may make to these terms and conditions which are detailed in these terms and conditions, **NAB** may change any other terms and conditions (including by imposing new fees or charges, changing the amount, type, or method of calculation of fees and charges payable) where reasonably necessary for legitimate business, prudential or regulatory reasons.
- 2.4 If the product is not used for a period, the length of which is dependent upon the amount of money in the **account**, the crediting of interest and issue of statements to **you**, if applicable, will end and access will be restricted, or the **account** will be closed and the balance transferred to the Commonwealth Government. **NAB** will notify **you** at **your** last known address at least 30 days before any such variation takes effect.

How will I be notified of changes?

- 2.5 **NAB** will make any changes pursuant to these terms and conditions in accordance with any applicable legislation and industry codes.
- 2.6 Unless otherwise specified in these terms and conditions or separately agreed between you and **NAB**, **NAB** will give **you** notice of changes as set out below and **you** agree to receiving notice in such ways:
- notice of changes to **NAB's** fees and charges, changes to calculation of interest, and changes to the frequency interest is credited will be given in writing at least 30 days before the change takes effect;
 - notice of changes to interest rates will be given by media advertisement no later than the day the change takes effect;
 - notice of changes to government fees and charges will be given by media advertisement, in writing or electronically as soon as practicable after, but no later than 3 months after, the change takes effect; and
 - notice of any other changes to these terms and conditions (including changes relating to interest other than changes to an interest rate) will be given in writing no later than the day on which the change takes effect.

What conditions apply to joint accounts?

- 2.7 If there are two or more of **you**, **you** will be treated as holding the product jointly and **NAB** may accept for credit to the product any cheque, payment order or bill of exchange that is not payable to all of **you**. This means that each **account** holder has the right to all of the balance of the **account**, jointly with the other **account** holders.
- 2.8 If any of **you** die, the product will be treated as the product of the survivor or survivors jointly.

- 2.9 Unless any of **you** request otherwise, **NAB** statements and notices (including notification of any variation to these terms and conditions) will be forwarded to the mailing address of the first of you named in the product. Unless proven otherwise, **you** will all be deemed to have received any **NAB** statements and notices forwarded in accordance with these terms and conditions.
- 2.10 A joint **account** holder may only make a withdrawal on the terms of any authority to operate on the **account**. If **NAB** is notified of a dispute between joint **account** holders, **NAB** may require all joint **account** holders to sign any authority to operate the **account**.
- 2.11 The liability of **account** holders under an **account** held in joint names is joint and several. This means each and all of the **account** holders are liable for the whole of any debit balance on the **account**.

How is the operation of the account governed?

- 2.12 Operation on the **account** will be governed by the signing authority which **you** may have already provided to **NAB** or will need to provide when **you** open the **account**. The signing authority specifies who is authorised to operate the **account** and whether they may do so alone or jointly.

What happens if government charges and taxes apply?

- 2.13 **NAB** may debit the **account** with government charges, duties and taxes relating to the **account**.

Electronic communications

- 2.14 **You** agree that, subject to clause 2.14, notices, certificates, consents, approvals and other communications in connection with **your account** from **NAB** may be given electronically by electronic mail to **your** nominated electronic address unless **you** request otherwise. Unless **you** so request, **NAB** may not give **you** communications in other ways (for example in writing).

You may change your nominated electronic address by notifying **NAB**.

- 2.15 Unless otherwise specified, **you** may request a paper copy of a communication given electronically if **you** request the paper copy within 6 months of the electronic copy being received or made available.

Meaning of words

account means a NAB Equity Lending Cash Management Account.

banking day means a day other than a Saturday or Sunday, or a public, special or bank holiday in the State or Territory where the product is opened.

base LVR, current LVR, default event, disposal and Equity call each have the same meaning as in the Facility Terms.

Facility means a NAB Equity Lending Facility.

Facility Terms means NAB Equity Lending Facility Terms for a Facility.

NAB means National Australia Bank Limited and its successors and assigns.

Schedule means NAB Equity Lending Cash Management Account Rates Schedule.

you means the customer or customers in whose name the product is opened, and if there is more than one, **you** means each of them separately and every two or more of them jointly. **You** includes **your** successors and assigns and, in relation to **your** rights to operate the product, any other authorised signatory to the product acting within his or her authority.

For more information call

1300 135 145

8.30am – 5.30pm EST, Monday to Friday

Email equity.lending@nab.com.au

or visit us at nab.com.au/equitylending