

Farm Management Term Deposit

Product Schedule

NB: This **Product Schedule** is specific to the above product. Together with the Schedule you will be given our **Bankwest Term Deposits Terms and Conditions**. Together these documents comprise the Bank's **Product Disclosure Statement ("PDS")** for the product.

1. ABOUT THE FARM MANAGEMENT DEPOSIT – TERM DEPOSIT ACCOUNT

- 1.1. The Farm Management Deposit – Term Deposit Account is for a fixed term of 1, 3, 6, 9 or 12 months.
- 1.2. The Account is made available to primary producers in order that they may take advantage of the tax benefits available under the *Income Tax Assessment Act 1997* (Cth) in respect of farm management deposits.
- 1.3. The Account is only available to an individual including an individual trustee acting for a beneficiary who is under a legal disability. The Account is not available to individuals jointly, partnerships or corporations.
- 1.4. The Commonwealth's Farm Management Deposit Scheme (Scheme) under the *Income Tax Assessment Act 1997* (Cth) is designed to allow primary producers with a taxable non-primary production income of not over \$100,000 (from 1 July 2014), to shift before-tax income from years when they need it least to years when it is most needed, in order to assist them manage their exposure to adverse economic events and seasonal fluctuations.
- 1.5. Specific requirements applying to this account are set out in the *Income Tax Assessment Act 1997*(Cth). A breach of the requirements may result in the deposit not being treated as a farm management deposit and the loss of tax benefits. Prior to making a deposit, we recommend you obtain advice from an independent tax adviser.
- 1.6. The Scheme allows primary producers, under the Pay As You Go system, to reduce their instalment income for an instalment period by the amount of farm management deposits made during that period. The Scheme provides tax benefits if deposits in the farm management deposit are kept for a minimum of 12 months. The reduction is limited to the amount that you can reasonably expect to deduct for the deposit for the income year in which the deposit is made. However, the instalment income for the period cannot be reduced below nil.
- 1.7. When you withdraw funds from the farm management deposit within 12 months of the initial deposit, you may not qualify for the full tax benefits associated as the funds may cease to qualify as a farm management deposit. You may have to seek an amended tax assessment for the relevant period in which a deduction was claimed. If neither your tax file number, nor Australian Business Number, has been given to the Bank, the amount withdrawn will also be subject to withholding tax at a rate equal to the sum of the top marginal tax rate and the Medicare levy.
- 1.8. You, as the owner of the deposit, must be a primary producer when the deposit is made.
- 1.9. The deposit must be made by only one person and on behalf of only one person.
- 1.10. Minimum and maximum deposit amounts apply. The initial deposit into the account must be at least \$1,000 and not more than \$800,000 at any time in any year of income. If you have consented to renew the account on maturity, the minimum initial deposit requirement does not apply to the renewed account (please see 1.18 below for further information about minimum balances).

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- 1.11. Effective 1 July 2016, you may hold more than one farm Management Deposit Account across financial institutions, but the aggregate balance of all accounts during any year of income must not exceed \$800,000.
 - 1.12. Once the initial deposit is made, no additional deposits can be made to the account. Where further funds are to be deposited, a new account must be opened.
 - 1.13. Your rights as depositor are not, and must not be, transferable to another person.
 - 1.14. The deposit must not be used as security for any amount owed to us or any other person.
 - 1.15. The deposit must not be used, as a mortgage offset account or otherwise, to reduce your liability to pay interest on other debts owed to us.
 - 1.16. At your written request and cost we will transfer the total or part of the credit balance of the account by electronic means only to another financial institution that agrees to accept that amount as a farm management deposit. You agree to provide every assistance necessary to effect this transfer. Despite clause 6.2 of the Bankwest Term Deposits Terms and Conditions, you need not give 31 days' notice before a transfer under this clause, but your entitlement to interest will be reduced under that clause.
 - 1.17. The amount of any repayment of the deposit must be at least \$1,000 except where the entire amount of the deposit is repaid.
 - 1.18. You must ensure that the account has a minimum balance of \$1,000 throughout the term unless you close the account prior to maturity or a transfer is effected in accordance with clause 1.16. If a minimum balance of \$1,000 is not maintained by you throughout the term, your tax entitlements may be adversely affected.

2. FEES AND CHARGES

There are no bank fees or charges on this account.

3. INTEREST

- 3.1. We agree to pay you interest at the rate stated in the Certificate of Investment or, in the event of renewal of your Term Deposit account, at the then current rate for this account which we will confirm to you in writing at the time of renewal in the Reinvestment Notice or the Confirmation Letter (where renewal instructions are given by you). You may inquire about our current rates at any time by contacting our Customer Help Centre, our Customer Service Centre or by accessing www.bankwest.com.au.
- 3.2. The interest rate is fixed for the term of your deposit.
- 3.3. Interest or other earnings on the deposit must first be paid to you before being invested as a farm management deposit with us.
- 3.4. We calculate interest on the total credit balance of the account. We will pay you interest at maturity to your nominated Bankwest-branded account (the account nominated cannot be this account) or to the account you have nominated with another financial institution.
- 3.5. If maturity is a non-business day, maturity will be deemed to occur on the next business day.

4. EARLY REPAYMENT

For Term Deposits opened or renewed on or after 18 December 2014, you may request us to repay your deposit (in part or in full) prior to the maturity date, by giving us 31 days' notice (although this notice is not required for a transfer to a different farm management deposit account under clause 1.16). Your entitlement to interest will be reduced in accordance with the Bankwest Term Deposits Terms and Conditions. Early prepayment will affect your entitlement to tax benefits. A withdrawal must comply with Section 1 of this Product Schedule.

The notice period starts on the day you request withdrawal and payment will be effected in accordance with Clause 6 of the Bankwest Term Deposit Terms and Conditions.

If you think you may have a need to immediately access your money during the term, other savings accounts may be more suitable.

5. FINANCIAL CLAIMS SCHEME

The Financial Claims Scheme, under the Banking Act, covers deposit amounts you hold in a bank in aggregate up to a statutory prescribed limit (please note that for the purposes of calculating this total joint accounts are considered to be held in equal shares). You may be entitled to a payment in some circumstances. Payments under the scheme are subject to a limit for each depositor. Information about the Financial Claim Scheme can be obtained from <http://www.fcs.gov.au>.

6. UNCLAIMED MONIES

Farm Management Deposits were made exempt from the unclaimed monies provision contained in the Banking Act 1959 (Cth) on 30 May 2014. Where an account ceases to be a Farm Management Deposit, for example because the holder dies, becomes bankrupt or ceases to be a primary producer, we must repay the balance of the Farm Management Deposit to you in accordance with the terms and conditions set out in the PDS.