

Mortgage Shredder Offset Account Product Schedule

NB: This **Product Schedule** is specific to the above account and/or any facility made available with the account. Together with the Schedule you will be given our **Bankwest Investment and Transaction Accounts Terms and Conditions**, our **Bankwest Banking Services Rights and Obligations** brochure, our **Bankwest Your Guide to Banking Fees** brochure and our **Bankwest Account Access Conditions of Use**. Together these documents comprise the Bank's **Product Disclosure Statement (PDS)** for the account and/or facility.

1 ABOUT THE MORTGAGE SHREDDER OFFSET ACCOUNT

This product is no longer available for sale.

The Mortgage Shredder Offset account provides a Mortgage Saver Facility in relation to the Bankwest Mortgage Shredder Home Loan or Bankwest Mortgage Shredder Fixed Introductory Home Loan. From 30 June 2014, this account will no longer be eligible to be linked to a loan account.

2 FEATURES

2.1 This account offers the following optional facilities:

- Cheque Access;
- Periodical Payments;
- Direct Debit Facility;
- Bankwest Online Banking;
- Phone Banking;
- Bankwest Debit Cards; and
- Mortgage Saver Facility [from 30 June 2014, this account will no longer be eligible to be linked to a loan account].

2.2 There is no minimum deposit required to open the account.

3 FEES AND CHARGES

3.1 Monthly Maintenance Fee

If the balance of the account is below \$1,000.00 on any day during the month \$6.00 will be charged to the account. If, during the month the account is opened, the balance of the account is, on any day, below \$1,000.00, the \$6.00 will be charged on a pro rata basis.

3.2 Offset Fee

A \$10.00 monthly Offset Fee will be charged to the account on the first business day of each month.

3.3 Electronic Withdrawal Fee

This account allows 10 free electronic withdrawals per month.

Each electronic withdrawal over the fee free limit will incur a \$0.70 fee.

An electronic withdrawal is:

- any cash withdrawal or purchase made at or using any EFTPOS terminal;
- any debit transfer or payment made using Bankwest Online Banking or Phone Banking;
- any Direct Debit or Periodical Payment; or
- any cash withdrawal or debit transfer made at or using any ATM in Australia.

3.4 Cheque Withdrawal Fee

This account allows 2 free cheque withdrawals per month.

Each cheque withdrawal over the fee free limit will incur a \$1.50 fee.

A cheque withdrawal is any withdrawal made using a personal cheque to withdraw funds from this account.

3.5 Counter Withdrawal Fee

This account does not allow any free counter withdrawals.

Each counter withdrawal will incur a \$4.00 fee.

A counter withdrawal is any withdrawal or debit transfer made at a Bankwest-branded Service Centre or Agent, or Neighbourhood Bank or using Bank@Post.

3.6 Line of Credit Fee

A Line of Credit Fee applies to the account if at any time during the Fee Raising Period:

- (1) there is no Overdraft Facility on the account, but Bankwest elects to honour (pay) the transaction which overdraws the account, and the account is overdrawn during a Fee Raising Period:
 - (a) by \$1,000 or more; or
 - (b) by any amount for 10 days or more, whether or not consecutive; or
- (2) there is an Overdraft Facility other than a Fully Fluctuating Limit on the account and Bankwest elects to honour (pay) the transaction which overdraws the account in excess of the applicable credit limits during the Fee Raising Period;
 - (a) by \$1,000 or more; or
 - (b) by any amount for 10 days or more, whether or not consecutive; or
- (3) there is a Fully Fluctuating Limit on the account, whether the account is in debit or credit.

If, in a Fee Raising Period, the account is overdrawn by more than \$30 (allowing for any Overdraft Facility limit), a Line of Credit Fee of \$20 will apply and will be debited to the account.

- If (1) applies, on the maximum debit balance during the fee raising period.
- if (2) applies, on the maximum debit balance after first deducting the applicable Overdraft Facility limit.
- if (3) applies, on the Fully Fluctuating Limit after first deducting any applicable current "fee free" credit limits.

The fee is debited to the account in arrears on the last business day of March, June, September and December.

3.7 Honour Fee – Personal

A \$10.00 Honour Fee will apply when one or more transactions overdraw the account, Bankwest elects to honour (pay) the transaction(s). The account will be overdrawn if there are insufficient funds, or the applicable credit limit has been exceeded, in order to meet a debit transaction (including cheques, direct debits and/or periodical payments). Bankwest will only charge one Honour Fee per account, per-day.

3.8 Outward Dishonour Fee

A \$10.00 Outward Dishonour Fee will be charged to the account where there are insufficient cleared funds in your account to cover a cheque drawn on your account or an authorised debit request made in respect of your account. Bankwest will only charge one Outward Dishonour Fee per account, per-day.

3.9 Other fees which may be incurred on the account

Other fees which the Bank charges for its services, including services not specific to this account but for which you may be charged are listed in our Bankwest Your Guide to Banking Fees brochure.

4 INTEREST

4.1 Credit Interest

Credit interest is not paid on funds held in this account.

Interest charges otherwise payable under the Bankwest Mortgage Shredder Home Loan (or Bankwest Mortgage Shredder Fixed Introductory Home Loan) will be reduced in accordance with clause 12.3 of the Bankwest Investment and Transaction Accounts Terms and Conditions. The "Offset Account Percentage" for that purpose is 100%.

For example: Assume you have a Bankwest Mortgage Shredder Home Loan balance of \$100,000 at 6.80% p.a. and a Mortgage Shredder Offset balance of \$5,000. Then only \$95,000 of the Housing Loan would accrue debit interest at 6.80% p.a.

4.2 Debit Interest

The account must not be overdrawn without prior arrangement; however, if the account does fall into overdraft then debit interest will apply to the overdrawn balance. Debit interest will be charged on the

overdrawn balance at an annual percentage rate of 14.51%p.a in accordance with clause 8.3 of the Bankwest Investment and Transaction Accounts Terms and Conditions. This rate is also referred to as the Variable Overdraft Reference Rate.

If there is an Overdraft Facility on the account and the agreed overdraft limit is not exceeded, interest will be charged on the outstanding balance of the Overdraft Facility at the annual percentage rate set out in the statement of account from time to time.

If there is an Overdraft Facility on the account and the agreed overdraft limit is exceeded:

- interest will be charged on the outstanding balance of the Overdraft Facility up to the agreed overdraft limit at the annual percentage rate set out in the statement of account from time to time; and
- interest on the excess will be charged at an annual percentage rate of 14.51%p.a. in accordance with clause 8.4 of the Bankwest Investment and Transaction Account Terms and Conditions. This rate is also referred to as the Variable Overdraft Reference Rate.

If there is an Overdraft Facility on the account, we calculate debit interest daily by multiplying the outstanding balance of your account by the annual percentage rate set out above from time to time and by dividing the result by the number of days in the year. Debit interest is calculated up to the second-last business day of the month and will be debited to your account on the last business day of the month.

5 OVERDRAFT FACILITY

If there is an Overdraft Facility on the account, we may at any time demand that you pay the entire outstanding balance of your Overdraft Facility

6 DEFINITIONS

Fee Raising Period is a period of three consecutive months:

- commencing on the day after the last business day of the previous quarter; and
- ending on the last business day of that quarter;

where quarters commence in January, April, July and October of each calendar year.

Fully Fluctuating Limit means an ongoing overdraft facility which was previously available to certain customers on request. Where a Fully Fluctuating Limit applies to an account, it is listed on the statement of account. This facility is no longer available for sale.

Overdraft Facility means an overdraft facility payable on demand, which includes but is not limited to:

- Temporary Cheque Cover Limits
- Temporary Personal Limits
- Fully Fluctuating limits
- Standby Limits
- VIP Limits.

Standby Limit means an ongoing overdraft facility which was previously available to certain customers, with a limit of up to \$1000 where drawings (debits) are repayable within 60 days. Where a Standby Limit applies to an account, it is listed on the statement of account. This facility is no longer available for sale.

Temporary Cheque Cover Limit means a temporary overdraft facility with a limit of up to \$1000 granted on request by the customer for a term of 31 days. Where a Temporary Cheque Cover Limit applies to an account, it is listed on the statement of account following the date the facility was granted.

Temporary Personal Limit means a temporary overdraft facility granted on request by the customer for a term of 62 days. Where a Temporary Personal Limit applies to an account, it is listed on the statement of account following the date the facility was granted.

VIP Limit means an ongoing overdraft facility which was previously available to customers selected by the Bank. Where a VIP Limit applies to an account, it is listed on the statement of account. This facility is no longer available for sale.

7 Mortgage Saver Facility [from 30 June 2014, this product will no longer be eligible to be linked to a loan account, however existing accounts linked to home loans can remain]

If you do have a loan account linked to this account (**Offset Account**), then we may de-link your loan account and your Offset Account in the following circumstances:

- (a) when you instruct us to do so;
- (b) if the home loan account is paid out or closed for any reason;
- (c) if you have converted your home loan to an ineligible home loan;
- (d) if your home loan is in default;
- (e) if any property securing your loan account is scheduled for settlement. If settlement does not proceed on the proposed date or on such other date as you may advise us, you may request that we re-link your loan account and your Offset Account. If we do not receive such a request your loan account and Offset Account will remain de-linked. For the avoidance of doubt, settlement includes a transfer, discharge, replacement or any other dealing in relation to any security or any property securing your loan account; or
- (f) if you convert this account to a different investment or transaction account product that is not eligible to be linked to a loan account.

8 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>.