Baptist Financial Services Australia Limited

ABN 56 002 861 789
AFSL 311 062

Product Information Statement - Offer Document

Date of Issue: 1 January 2017

www.bfs.org.au

Important Note

Baptist Financial Services Australia Limited is a charity incorporated as a public company, and limited by guarantee. The company is a delegated body of the Baptist Union of Australia Inc and provides financial services to Baptist and other Christian organisations throughout NSW/ACT, SA/NT, Tas, Vic and WA. BFS has been endorsed by the Australian Taxation Office as an Income Tax Exempt Charitable Institution for the operation of the financial services businesses of the Baptist Unions. BFS is a "charity" within the meaning of Regulatory Guide 87 and Class Order 02/184 exemption issued by the Australian Securities & Investments Commission (ASIC). BFS invites investments in accordance with its registered charitable scheme.

Please note that the debenture products offered by BFS are designed for investors who wish to promote the religious and charitable purposes of BFS and for whom the consideration of profit is not of primary relevance in their investment decision.

In accordance with APRA Banking (Exemption) Order No. 96:

- BFS is not prudentially supervised by the Australian Prudential Regulation Authority (APRA) and BFS is not authorised under the *Banking Act 1959* (Cth);
- Investments with BFS are not covered by the depositor protection provisions in section 13A of the *Banking Act 1959* (Cth).

The debenture products offered by BFS are:

- Not subject to the normal requirements under the *Corporations Act 2001* (Cth*)* to have a trust deed, to issue a Product Disclosure Statement, nor lodge such a document with the ASIC;
- Not subject to the normal protections that would apply under the *Corporations Act 2001* (Cth*)*
- Not examined or approved by ASIC;

This Product Information Statement - Offer Document ("PISOD") contains important information but does not take into account your investment objectives, financial position or particular needs and therefore does not constitute a recommendation, advice or opinion. Before making an investment in BFS debentures, you should read this PISOD carefully in its entirety and consult a financial adviser and/or other professional adviser to ensure this is appropriate for your particular financial objectives, needs and circumstances.

This offer of debentures under this PISOD may only be used by persons who receive it in Australia. The information in this PISOD does not constitute an offer in any jurisdiction other than Australia. This is not an offer to any person or an offer in any place, to which or in which it is unlawful to make such an offer.

If you have any queries regarding this PISOD, please contact a BFS State Office at the following:

NSW/ACT Office:
Cnr Rawson Street & Carlingford Road, Epping NSW 2121
Postal: PO Box 122, Epping, NSW, 1710

Victoria/Tasmania Office:
Level 1, 1193 Toorak Road, Hartwell, Vic
Postal: PO Box 377, Hawthorn, Vic, 3122

South Australia/Northern Territory Office:
Baptist Centre, 35 King William Road, Unley, SA
Postal: PO Box 432, Unley, SA, 5061

Western Australia Office
21 Rowe Avenue, Rivervale, WA
Postal: PO Box 57, Burswood, WA, 6100

or by:

Phone:	1300 650 542 between 8.30am-4.30pm Sydney time on a Business day
Fax:	1300 784 699
Email:	clients@bfs.org.au
Website:	www.bfs.org.au

For information regarding our full range of BFS Non Cash Payment Products, please read our Financial Services Guide and Product Disclosure Statement – BFS Non Cash Payment Products.

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Refer to separate schedule which forms part of this PISOD Document.

PART 1

1 Definitions

AFSL means Australian Financial Services Licence.

APRA means Australian Prudential Regulation Authority.

ASIC means Australian Securities and Investments Commission.

At Call Account means any account that has funds available for withdrawal at any time subject to the individual terms and conditions and is subject to a variable interest rate.

Authorised Signatory means you or any person authorised to operate your account(s).

BFS: Baptist Financial Services Australia Limited.

BFSOnline: An interactive website which allows you access to your BFS accounts. BFSOnline is a non-cash payment facility offered by BFS and its terms are set out in our Financial Services Guide and Product Disclosure Statement – BFS Non Cash Payment Products. Please ensure you obtain and read that document before operating a non-cash payment facility with BFS.

Business Day means a day other then a Saturday or Sunday or a public holiday in Sydney, New South Wales.

Cheque Account means an account where you can write cheques as the drawer of that cheque. Cheque Account is a non-cash payment facility offered by BFS and its terms are set out in our Financial Services Guide and Product Disclosure Statement – BFS Non Cash Payment Products. Please ensure you obtain and read that document before operating a non-cash payment facility with BFS.

Direct Debit means a payment facility through which regular payments are made from your account. Direct Debit is a non-cash payment facility offered by BFS and its terms are set out in our Financial Services Guide and Product Disclosure Statement – BFS Non Cash Payment Products. Please ensure you obtain and read that document before operating a non-cash payment facility with BFS.

Direct Debit agreement means form required to be completed to enable BFS to set up a Direct Debit.

Direct Debit Transfer means a transfer from an established predefined external account. Direct Debit Transfer is a non-cash payment facility offered by BFS and its terms are set out in our Financial Services Guide and Product Disclosure Statement – BFS Non Cash Payment Products. Please ensure you obtain and read that document before operating a non-cash payment facility with BFS.

EFT means Electronic Funds Transfer and are funds transfers initiated by giving an instruction, through electronic equipment and using an access method, to BFS (directly or indirectly) to debit or credit an account maintained by BFS. This can include, but not limited to, receipt of rent, pensions, etc, drawing of health fund payments, telephone bills, etc. Also referred to as **Electronic Funds (credit) Transfer** and **Electronic Funds (debit) Transfer.**

eStatements means statements available for download when signed in to the BFSOnline portal.

FSG/PDS means Financial Services Guide and Product Disclosure Statement – BFS Non Cash Payment Products.

Payment Service /Direct Credit means EFT.

PISOD means this document.

Term Investment means any account when funds are lodged for a set term and interest rate.

We/us/our: BFS.

You/your: A BFS account holder either individually or jointly or any person acting with authority on behalf of the account holder.

2 Purpose and Contents of this Product Information Statement - Offer Document ("PISOD")

The purpose of this PISOD is to offer BFS's debenture products and provide you with important information regarding the BFS debenture products we offer, including the following information:

- Who is BFS
- How to contact BFS
- Which products BFS is authorised to offer
- Key features/benefits/risks of these products
- Any (potential) conflicts of interest BFS may have in offering these products
- BFS's internal and external dispute resolution process
- Applicable account and service fees for these products

We may change, add to or delete information in this PISOD at any time. This includes varying interest rates, the way interest is calculated or imposing any fee or charge. In doing so, we must act in accordance with any relevant legislation.

Where we make changes to these terms and conditions that require us to notify you in advance of the change, we will provide you with a notice of the change and the date the change is to be implemented.

Where we are not required to give you notice prior to implementing the change, we may do so immediately without providing prior notification to you.

Any notice we are required to give to you concerning any change to the terms and conditions may be given to you in accordance with any law or code, which may include:

- Advice on or with your statement;
- A notice on electronic equipment, such as www.bfs.org.au or
- A letter.

Any notice or document may be given by us sending it to your last known address. Except where it contravenes a law, 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 Indue or BFS is evidence of the postage date and that the mail was posted on the date specified in the certificate.

To obtain a current copy of any parts of this document without charge please contact Baptist Financial Services Australia Limited as per section 4.

This PISOD does not constitute an offer or solicitation to anyone outside Australia.

If you decide to make an investment in BFS's debenture products, you should retain this PISOD for future reference as it contains a summary of the key features of, and the terms and conditions which apply to, your investment.

If you would like further information, please do not hesitate to contact us. Further details about our services are also available on our website.

3 Name of Issuer & Australian Financial Services License ("AFSL")

The Issuer is Baptist Financial Services Australia Limited ABN 56 002 861 789 ("BFS"), and the Principal contact is the Chief Executive Officer.

This PISOD has been prepared by BFS and has not been and is not required to be lodged with ASIC. The PISOD and the debenture products offered herein have not been examined or approved by ASIC and ASIC assumes no responsibility for the contents of this PISOD or the debenture products offered herein.

BFS holds Australian Financial Services Licence No. 311062 and is authorised to provide advice and to deal (arrange and issue) in relation to basic deposit products, deposit products other than basic deposit products and non-cash payment products to retail and wholesale clients. This PISOD is issued pursuant to ASIC Regulatory Guide 87 and ASIC Class Order 02/184 exemption.

4 Contact details of BFS

NSW/ACT Office:
Level 1, Cnr Rawson Street & Carlingford Road, Epping NSW 2121, Australia
Postal: PO Box 122, Epping, NSW, 1710, Australia

Victorian/Tasmanian Office:
Level 1, 1193 Toorak Road, Hartwell, Vic, Australia
Postal: PO Box 377, Hawthorn, Vic, 3122, Australia

South Australian/Northern Territory Office:
Baptist Centre, 35 King William Road, Unley, SA, Australia
Postal: PO Box 432, Unley, SA, 5061, Australia

Western Australian Office
21 Rowe Avenue, Rivervale, WA, Australia
Postal: PO Box 57, Burswood, WA, 6100, Australia
Phone: 1300 650 542 between 8.30am-4.30pm Sydney time on a Business day
Fax: 1300 784 699
Email: clients@bfs.org.au
Website: www.bfs.org.au

5 The debenture products offered by BFS to Retail Clients

BFS offers the following debenture products to retail Clients:

- Pensioner Deeming Accounts - 31 Days Notice
- Development Fund Accounts - 31 Days Notice
- Funeral Investment Accounts
- Term Investments
- Notice of Withdrawal (NOW) Account

Key Features and Benefits of BFS debenture products

- No transaction or account keeping fees. For full details of fees refer to Part 2.
- View accounts at any time via our BFSOnline internet account access service. Refer to FSG/PDS for full details on BFSOnline.
- Interest payments are credited to the account.
- Interest payments can be made into a nominated account with a financial institution (approved by the Australian Payments Clearing Association).
- Statements are issued at least annually at the end of June.
- Funds may be lodged to the account by:
  - Internet Transfer from an external financial institution;
  - Cheque sent to our Client Services Team;
  - Direct Electronic Transfer;
  - Periodical Payment; or
  - Westpac Banking Corporation (Westpac) deposit book provided for paying directly into your account through any Westpac branch (excluding Term Investments).
- Direct Debit Transfer from an established predefined external account. Direct Debit Transfer is a non-cash payment facility offered by BFS and its terms are set out in our FSG/PDS. Please ensure you obtain and read that document before operating a non-cash payment facility with BFS.
- Your investment helps support the work of churches, schools, camp sites and other Christian ministries and to promote religious and charitable purposes.

Key Risks of BFS debenture products

- Interest rates may change if market rates change. The rate of interest may be varied by BFS from time to time without prior notice and is available from BFS by contacting one of our offices or from our web site. The interest rate on Term Investments is fixed for the term of the nominated lodgement period. Interest Rates are detailed in Part 3 of this PISOD.
- All debenture products with BFS are unsecured, and investors are advised that neither the performance of or return on investments, nor repayment of capital is guaranteed.
- Cheques lodged to an account generally take up to three (3) New South Wales Business days to clear.
- Funds cannot be relied upon until such time as the cheque is paid.

Costs of BFS debenture products

- Account and service fees are detailed in Part 2 of this PISOD.

For further details as to the nature, key benefits, significant risks and costs of utilising our debenture products, please refer to the following sub-sections. Please note the following information is only a summary of the significant issues, and is not intended to be exhaustive. If you are not fully familiar with such products we strongly recommend you obtain independent financial and/or professional advice before proceeding with an investment.

The specific contractual terms and conditions which apply to your dealings in these products are detailed later in this PISOD.

Investments in which your funds may be placed

Funds invested in BFS debenture products may be invested by BFS in secured or unsecured loans, securities, government or semi-government securities, interest bearing deposits or bank securities, ADI securities, the money market, bills of exchange**, mortgage loans, floating rate notes, fixed rate notes, registered managed investment schemes, securities listed on the Australian Stock Exchange, and real estate.**

Liquidity Reserve

BFS maintains a liquidity reserve of a minimum of 20% of BFS's total debenture products in accordance with BFS's Registered Charitable Investment Scheme.

5.1 Notice of Withdrawal Account (31 days notice required for withdrawals)

The Notice of Withdrawal Account debenture product can be added to at any time but requires notice to be given before funds can be withdrawn.

You will be required to complete an application form and provide the requested identification documentation. Appropriate forms are available from our office as listed in section 3 or from our website.

Key Features and Benefits

- You can lodge additional funds into the account at any time.
- Great way to save as funds can only be withdrawn upon completion of the minimum Notice Period.
- You may give one or many Notices at any one time provided there is sufficient available balance to fund all notices.
- Available for personal and business investors.
- Funds cannot be withdrawn until after completion of the minimum Notice Period.
- Interest is calculated daily and credited to the account at the end of each calendar month.
- The interest rate is variable.

Please ensure you read Sections 13 and 14.2 in this PISOD for the general and specific terms and conditions which will apply to this product.

5.2 Pensioner Deeming Accounts (31 days notice required for withdrawals)

Pensioner Deeming Account is a debenture investment designed to meet the government's deeming regulations and help any clients who are independent retirees aged 55 and over or who are receiving a Centrelink payment, Veteran's Affairs payment or other government pension. The tiered amounts and interest rates are set by the Federal Government.

Interest rates will vary if the interest rates and/or tiers are changed by the Federal Government without prior notice.

You will be required to complete an Application Form and provide the requested identification documentation.

Key Features and Benefits

- Your account is a basic transaction account.
- There is no minimum investment amount.
- No fixed term – but 31 days' notice is required for any withdrawal.
- Tiered interest rates are set by the Federal Government.
- Interest is calculated daily and credited to the account at the end of each calendar month.
- Available for personal investors who are independent retirees aged 55 and over or who are receiving a Centrelink payment, Veteran's Affairs payment or other government pension.

Please ensure you read Sections 13 and 14.4 in this PISOD for the general and specific terms and conditions which will apply to this product.

5.3 Development Fund Accounts (31 days notice required for withdrawals) (Exemption from the Deeming provisions of Centrelink is available only to clients with existing Development Fund Accounts at 31/12/2009 – additional fund lodgements to these accounts will not be exempt from the Deeming provisions)

These debenture accounts are accepted by Centrelink as exempt* from their deeming provisions and are designed for recipients of Centrelink payments, Veteran's Affairs payments or other government departmental payments and for other investors who would like to make funds available for investment at no interest or below the lowest interest payable on the Pensioner Deeming Accounts at Call. Investments in the BFS Development Fund provide the opportunity for you to partner in developing new Churches & ministry projects throughout Australia.

*EXEMPT means that Centrelink will apply the ACTUAL income you are receiving on these accounts when calculating pension entitlements rather than calculating your income according to the `deeming rate' of interest. You will be required to complete an Application Form and provide the requested identification documentation.

Additional investments and new accounts opened on or after 1 January 2010 will not be eligible for Deeming Exemption with Centrelink. However Development Fund Savings Accounts will assist us to resource denominational Baptist ministry through Baptist Unions In NSW/ACT, Victoria, South Australia, Tasmania and Western Australia.

Key Features and Benefits

- Your account is a basic transaction account which requires 31 days' notice to be given prior to any withdrawal of funds.
- There is no minimum investment amount.
- You can nominate any interest rate from no interest or below the lowest interest payable on the Pensioner Deeming Accounts at Call and change the rate at any time.
- No transaction, service or account keeping fees and charges.
- Interest (if any) is calculated daily and credited at the end of each calendar month.
- Available for personal and business investors.
- Account may be viewed via our BFSOnline internet account access service.
- Interest payments can only be made into a nominated account with a financial institution (approved by the Australian Payments Clearing Association).
- Account Statements are issued at the end of March, June, September and December where at least one transaction has occurred since the issue of the last statement, otherwise an Account Statement is issued at the end of June.
- Westpac deposit book provided for paying directly into your account through any Westpac branch.

- Centrelink and Department of Veterans Affairs pensioners may become eligible for increased benefit payments after funds are invested (Government conditions apply).
- Your investment helps support the work of churches, schools, camp sites and other Baptist ministries.

Key Risks

- The range of interest rates may fall if the deeming rate of interest is reduced by the Federal Government.
- All debenture investments with BFS are unsecured, and investors are advised that neither the performance of/return on investments, nor repayment of capital is guaranteed.
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Costs

- Our account and service fees are detailed in Part of this PISOD.

Please ensure you read Sections 13 and 14.5 in this PISOD for the general and specific terms and conditions which will apply to this product.

5.6 Funeral Investment Account

Funeral Investment Account is a special purpose debenture investment account that allows the investor to put money aside to help meet the cost of their funeral up to a maximum as approved by Centrelink. The maximum amount can be found on our web site www.bfs.org.au. This can be a great comfort at a time of grief for those bereaved.

The account is not a prepaid funeral account. Money invested can only be withdrawn to assist with costs relating to the funeral of the individual investor.

You will be required to complete an Application Form and provide the requested identification documentation.

Key Features and Benefits

- Your account/s provides funds to assist with payment of the investor's funeral expenses at a time of grief for those bereaved.
- Up to 2 accounts may be opened by the same individual.
- Account/s must be in one individual name only. Joint accounts are not available.
- Interest is calculated daily and credited to the account at the end of each calendar month.
- Any residual funds [after funeral costs have been met] are paid to the Estate of the deceased investor.
- Additional funds may be invested at any time up to the limit of contributions approved by the Federal Government.
- Exempt from Centrelink income and assets tests (subject to special conditions).
- Monies can only be invested by:
  - Cheque sent to a State BFS Office; or
  - Transfer from another BFS account.

Key Risks

- Funds invested in the Funeral Savings Account/s cannot under any circumstances be withdrawn prior to the death of the investor.

Please ensure you read Sections 13 and 14.6 in this PISOD for the general and specific terms and conditions which will apply to this product.

5.7 Term Investments

Our Term Investments are accepted for a fixed term between 3 and 36 months.

You will be required to complete an Application Form and provide the requested identification documentation.

Key Features and Benefits

- Your Term Investment provides a guaranteed interest rate on your investment for a fixed term.
- Interest is calculated daily and credited on maturity, or, where available, at other frequency chosen by you (also see Section 14.8.)

- Additional investments can not be made during the fixed term and may only be added up to 10 calendar days following renewal of an existing investment.
- Available for personal and business investors.

Key Risks and Costs

- Interest rates are fixed for the term of the nominated lodgement period.
- A request for Early Redemption of a Term Investment may be approved for a valid reason, at the sole discretion of BFS but, except in hardship cases, 31 days' notice must be provided. The BFS Hardship Policy is available from the BFS website www.bfs.org.au. .
- An Early Redemption Adjustment (ERA) may be applied if the Term Investment is redeemed prior to its scheduled maturity date.
- An Early Redemption Fee may be applied if the Term Investment is redeemed prior to its scheduled maturity date.

Please ensure you read Sections 13 and 14.8 in this PISOD for the general and specific terms and conditions which will apply to this product.

6 How to apply for an investment

Application and supplementary forms to facilitate your investment in BFS's debenture products may be downloaded from BFS's website or alternatively you may contact your BFS State Office by phone or email and request the necessary documents be sent directly to you. You will need to complete, sign and return all necessary original documents to BFS before your investment is implemented. Authorised signatories may need to provide the required identification documentation. We may also be required to reconfirm your identity and personal details at any time your investment remains open.

BFS may request further additional documentation and information if necessary to implement your investment.

Prior to signing the relevant forms, you should carefully read the terms and conditions contained in this PISOD and seek independent legal and/or financial advice to resolve any queries you may have.

You are also required by ASIC to sign an acknowledgement that you understand BFS is not regulated by APRA or ASIC.

BFS reserves the right not to accept any investment without assigning any reason.

In offering these debenture products, BFS provides product information only and does not give any personal advice.

7 Documentation

BFS will provide you with an application or authorisation form in order to facilitate your use of our debenture products, which you will need to sign and return, prior to using these services. BFS has the right to request additional documentation if it so requires. This may include information sought to confirm the identity of investors and/or authorised signatories to accounts.

Please contact us for a copy of the relevant form or download the form from our website www.bfs.org.au. You should read the terms and conditions detailed in this PISOD carefully and seek independent legal and/or financial advice should you have any concerns, prior to signing the relevant form.

BFS does not provide any personal advice (advice which takes into consideration one or more of your financial objectives, circumstances or needs). We are obliged to warn you that our transaction and product information provided to you as a retail client does not take account of your objectives, financial situation or needs.

Therefore, we recommend that you take all reasonable steps to fully understand the outcomes of specific products and strategies adopted in relation to utilising the services provided by BFS.

7 Statements

We will send you a statement of your BFS products at least once every six months. You may request more frequent statements to be sent. Statements may also be viewed through BFSOnline at any time. For joint products, we will send the statement to the primary product holder. Secondary or joint product-holders may request a copy of the statement.

BFS eStatements Terms and Conditions

Key Features and Benefits of BFS BFSOnline eStatements

The BFSOnline eStatement facility enables BFS clients to view their statements (eStatements) online within BFSOnline, rather than receiving paper statements sent to a postal address.

If you register to receive an eStatement you will receive an email each time a new eStatement becomes available in BFSOnline.

eStatements will be provided in a PDF format and can be viewed, saved and printed from BFSOnline. In addition to eStatements, other marketing material and information that would normally accompany a paper statement may also be included as a PDF document within BFSOnline or be provided via a separate link.

Conditions of use – Personal Clients

1. You are required to be registered for BFSOnline before you can register for eStatements. Access to BFSOnline is via the BFS website www.bfs.org.au

2. You must register to receive eStatements and provide an email address to receive notification that a new eStatement is available to view in BFSOnline.

3. You are required to have a compatible PDF viewer such as Adobe Acrobat to view your eStatements and any accompanying BFS information online.

4. You must ensure that your email address is updated if it changes. This is to ensure notification of eStatements is always sent to the correct email address. A change to an email address can be completed online and can be updated in BFSOnline under Client Maintenance>Contact Details>email address.

5. Should the email notification “bounce back” we will contact you requesting a new email address.

6. Once you are registered to receive eStatements, paper statements will no longer be sent.

7. You agree to regularly check your email for notices that eStatements are available.

8. If you locate any errors, discrepancies, or unauthorised transactions you must notify BFS immediately by calling BFS on 1300 650 542.

9. You will be responsible for maintaining and checking your electronic equipment.

10. You will be responsible for printing or saving important information and we strongly recommend that you do so.

11. You can cancel your registration to receive eStatements at any time. By deregistering for this service you will revert to receiving paper statements.

12. Access to eStatements is subject to system availability. If for any reason we are unable to provide an eStatement we may send a paper statement to your nominated postal address.

13. If the product is closed the final statement will be provided in paper form.

14. Archived statements prior to the implementation of eStatements will only be available starting from July 2014. The eStatement archive in BFSOnline will grow month by month following the implementation of eStatements. eStatements will be available for up to 7 years.

8 Remuneration / Benefits / Commissions received by BFS in providing financial services

BFS may receive referral and transaction commissions from banks for clients who access Merchant Card service facilities.

How our staff are paid
All staff receive a salary that includes superannuation benefits. No commissions are received by BFS employees or directors.

9 Conflicts of interest

In the event BFS has any arrangement or relationship which may influence our services to you, there is an obligation to disclose any such arrangement or relationship to you prior to investing in our debenture products.

BFS does not currently have any arrangement or relationship which might influence our services to you.

10 Dispute Resolution Process

BFS is committed to providing quality advice and accurate information. As part of that commitment, we are focused upon improving client satisfaction by providing an efficient and accessible system for complaint resolution.

We will always endeavour to resolve your complaint quickly and fairly.

If you have any complaint about the service provided to you, you should take the following steps:

1 BFS is committed to providing quality products and services. We have an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be raised at first instance with a member of our staff located in Sydney, who will seek to resolve your complaint within 3 working days (up to a maximum of 20 days). You may also direct your complaint to our Complaints Handling Officer on 1300 650 542. Please refer section 5 for contact details.

2 If you are dissatisfied with the outcome, you have the right to lodge a complaint with the Financial Ombudsman Service [Tel: 1300 780 808], an approved external dispute resolution scheme, of which BFS is a member.

3 Otherwise, you can contact the Financial Ombudsman Service ("FOS") by:

- phoning:1300 780 808;
- writing to:
  FOS
  GPO Box 3
  Melbourne Vic 3001;

- faxing to: (03) 9613 6399;
- emailing to: clients@fos.org.au;
- Website: www.fos.org.au.

You can also contact the Australian Securities and Investments Commission (ASIC) on 1300 300 630. You may contact ASIC to make a complaint and obtain information about your rights.

For more information on our complaints handling process, please contact us. There are avenues open to you if a dispute or complaint arises; however, we hope that you will raise any query or complaint with us and that it can be resolved to your satisfaction.

11 Privacy

If you make an application or you are a signatory to an investment we collect and use the information and documents provided to substantiate your identity, authenticate your signature and to enable us to provide investment services to you and manage your investment. We may use your information to provide you with information and marketing material about our products and services provided by BFS. You may ask to be removed from our mailing list at any time, for marketing purposes, by writing to our Privacy Officer at PO Box 122, Epping, NSW, 1710.

We do not provide your information to any other organisation without your consent, other than to those organisations which provide administrative or other services as part of the operation of our business or as otherwise disclosed above. You may request access to information held by us about you or you may wish to update your personal or financial information by writing to the Privacy Officer at PO Box 122, Epping, NSW, 1710.

If at any time you provide information about another person to us, then you must first ensure the other person has read and understood this statement and has consented to that information being used and disclosed by us as set out above.

Our Privacy Statement is available on our web site www.bfs.org.au

12 Anti-Money Laundering and Counter-Terrorism Financing Act

BFS must meet regulatory and compliance obligations and you should be aware and agree that from time to time we may require additional information from you to assist us in the above compliance process and you must provide that information.

You agree that BFS may disclose the information gathered to regulatory and/or law enforcement agencies or where required by law.

You declare and undertake to BFS and indemnify BFS against any potential losses arising from any breach by you of such undertakings. You declare that you will not initiate, engage in or effect a transaction that may be in breach of any Australian laws (or laws of any other country).

13 General Terms & Conditions applicable to all Debenture Products

13.1 Authorised Signatories

13.1.1 General

You can authorise a person to operate your accounts. This person is your 'authorised signatory'. Your authorised signatory will be entitled to operate your accounts and sign transaction documents e.g. withdrawals, as if that person were you. Your authorised signatory is entitled to alter or close your accounts or to access related products and services.

13.1.2 Appointing an Authorised Signatory

For you to appoint an authorised signatory:

- both you and the authorised signatory need to read the general and the specific terms and conditions for the relevant product or service;
- you need to complete the application form;
- both you and the authorised signatory need to read and sign the declaration on the application form;
- you need to give the completed and signed application form to us;
- you need to provide us with your authorised signatory's identification documents to satisfy our requirements; and
- you need to complete and lodge a Change of Authorised Signatories Form with us.

Your account(s) will be debited with all transactions made on your account by a person authorised to operate on your account(s). You are liable to pay for (or to repay) any credit provided on the account as a results of these transactions. Accordingly, you are responsible for all these transactions as if you had made them yourself.

13.1.3 Terminating the appointment of your authorised signatory

An authority to operate will remain in place until we receive written notice of cancellation or written notice of death of the person granting the authority and that written notice has been processed by us or if instructed by court order or similar. Notice of cancellation must be signed by all surviving investors. We may require a new authority to operate before we allow further operation on the account.

If there is a dispute notified to us about an authority to operate or the owner of an account, we may refuse to allow operation of the account until all parties concerned have signed the necessary authority. We are not liable for any loss or damage caused by any delay in processing a cancellation of an authority to operate.

13.2 Joint Accounts

13.2.1 General

If you open a joint account:-

- the credit balance of a joint account is held jointly by all investors;
- each investor has the right to all of the balance, jointly with the other investors;
- a joint investor may only make a withdrawal on the terms of any authority to operate on the account;
- if there is any dispute between joint investors, we may decide to only permit operation on the account when all parties have signed the necessary authority to operate;
- and if a joint investor dies, the remaining investor holds the credit balance and if more than one, those remaining investors hold the credit balance jointly;
- each joint investor is liable for the whole of any debit balance on the account; and
- we can legally recover from all or any investor(s) any amount owing on the account.

13.2.2 Operational Status of Joint Accounts

When you open your joint account, you choose the operational status for that account, ie:

- only one person is required to sign our transaction documents; or
- if there are more than two joint investors, a minimum number of persons required to sign our transaction documents; or
- all joint investors are required to sign our transaction documents.

13.3 Changes to your Account Details

For any change you will need to complete the change of details form. On receipt of the completed form we will check our records and clarify the current operational status of any joint account, and amend the account(s) accordingly. A form is required for each person or business, i.e. a joint investment will require two forms if both parties have amendments to be advised.

13.4 Making Investments

13.4.1 Methods of Lodging Funds into an Account

You may invest funds with us to accounts (other than a Funeral Savings Account or Term Investment) in these ways:

- over the counter at one of our State Offices;
- by post to one of our State Offices;
- by a payment service/direct credit;
- by use of a Westpac Merchant Card facility;
- by using a bank deposit book provided by us for lodgment through an external bank; or
- by Internet Banking transfer from an external financial institution through BFSOnline to your account (conditions apply).

13.4.1.1 Over the Counter at one of our State Offices

When you visit us at one of our State Offices you will complete our Funds Lodgment Form or provide us with clear instructions about details of the account into which the funds are to be applied. We do not provide a receipt when the lodgement has been made at one of our State Offices unless requested. The first document you will receive from us acknowledging your investment will be the next statement we issue to you after lodgement.

13.4.1.2 Post to one of our State Offices

We recommend that you use the option to send us a funds lodgment by post as a last resort, where the other options are not available to you.

We are only responsible for the funds lodgement when it has been received by us. We further recommend the post option chosen by you should be one where Australia Post can confirm we have received your letter and funds lodgement.

We recommend that you should check with us after putting the funds lodgement in the post to confirm that we have received and processed your investment.

You must never send cash through the post, and only send crossed cheques/money orders of small amounts in the post to us.

If you do not have one of our Funds Lodgement forms, then we will need, in addition to your cheque/money order, a letter in clear and precise terms instructing us into which account your investment is to be made. Without the Funds Lodgement form or letter, we may not be able to process your investment.

13.4.1.3 Payment Service /Direct Credit

This is an arrangement with a third party, who directs money into your account with us by electronic transfer. We do not have control over that lodgement and we do not provide a receipt when the lodgement has been made by the direct credit supplier.

The first document you will receive from us acknowledging your investment will be the next statement we issue to you after lodgement. We recommend that you check your account statement to confirm the

third party has made the lodgement to your account when anticipated by you. If the investment has not been made, you will need to talk to the third party.

13.4.1.4 Using a deposit book provided by us for lodgment through an external bank
We will issue you with a Westpac deposit book printed with a link number which directs the payment to your BFS account overnight. Deposits at any Westpac branch can only be made using a deposit form from the encoded Westpac deposit book provided.

Where you do not have access to a Westpac branch, you may request us to provide you with an appropriate encoded bank deposit book for use at a relevant Commonwealth Bank of Australia (CBA), National Australia Bank Limited (NAB) or Australia and New Zealand Banking Group Limited (ANZ) branch.

We recommend that you use the other bank encoded deposit book option as a last resort, where the Westpac deposit book option is not suitable to you. We are only responsible for the funds lodgement when it has been received by us.

We can refer business clients to Westpac to provide you with access to a Night Safe facility, where available, for the security of cash pending lodgment of the cash through the bank. A fee may be payable to Westpac for this facility.

We refer business clients to Westpac to provide you with access to a Business Express Deposit (BED) service to allow cash to be lodged through a quick deposit facility at a Westpac branch. There are no fees payable to Westpac for this service, although you will be subject to Westpac's applicable anti-money laundering processes.

We recommend that you should check your account statement after lodging funds through a Westpac, CBA, NAB or ANZ branch to confirm that we have received and processed your funds.

13.4.1.5 Internet Banking transfer from an External Financial Institution through BFSOnline to your account
We normally issue you with an electronic receipt for the transaction. We advise you that special Terms and Conditions apply to your internet account access through BFSOnline, so we recommend you visit our website www.bfs.org.au and become familiar with those Terms and Conditions and our Internet account access procedures through BFSOnline.

You can only debit one pre-nominated account with an External Financial Institution. To nominate this account you need to complete the "Application for BFSOnline Access and Direct Debit Request" that is available on our website www.bfs.org.au.

Refer to the FSG/PDS for full details.

13.5 Types of Fund Lodgements and their Availability to You

There are five ways to invest money with us:

- cash
- cheque – Australian Cheques
- cheque – Overseas Cheques
- electronic funds (credit) transfer
- electronic funds (debit) transfer

13.5.1 Cash
When you lodge cash to your account with us at one of our State Offices or by separate deposit of cash through one of our bankers, those funds are available for withdrawal immediately after we have processed that investment, and applied our relevant anti-money laundering procedures and satisfied our attendant obligations.

13.5.2 Cheque - Australian Cheques
Proceeds of funds invested by way of cheque, other instrument or Direct Debit are not available until cleared. Our non-cash payment facilities are issued by Baptist Financial Services as described in Section 3 of the PISOD and are set out in our FSG/PDS.

13.5.3 Cheque - Overseas Cheques

Proceeds of funds invested by way of overseas cheque are not available until cleared, and are subject to the following:

- we consult our bank whether they will accept the cheque and provide a currency conversion or require the cheque be processed through the international banking system before currency conversion.
- if our bank accepts the cheque when presented by us, they will convert the cheque to Australian currency. We then pay that amount of Australian currency to your account however the funds are held subject to clearance of the cheque. If the cheque is dishonoured and there has been a variation in the currency conversion rate, you will be liable for any loss incurred by us and our bank due to that variation.
- if our bank does not accept the cheque when presented by us, they will have the cheque processed through the international banking system. When the cheque has been cleared, our bank will receive the value on the cheque, convert that value to Australian currency and we then credit your account with the amount in Australian currency.

The minimum clearance times for overseas cheques are:

- where the cheque is accepted by our bank, 28 days
- where the cheque is not accepted by our bank, the time varies depending upon a number of factors, including the country of the bank the cheque is drawn on.

Refer to Part 2 – Account and Service Fees for the fees applicable to this service.

13.5.4 Electronic Funds (credit) Transfer

You may invest money into your account with us by electronic means, for example through an external financial institution's internet banking system, receipt of pension, salaries, etc.

Where you have carried out an electronic funds transfer into your account, the funds from that transfer are available for withdrawal as soon as the transaction has been completed through the electronic banking system.

As we do not have control over other financial institutions, we are not able to advise you of the time it will take to complete the electronic transfer.

We recommend that you check your account after the electronic transfer to confirm the completion of the transaction and the availability of the funds from that electronic transfer for any other purpose you may have.

Electronic Funds Transfers may be made direct into a BFS account (excluding Funeral Savings Account or Term Investments) using BFS's electronic BSB 704 922 and your 9 digit BFS account number.

13.5.5 Electronic Funds (debit)Transfer

You may invest money into your account with us by debiting a pre-nominated account with an External Financial Institution either by BFSOnline or by a Direct Debit agreement.

Where you have carried out a Debit transfer into your account the clearance time is normally three (3) New South Wales Business days after the date of processing by BFS (refer 'cut-off times' in FSG/PDS for full Terms and Conditions).

13.6 Making Withdrawals

There are two main ways to withdraw funds from your investment:

- our corporate cheque; or
- electronic transfer (Refer to FSG/PDS for full details on how to withdraw from your investment.)

13.6.1 Our Corporate Cheques

After give the required notice you can withdraw funds by the way of our corporate cheque. We make out the cheque to a third party nominated by you. We do not charge a fee for a corporate cheque. Refer to Part 2 – Account and Service Fees for fees applicable to this service.

13.6.1.1 Corporate Cheque Withdrawals - Stop Payment

It is only possible to stop payment on a corporate cheque up to the time it is presented to our banker for payment.

If you want to stop payment on a corporate cheque you need to:

- contact one of our State Offices and notify us of all the details;
- send us a written request to stop payment on the cheque, setting out all the details of the cheque; and
- provide written consent from the cheque payee where possible or provide an indemnity to BFS.

Your telephone direction will alert us to advise our bankers but we are unable to process a stop payment to our bankers without a written direction from you.

You will be responsible to the payee for the stop payment. We will not be responsible to you if your direction arrives after our banker has paid the cheque as presented to them.

13.6.2 Providing Notice to Withdraw You may provide notice to withdraw funds in the following ways:

- by contacting or visiting one of our State Offices;
- by post to one of our State Offices;
- by facsimile direction to one of State Offices;
- by a payment service; or
- Secure email through BFSOnline.

To withdraw funds from your account, you need to provide to us the following:

- your account name and number;
- the amount you wish to withdraw;
- the person or company to whom the amount is to be paid; and
- your signature.

If payment is to go via Direct Credit, the Bank State Branch (BSB) number, Account Number and Name of the account the funds are to be sent to.

With a withdrawal by post where a corporate cheque has been requested, we will:

- draw a cheque; and
- send the cheque to your address as noted in our records or to an address nominated by you.

We are responsible for your withdrawal up to the posting of the cheque to the address you nominated. We recommend that you check with us after sending the withdrawal document to us to confirm that we have received it, processed the withdrawal and sent the cheque to you. We do not send you a separate document acknowledging the withdrawal. The first document you will receive from us acknowledging your withdrawal will be the next statement we issue to you after that withdrawal.

Where the withdrawal is by Direct Credit the funds will be paid by electronic transfer into a nominated account at a financial institution approved by the Australian Payments Clearing Association (APCA).

13.6.3 Contact, Post or Facsimile to one of our State Offices
You must complete a withdrawal form or provide other writtern advice. When you present us with the document, we will confirm that the signature on the document is your signature and meets the signing authority for the account before we process the withdrawal.

When you contact us by phone or email at one of our State Offices, you will need to quote your Phone/Email Password or alternatively send us a Secure Email through BFSOnline. Either of these options may allow us to:

- accept instructions regarding your accounts; or
- answer your 3 identification questions to reset your password; or

.

You should ensure that you have sufficient money in your account before giving notice for a withdrawal.

13.7 About your accounts - Overdrawing, Account Statements, Payment Authority/Account Combination and Account Closure

13.7.1 Overdrawing your Account
We do not agree to provide any credit in relation to your account. You agree not to overdraw your account. We may, at our discretion, honour a cheque, periodical payment, direct debit or other transaction. If your

account becomes overdrawn for any reason, immediate repayment is required. We may charge you interest on the overdrawn amount as well as any reasonable legal fees we incur in obtaining the amount from you.

13.7.2 Payment Authority / Account Combination

You authorise us to debit any of your BFS accounts to meet a payment due on any BFS account whether the payment is owed to BFS or another party. We will make every effort to complete payments for you but we have no obligation to do so.

Deposit accounts should not be overdrawn unless you have made prior arrangements with us. If you overdraw your account without arrangement or beyond the agreed overdraft limit when formal overdraft arrangements do exist, we may automatically combine your accounts: that is, transfer sufficient money which is kept in any other account with us, held in your name(s), to clear the debt. We may also transfer money kept in your deposit account(s) to clear debts which you owe us in other accounts. If we do this, the balance of the account from which we have transferred the money will reduce by the amount used for this purpose. You agree that you may not set off any amounts we owe you (for example, credit balances in your other accounts) against amounts you owe us.

If we exercise our right to combine accounts, we will notify you promptly in writing at the address shown in our records.

If you have any questions about payment authorities or combining accounts, call us at one of our State Offices.

13.7.3 Account Closure

You are entitled at any time to close your account/s with us. We may close any of your at Call accounts even though the account may have a credit balance. We will give you reasonable notice before doing so and will repay any credit balance.

13.7.4 General

If you wish to close an account, then you will need to:

- contact or write to us at a State Office.

If you are closing an account, provide us with sufficient funds to bring the account to zero if that account is overdrawn. We will then process your request.

13.7.5 Statements of Account

Statements for BFS *Cheq* accounts will be forwarded at the end of each month. Account Statements for other account products will be forwarded at least annually at the end of June.

Your statement will include the following information:

- your account number;
- account name;
- Start and end date of statement;
- all transactions on your account including non-value transactions;
- the opening and closing balances for your account (the balances at the start and end of the statement period), and all the changes to the balances in your account between the opening and closing balances, which record the impact of the debit and credit transactions on your account; and
- Interest paid or credited since 1 July each year.

You should always check your statements when you receive them from us to:

- confirm the opening balances on your account are the same as the closing balances on your last statement; and
- check all the transactions on your account are correct.

If you do not agree with any details on a statement, you need to contact us immediately.

If you are a joint investor, we will only send one statement of account addressed to the first applicant on the application form unless otherwise advised. A statement of account will be provided to any other joint investor/s on request without charge.

If your statement is returned to us as “returned mail” we reserve the right to not forward statements to you until a new address is provided.

If you feel we have missed sending you a statement or you need a copy of a statement we have already sent you, then contact us as per Section 4.

13.8 Special Circumstances – Death or Family Law Settlement

In the event of a death or family law settlement, accounts need to be closed and money in those accounts transferred to new accounts. You will need to:

- Notify us in writing and provide us with appropriate documents ie, Death Certificate, Grant of Probate, Family Law Agreement or Orders, to confirm your position to deal with an account; and
- Provide us with written instructions on what we are to do with the money held in the account to be closed.

On receipt of your documents, we will:

- close the account;
- where necessary, open a new account; and
- transfer the money from the closed account to the new account, or if no new account is to be opened provide you with a cheque in favour of the party directed by you.

In the event of the death of a client investor, BFS will repay the investment with accrued interest to the legal personal representative of the investment holder, subject to completion of legal formalities to the satisfaction of BFS and/or BFS’s legal advisers.

In the case of a jointly held account, the investment with accrued interest will be transferred to the remaining joint investor/s.

There is no Early Redemption Fee or interest adjustment in the event of death of an investor or a Family Law Settlement.

13.9 Interest Calculation

Interest calculation for all debenture products is based upon the actual number of days in the interest period in respect of which payment is being made divided by 365.

13.10 Changes

13.10.1 Changes to these Terms and Conditions

We reserve the right to vary our accounts and account products. We will notify you if such changes are effected, and direct you to a revised Product Information Statement – Offer Document which will be made available via the BFS website www.bfs.org.au.

13.10.2 Changes to your account details

You can change your account details and instructions with us. If you have a change in any of your details, i.e., change of address, change of name, removal of authorised signatories etc, then you need to notify us immediately the change occurs.

If you require us to change the name of your Account, we will need to verify your changed identity by sighting an original of one of the following:

- A marriage certificate;
- A divorce certificate;
- The relevant deed poll and evidence of its registration;
- Change of Registration of an incorporated entity or Registered Business name; or
- In respect of a trustee, any relevant document appointing a new trustee, terminating an existing trustee or terminating or winding up the trust or changing the trust’s name.

If we become aware of any changes to your Account details, we can take reasonable steps to amend our records without notice to you.

We and you can exercise respective rights at any time within the limits of the law. If either we or you delay in exercising our respective rights, this does not mean that either we or you we give up those rights.

If you do not tell us your changes, we will continue to handle your accounts with us on the basis of the details and instructions, we hold and:

- we will send all our mail to you, including statements, notices, brochures to the last known name and address in our records. However, if mail is returned we will hold the statements at our Sydney office.
- we will allow your accounts to be operated by those persons who are on our records as authorised signatories.
- we will comply with all payment service instructions (including periodic payments, direct debits and direct transfers) we have from you.

We are unable to change any of your details or instructions without you first notifying us of the changes. It is very important to notify us immediately of changes in your details and instructions. With respect to changes to authorised signatories, we refer you to the terms and conditions on authorised signatories at the beginning of the general terms applicable to our debenture products.
BFS may engage the services of third parties to assist in the administration of your accounts.

13.11 Funds transferred in error

Where funds have been transferred to your Account by someone else by mistake, you agree that:

- If you detect an error or believe a transaction was not authorised by you or that an amount has been credited to your Account that you may not be entitled to, to notify us as soon as you become aware of the transaction; and
- We may in our sole and absolute discretion disclose to the payer, the name and number of your Account where your Account has been incorrectly credited. You consent to us providing this information to the payer;
- In the event of a dispute we may pay the funds to a court pending resolution of the dispute; and
- We may in our absolute discretion on forming a reasonable opinion that your Account has been incorrectly credited, freeze that amount in your Account, or deduct the amount of those monies from your Account.

Where monies have been transferred by you to another account in error or by mistake you are solely responsible in relation to correcting that error and any loss suffered. In these circumstances we will endeavour to retrieve the funds on your behalf.

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.

We will comply with the requirements of any law, code or scheme applying to any disputed transaction.

13.12 Closing Account

We can close your account immediately without telling you first if:

- You breach these terms and conditions and that beach is of a serious nature;
- We are required to by law;
- You have given us false or misleading information; or
- You act in a manner that in our reasonable opinion threatens the security of our staff, property or any other person.

Under other circumstances, we will give you reasonable notice if we intend to close your account.

If your account is closed, you agree to:

- Follow our rules for closing accounts;
- Complete any forms or indemnities we reasonably require (as is appropriate);
- Repay any reasonable cost we have incurred in closing your account;
- Meet any responsibilities you had under these terms and conditions and particular conditions before your account was closed; and
- Return all unused cheque forms that attach to the account.

When your account is closed, any credit balance and any accrued interest will be paid to you. If there are any outstanding fees, charges or other amounts owing to us, we will, to the extent permissible by law, deduct these first.

14 Terms and Conditions of Debenture Products offered by BFS to Retail Clients

14.1 Terms & Conditions – Notice of Withdrawal Account

Funds may be invested into an account at any time. Invested funds may only be withdrawn after notice of 31 days has been given.

Notice may be given via telephone or email if the phone/email password is quoted; in writing; or through BFSOnline. Notice must also include a withdrawal advice indicating the destination account for transfer of the funds by EFT. The withdrawal will occur on the first business day following the completion of the notice period.

The notice must be provided in accordance with the authority to operate on the account.

The investor must specify on the Application Form whether the interest is paid into a Nominated Account or is added to the balance. If the Application Form is silent on this matter interest will be added to the balance.

Interest is calculated at the rate of interest determined from time to time. The rate of interest may be varied by BFS from time to time without prior notice.

14.5 Terms and Conditions - Pensioner Deeming Accounts - 31 Day Notice

Pensioner Deeming Accounts are only available to individuals who are independent retirees aged 55 and over or who are receiving a Centrelink payment, Veteran's Affairs payment or other government pension.

Funds may be invested into an account at any time. Invested funds may be withdrawn after 31 days notice is provided.

Interest on a Pensioner Deeming Account at Call is payable on the last day of each month at the tiered interest rates are determined by the Federal Government for Centrelink or the Department of Veterans Affairs purposes from time to time.

14.6 Terms and Conditions – Development Fund Savings Accounts - 31 Day Notice (Available only to clients with existing Development Fund Savings Accounts at Call at 31/12/2009 – additional fund lodgements are not permitted)

Development Fund Savings Accounts at Call are available to recipients of Centrelink payments, Veteran's Affairs payments or other government departmental payments and for all other investors who are prepared to make funds available for investment at no interest or below the lowest interest payable on the Pensioner Deeming Accounts.

Investments in the BFS Development Fund provide the opportunity to partner in the capital cost of developing new Baptist Churches & ministry projects throughout Australia.

Development Fund Savings Account balances as at 31 December 2009 are exempt from the Centrelink and Department of Veterans Affairs Deeming Rates used for calculating payment entitlements. Additional investments to existing accounts at 31 December 2009 and new accounts on or after 1 January 2010 are not eligible for the Deeming exemption. The exemption means that the actual income being paid on the account will be used by Centrelink or the Department of Veterans Affairs when calculating payment entitlements.

There is no minimum investment amount for a Development Fund Savings Account.

Invested funds may be withdrawn after 31 days' notice is provided.

The account will be interest free or you may nominate an interest rate which is to be less than the minimum interest rate payable on a Pensioner Deeming Account from time to time.

The account holder must specify on the Application Form whether the interest (if any) is paid directly into a nominated account or is added to the existing Development Fund Savings Account balance. If the Application Form is silent on this matter interest will be added to the existing Development Fund Savings Account balance.

Interest (if any) is calculated on all accounts on the balance in the account as at the close of business (Sydney, NSW time) each designated working day and when an account is closed.

Withdrawals will generally be paid by electronic transfer into a nominated account of a financial institution approved by the Australian Payments Clearing Association (APCA) or by cheque either posted to the postal address last notified to BFS by the account holder (or in the case of joint account holders to the address of any one of them) or made available for collection from a BFS State Office.

The rate of interest (if any) may be varied by the client from time to time provided the rate is less than the minimum rate applying to Pensioner Deeming Accounts from time to time.

Where the minimum rate of interest payable on a Pensioner Deeming Account is varied by the Federal Government to a rate below the interest rate nominated by the investor, BFS will reduce the interest rate on the Development Fund Savings Account to the minimum amount applicable to a Pensioner Deeming Account pending the further nomination of a varied interest rate from the client.

14.7 Terms and Conditions – Funeral Investment Accounts

Funeral Investment Accounts assist in meeting the costs of the investor's funeral expenses at a time of grief for those bereaved.

A maximum of 2 Funeral Investment Accounts can be opened in the name of one individual investor only. A Funeral Investment Account cannot be opened in joint names, the name of a partnership or a business name.

Lodgements to a Funeral Investment Account may be made in either of the following ways:

- Cheque sent to a local State BFS Office; or
- Transfer from another BFS account.

The accounts are not prepaid funeral accounts.

Funeral Investment Accounts cannot be closed until all the funds in the accounts have either been withdrawn to finance the investor's funeral or have been released to the estate of the investor after costs relating to the funeral of the investor have been paid. Requests for the withdrawal of funds prior to the death of the investor will be declined as required by Government regulations.

Funds lodged in the Funeral Investment Account cannot be withdrawn at any time during the life of the investor.

Investments up to the maximum amount made into no more than 2 eligible Funeral Investment Accounts will be 'Exempt Funeral Investments' as determined by Centrelink.

Funds may be lodged into a Funeral Investment Account to a maximum contribution as may be determined following annual indexation of this amount by the Federal Government (Centrelink). The balance of such account may only exceed this amount where the excess is caused by accumulation of interest. Additional funds exceeding the limit will be returned to the investor.

Investments by periodical payment or by direct debit from any account in set defined periods into a Funeral Savings Account are not permitted. After the account/s is opened, investments may only be made on an ad hoc basis, at varying times.

Interest is calculated at the rate of interest determined from time to time or interest free where nominated in writing by the client. The rate of interest may be varied by BFS from time to time without prior notice.

On the death of the investor, the account balance (together with interest earned) forms part of the investor's Estate. Funds in the account/ will be applied to pay costs relating to the funeral of the investor before any remaining balance/s can be withdrawn payable to the Estate.

The following documents must be presented to BFS before any withdrawal of funds can be made:

- either the original or a certified copy of the Medical Certificate of Cause of Death of the investor or the original or a certified copy of the Death Certificate of the investor; and
- the original or certified copies of invoices relating to the funeral of the investor and/or proof of payment of such invoices.

Payment of funds from the investor's account/s will be made by cheque and either posted or made available for collection.

14.8 Terms and Conditions - Term Investments

There is no minimum investment amount for a Term Investment.

The invested funds are lodged for a fixed term from 1 to 36 months, or such other terms that may be offered by us from time to time, as nominated by the investor, commencing from the date of investment.

Invested funds are not available for withdrawal during the period of the fixed term.

Clients will be paid interest on investments lodged for less than one year on maturity or such frequency that may be offered by us from time to time. All other clients can elect to be paid interest every month, every three months, every six months, every 12 months or on maturity or such frequency that may be offered by us from time to time.

Interest is calculated from the date of lodgment until maturity at the rate applicable at the date of investment of the principal or from the date of any subsequent renewal of the term investment.

The investor must nominate on the Application Form whether the interest is to be paid into a nominated account or is to be added to the balance. Once nominated, this decision is irrevocable. In the absence of investor instructions or nomination, interest will be added to the balance.

If the due date for the payment of interest is not a Business day in NSW, the payment will be made on the next Business day immediately following the due date for payment.

The rate of interest applicable to new Term Investments may be varied by BFS from time to time without notice. A notice will be sent to the investor prior to maturity of the term.

At the completion of the fixed term, if notice of reinvestment or withdrawal has not been received by BFS from the investor the investment will be automatically renewed for the same term with the interest arrangements at the rate of interest applying on the date of renewal.

Should the investor wish to add to their Term Investment at maturity the reinvestment notice may be returned with an additional amount to be invested or instructions to add funds from another account for lodgement on the nominated fixed term with the maturing investment, such instructions or request to be received by BFS no later than 10 calendar days immediately following the maturity date. Any additional funds will receive interest from the date of renewal or the date of receipt of the additional funds, whichever is the later.

Reinvestment is not available if, at the time the fixed term expires, BFS is not offering a term investment for that term. BFS undertakes to notify you of terms available when the reinvestment notice is sent to you.

No additional investments can be made to a Term Investment account during the fixed term of the investment except where the investor has elected to credit interest payable on the Term Investment to the same Term Investment account.

Early Redemption
Notwithstanding the contract between BFS and the investor for payment of a fixed interest rate on funds lodged for a fixed term, a request for Early Redemption of a Term Investment may be approved for a valid reason, at the sole discretion of BFS but, except in hardship cases, 31 days' notice must be provided. The BFS Hardship Policy is available from the BFS website www.bfs.org.au.
If, in its sole discretion, BFS allows an early redemption, withdrawn funds may receive interest at the interest rate apply to the BFS Notice of Withdrawal account since lodgement or subsequent renewal, whichever is the later, on the amount being redeemed.

An Early Redemption Fee may apply to each early redemption allowed by BFS and is listed in the Account and Service Fees detailed in Part 2 of this PISOD.

Where an over-payment of interest has occurred to the investor in a case of early withdrawal, the difference will be deducted from the amount withdrawn.

The early redemption interest rate variations and the Early Redemption Fee are subject to change at any time, with notification of any changes through a revised Product Information Statement – Offer Document being made available via the BFS website www.bfs.org.au.

No Early Redemption Fee or adjustment of interest will apply in the event of a request made for early redemption following the death of an investor.

BFS will repay a term investment by electronic or other transfer no later than the date of maturity; or, if the date of maturity is not a NSW Business day, then the next Business day following the date of maturity; or the next Business day following approval by BFS of a request if withdrawal is made prior to the maturity date.

The payment of interest and/or the repayment of all or part of a Term Investment is only available by:

- Electronic transfer into a nominated account of a financial institution approved by APCA; OR
- Transfer to another BFS investment or induemoney *Cheq* Account.

PART 2

15 Account and Service Fees Schedule

Please refer to the separate Account and Service Fees Schedule for our current Fees. The Account and Fees Schedule forms part of this PISOD. Please contact us for a copy of the relevant schedule or download the schedule from our website www.bfs.org.au.

PART 3

16 Interest Rate Schedule

Please refer to the separate Interest Rate Schedule for our current Interest Rates. The Interest Rate Schedule forms part of this PISOD. Please contact us for a copy of the relevant schedule or download the schedule from our website www.bfs.org.au.