



NAB Foreign Exchange Transactions

Limited Participation FX Solutions Products Product Disclosure Statement

Effective date of issue 6 August 2012

Important information

Issuer and contact details

This Product Disclosure Statement (**PDS**) is issued by National Australia Bank Limited (**NAB**) ABN 12 004 044 937 AFSL 230686. It provides important information about Limited Participation FX Solutions Products and should be read before making a decision to enter into these Transactions. You can obtain more information by speaking to your Banker or your Markets representative or calling **1800 307 827**.

The date of this PDS is 6 August 2012.

Updated information

The information in this PDS is subject to change. If the change is materially adverse, NAB will provide updated information by issuing a supplementary or replacement PDS which will be made available on our web site, www.wholesale.nabgroup.com, and will be sent to your email address.

If the change is not materially adverse, we will publish a notice of the change on our website, www.wholesale.nabgroup.com. You can also access this updated information by calling us on **1800 307 827** or speaking to your Banker or your Markets representative.

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You can get a paper copy of this PDS on request, without charge, by calling NAB on **1800 307 827**.

General information only

The information set out in this document is general in nature. By providing this PDS, NAB does not intend to provide financial advice or any financial recommendations. We have prepared this PDS without taking into account your objectives, financial situation or needs. Before acting on this information, we recommend that you consider whether it is appropriate for your circumstances. You should carefully read and consider all of the information in this PDS and any other disclosure document and seek independent expert financial, legal and tax advice before making any decision about a product including whether to acquire or to continue to hold it.

Privacy policy

NAB collects personal information from its customers in order to provide services to them. Our Privacy Policy explains the manner in which such personal information is collected and managed. A copy of the Policy may be obtained by calling telephone banking, contacting branches or visiting our website at www.nab.com.au / www.wholesale.nabgroup.com.

Telephone recording

Calls to or from your Markets representative are recorded to assist NAB with its dispute resolution process.

Code of Banking Practice

NAB voluntarily subscribes to the Code of Banking Practice which lays down standards of good banking practice for dealing with small businesses and individuals. A copy of the Code can be obtained by calling **13 10 12**.

Anti-Money Laundering and Counter-Terrorism Financing

NAB aims to prevent the facilitation of money laundering and terrorism financing. We may require you to confirm certain information relating to your identity before entering into a contract and/or transacting any products with you.

Cooling off period

There is no cooling off period after entering a Transaction. Transactions may be terminated early, however subject to the risk that additional costs may be incurred. Cancellation, early termination or other variations of a Transaction are at NAB's discretion.

Staff incentives

Staff members who sell this product are salaried employees of NAB and do not receive any proportion of any fees or commissions paid to us in connection with the products detailed in this PDS.

Staff members may be entitled to receive additional monetary or non-monetary benefits and/or rewards resulting from participation in programs that we conduct.

Monetary benefits or rewards may include an annual bonus the level of which may depend on the overall performance of the NAB group of companies. Non-monetary benefits or rewards for staff members and their partners may include gift vouchers, film tickets, restaurant meals, attendance at an annual conference or other functions.

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

It is not possible to determine at any given time whether a staff member will receive such benefits or rewards nor is it possible to quantify them. They are generally not directly attributable to any particular product on which the staff member has given assistance.

Significant taxation implications

You may be liable for government charges and taxes relating to Transactions. The tax implications of Transactions can be complex and may vary depending on your individual circumstances. You should discuss your specific taxation circumstances with, and obtain advice from, your independent tax adviser when considering whether to enter into a Transaction.

Dispute resolution

For information about resolving problems or disputes, please contact your Banker, your Markets representative or contact NAB on **1800 652 669**. If you subsequently feel that we have not resolved the complaint to your satisfaction, you may be able to raise your concerns with the Financial Ombudsman Service if you are an individual or small business. Their office is contactable on **1300 780 808**.

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Glossary

The meanings of these expressions are provided to assist you with this PDS – however if any expression has a specific definition in any contract between you and NAB in relation to a Transaction, then the definition in that contract will apply to the legal rights and obligations between us.

Business Day means a day on which commercial banks are open for normal banking business in the place specified in the confirmation for each Transaction, or else in Sydney.

Currency Pair means the two currencies that you wish to exchange in a Transaction.

Exchange Rate means the price payable by you to exchange and deliver currencies.

Expiration Date and **Expiration Time** means the date and time agreed between you and us and specified in the confirmation for each Transaction.

Expiry means the Expiration Time on the Expiration Date.

Forward Rate means the Exchange Rate that is set at a given time, and applies to a Transaction to exchange and deliver currencies in the future.

Master Agreement means NAB's standard Master Agreement for Foreign Exchange and Derivatives Transactions.

NAB, us, we means National Australia Bank Limited ABN 12 004 044 937.

Products mean the Limited Participation FX Solutions Products:

- Participating Forward
- Variable Forward Range
- Enhanced Range Forward.

Settlement Date means the date in the future on which the currencies will actually be exchanged and delivered.

Spot Rate means the Exchange Rate that is set at a given time, and applies to a Transaction to exchange currencies at that

time (although the Settlement Date can be up to two Business Days later).

Transaction means each agreement between you and NAB to exchange and deliver one currency for another currency.

Transaction Amount means the amount of one currency that you agree to exchange for another currency.

Transaction Date means the date on which you and NAB enter into a Transaction.

Overview

Products

NAB offers three Limited Participation FX Solutions Products:

- Participating Forward
- Variable Forward Range
- Enhanced Range Forward.

Main purpose

Limited Participation FX Solutions Products help you manage risks associated with your exposure to volatility in foreign exchange markets. They are not designed for exchange rate speculation.

Suitability

Limited Participation FX Solutions Products are suitable for importers, exporters and customers who have cash flows denominated in foreign currencies.

Each of the Products can help protect your business from unfavourable movements in the exchange rate and can enable you to benefit, in part, from favourable currency movements.

Significant benefits and features

Limited Participation FX Solutions Products provide you with the protection of a worst case exchange rate but also allow you to have limited participation in favourable movements in exchange rates.

You achieve this by accepting a Protection Rate that is less favourable than the equivalent Forward Rate, and by only participating in some of the benefits from favourable movements in the currency.

You may need to enter a Master Agreement with us before you can enter into a Transaction. Entry into a Master Agreement, and each Transaction, is subject to our credit approval and documentary preconditions.

For more information please refer to the section *Significant Benefits of Limited Participation FX Solutions Products* on page 14.

Significant risks

The main risk of Limited Participation FX Solutions Products is that the Exchange Rate achieved on a Transaction may be less favourable than the exchange rate you could have achieved by transacting in the future at the Spot Rate.

Each Transaction must be settled on the Settlement Date. It is your responsibility to ensure that you have the required amount of currency to deliver to us on the Settlement Date.

When you enter into a Transaction with us, you are locked into the terms of that Transaction. If your foreign currency needs change because an underlying commercial transaction is cancelled or substantially altered, you will still need to settle on the Settlement Date (unless we agree otherwise with you).

For more information, please refer to the section *Significant Risks of Limited Participation FX Solutions Products* on page 14.

Important note

Limited Participation FX Solutions Products should only be entered into if their use is consistent with your risk management strategy and financial circumstances. It is your responsibility to monitor any risks associated with your FX transactions.

Foreign exchange transactions

What is a foreign exchange transaction?

A foreign exchange (**FX**) transaction is used to exchange one currency for another currency at an agreed Exchange Rate on an agreed date. The Exchange Rate is the price payable by you for that exchange.

For example, if the agreed Exchange Rate of the Australian Dollar (**A\$** or **AUD**) and US Dollar (**US\$** or **USD**) is AUD/USD 0.95, this means that for every A\$100,000 you exchange you will receive US\$95,000.

FX transactions are classified by the period between the Transaction Date and the Settlement Date as shown in the table below.

Settlement Date	Classification
Same day as the Transaction Date	Value today
One Business Day after the Transaction Date	Value tomorrow
Two Business Days after the Transaction Date	Spot
More than two Business Days after the Transaction Date	Forward

What determines the Exchange Rate?

NAB's Exchange Rates are based on the inter-bank market rate and then adjusted for our transaction costs, risks and profit.

The inter-bank market rate fluctuates according to market supply and demand factors, including:

- investment inflows/outflows
- economic and political circumstances
- market sentiment or expectations
- the volume and value of goods and services imported and exported.

If the interaction of these factors increases demand for a currency, then the price of that currency should increase (all other things being equal). Conversely, if the interaction of these factors decreases demand for a currency, then the price of that currency should fall (all other things being equal).

The inter-bank market is restricted to authorised foreign exchange dealers and banks, including NAB, which constantly quote to each other at wholesale rates. As part of our business, we regularly trade for our own account and the accounts of other customers, which may affect the inter-bank market rate.

What are Spot and Forward transactions?

Spot FX transactions

A Spot FX transaction (or **Spot**) is an agreement to exchange:

- a specified amount of one currency for another currency
- at an Exchange Rate that is determined now
- with the exchange to occur today (and usually settled in two Business Days' time).

It allows you to fix the value of a present foreign currency cash flow at a known Exchange Rate (i.e. today's **Spot Rate**).

How a Spot FX transaction works

Importer example	Exporter example
<p>You are an Australian importer due to pay US\$100,000 today for goods bought overseas. You need to sell your A\$ to buy US\$.</p> <ul style="list-style-type: none">• Today's AUD/USD Spot Rate is 0.9500. <p>If you exchange the money today, then you will need to pay A\$105,263 (i.e. US\$100,000/0.9500) on the Settlement Date.</p>	<p>You are an Australian exporter due to receive US\$100,000 today for goods sold overseas. You need to sell your US\$ to buy A\$.</p> <ul style="list-style-type: none">• Today's AUD/USD Spot Rate is 1.0500. <p>If you exchange the money today, then you will receive A\$95,238.10 (i.e. US\$100,000/1.0500) on the Settlement Date.</p>

All examples are for illustrative purposes only and do not reflect current prices or outcomes.

Forward FX transactions

A Forward FX transaction (or **Forward**) is an agreement to exchange:

- a specified amount of one currency for another currency
- at an Exchange Rate that is determined now
- with both the exchange and settlement to occur in the future.

It allows you to fix the value of a future foreign currency cash flow at a known Exchange Rate (i.e. today's **Forward Rate**).

A Forward protects you against the risk that the Spot Rate in the future becomes less favourable than the Forward Rate that you agree today.

The Exchange Rate is fixed on the Transaction Date, and so a Forward will protect you from unfavourable movements in the exchange rate, but you will not benefit from favourable movements.

How a Forward FX transaction works

Importer example	Exporter example
<p>You are an Australian importer due to pay US\$100,000 in three months' time for goods bought overseas. At that time, you need to sell your A\$ to buy US\$.</p> <ul style="list-style-type: none">• Today's AUD/USD Spot Rate is 0.9500.• Today's AUD/USD three month Forward Rate is 0.9450. <p><i>If you do not have a Forward</i></p> <p>If you do not manage your exchange rate risk, then the amount of A\$ you will have to pay for the US\$ depends on the Spot Rate in three months' time.</p> <ul style="list-style-type: none">• If the Spot Rate moves favourably (e.g. it rises to 0.9800), then you need less A\$ to pay for the US\$. So, on the Settlement Date you pay A\$102,041 (i.e. US\$100,000/0.9800).• If the Spot Rate moves unfavourably (e.g. it falls to 0.8800), then you need more A\$ to pay for the US\$. So on the Settlement Date you pay A\$113,636 (i.e. US\$100,000/0.8800). <p><i>If you have a Forward</i></p> <p>As you decide to manage your exchange rate risk and protect yourself against the risk of the A\$ falling against the US\$, you enter into a Forward with NAB.*</p> <ul style="list-style-type: none">• You agree today to exchange A\$ for US\$ in three months' time at the Forward Rate of 0.9450.• That rate is fixed today and so in three months' time you pay A\$105,820 (i.e. US\$100,000/0.9450), irrespective of the Spot Rate today and of the Spot Rate in three months' time.	<p>You are an Australian exporter due to receive US\$100,000 in three months' time for goods sold overseas. At that time, you need to sell your US\$ to buy A\$.</p> <ul style="list-style-type: none">• Today's AUD/USD Spot Rate is 1.0500.• Today's AUD/USD three month Forward Rate is 1.0450. <p><i>If you do not have a Forward</i></p> <p>If you do not manage your exchange rate risk, then the amount of A\$ you will receive for the US\$ depends on the Spot Rate in three months' time.</p> <ul style="list-style-type: none">• If the Spot Rate moves favourably (e.g. it falls to 1.0200), then you receive more A\$ on the sale of the US\$. So, on the Settlement Date you receive A\$98,039 (i.e. US\$100,000/1.0200).• If the Spot Rate moves unfavourably (e.g. it rises to 1.0700), then you receive less A\$ for the US\$. So on the Settlement Date you only receive A\$93,458 (i.e. US\$100,000/1.0700). <p><i>If you have a Forward</i></p> <p>As you decide to manage your exchange rate risk and protect yourself against the risk of the A\$ rising against the US\$, you enter into a Forward with NAB.*</p> <ul style="list-style-type: none">• You agree today to exchange US\$ for A\$ in three months' time at the Forward Rate of 1.0450.• That rate is fixed today and so in three months' time you receive A\$95,694 (i.e. US\$100,000/1.0450), irrespective of the Spot Rate today and of the Spot Rate at in three months' time.

All examples are for illustrative purposes only and do not reflect current prices or outcomes.

* Please refer to the current version of the Product Disclosure Statement titled *NAB Foreign Exchange Transactions – Spot and Forward* issued for more information.

Difference between the Forward Rate and the Spot Rate

The Forward Rate differs from the Spot Rate by the inclusion of the Forward Margin, which is calculated from the difference between the interest rates that can be earned in the respective countries of the currencies being exchanged. The Forward Margin compensates the buyer of the currency with the higher interest rate for extra interest that could have been earned if the exchange had occurred earlier and the proceeds had been invested at the higher rate of interest.

The greater the difference in the interest rates between the two currencies, the larger the Forward Margin is likely to be (all other things being equal). Conversely the smaller the difference, the smaller the Forward Margin is likely to be (all other things being equal).

The Forward Margin can either be at a discount or a premium to the Spot Rate, depending on whether the currency you are buying or selling has a higher or lower interest rate than the currency being exchanged. For example, the Forward Margin should result in the currency with the higher interest rate having a Forward Rate that is at a discount to the Spot Rate.

How can I enter into a Spot and Forward transaction?

NAB can make Spot and Forwards available to you. Further information is contained in the separate Product Disclosure Statement titled *NAB Foreign Exchange Transactions – Spot and Forward*.

Please contact us on **1800 307 827** to obtain a copy.

Product description

Limited Participation FX Solutions Products are Forwards and so protect you against the risk that the Spot Rate in the future becomes less favourable than the Exchange Rate that you agree today.

As an added benefit Limited Participation FX Solutions Products allow you to have limited participation in favourable movements in exchange rates.

NAB offers three Limited Participation FX Solutions Products:

- Participating Forward
- Variable Forward Range
- Enhanced Range Forward.

What are their uses?

Limited Participation FX Solutions Products are useful to manage FX risk when your business:

- has a future foreign currency cash flow
- requires protection against unfavourable movements in the exchange rate
- wants some benefit from favourable movements.

What is the Protection Rate?

The Protection Rate protects you against unfavourable movements in the exchange rate. It is the least favourable Exchange Rate that will apply under a Limited Participation FX Solutions Transaction.

When you enter into a Transaction, the Protection Rate is usually less favourable than the equivalent Forward Rate. Accepting the less favourable rate entitles you to have limited participation in favourable movements in the exchange rate.

We agree the Protection Rate with you before entering into the Transaction, and specify it in the confirmation.

1. What is a Participating Forward?

A Participating Forward is a type of Forward FX transaction. It protects you against unfavourable movements in the exchange rate, and provides you with the ability to participate in favourable movements on a pre-determined proportion of the Transaction Amount.

The Participation Rate sets the proportion on which you will benefit from favourable movements (i.e. the participating portion) and on which you will not benefit (i.e. the fixed portion).

We agree the Protection Rate and the Participation Rate with you before entering into the Transaction, and specify them in the confirmation.

You can only benefit from favourable movements in the exchange rate in relation to the participating portion. However, you are protected against unfavourable movements beyond the Protection Rate in relation to the full Transaction Amount.

What are the possible outcomes under a Participating Forward?

- If the Spot Rate at Expiry is the same as or less favourable than the Protection Rate, then you must exchange the full Transaction Amount at the Protection Rate.
- If the Spot Rate at Expiry is more favourable than the Protection Rate, then you must exchange the fixed portion at the Protection Rate, and may, but are not obliged to, exchange the participating portion at the Spot Rate at Expiry.

How a Participating Forward Transaction works

Importer example	Exporter example
<p>You are an Australian importer due to pay US\$100,000 in three months' time for goods bought overseas. At that time, you need to sell your A\$ to buy US\$.</p> <ul style="list-style-type: none"> • Today's AUD/USD Spot Rate is 0.9500. • Today's AUD/USD three month Forward Rate is 0.9300. <p>As you decide to manage your exchange rate risk and protect yourself against the risk of the A\$ falling against the US\$, but also wish to have some benefit if the A\$ rises against the US\$, you enter into a Participating Forward with NAB.</p> <ul style="list-style-type: none"> • You agree today to sell A\$ to buy US\$ in three months' time. • The Protection Rate is AUD/USD 0.9100. • The Participation Rate is 40%. <p><i>Unfavourable currency movement</i></p> <p>If the Spot Rate at Expiry falls to AUD/USD 0.8800, then:</p> <ul style="list-style-type: none"> • You are protected from that movement and must exchange the full Transaction Amount at the Protection Rate. • On the Settlement Date you pay A\$109,890 (i.e. US\$100,000/0.9100). <p><i>Favourable currency movement</i></p> <p>If the Spot Rate at Expiry rises to AUD/USD 0.9800, then:</p> <ul style="list-style-type: none"> • You must exchange the fixed portion of US\$60,000 at the Protection Rate and so must pay A\$65,934 (i.e. US\$60,000/0.9100). • You may, but are not obliged to, exchange the participating portion of US\$40,000 at the Spot Rate at Expiry. If you choose to make the exchange, you pay A\$40,816 (i.e. US\$40,000/0.9800). • As you choose to benefit from the favourable movements in exchange rates, on the Settlement Date you pay A\$106,750 (i.e. A\$65,934 + A\$40,816) for an effective exchange rate of AUD/USD 0.9368 (i.e. US\$100,000/A\$106,750). 	<p>You are an Australian exporter due to receive US\$100,000 in three months' time for goods sold overseas. At that time, you need to sell your US\$ to buy A\$.</p> <ul style="list-style-type: none"> • Today's AUD/USD Spot Rate is 0.9800. • Today's AUD/USD three month Forward Rate is 0.9650. <p>As you decide to manage your exchange rate risk and protect yourself against the risk of the A\$ rising against the US\$, but also wish to have some benefit if the A\$ falls against the US\$, you enter into a Participating Forward with NAB.</p> <ul style="list-style-type: none"> • You agree today to sell US\$ to buy A\$ in three months' time. • The Protection Rate is AUD/USD 0.9900. • The Participation Rate is 40%. <p><i>Unfavourable currency movement</i></p> <p>If the Spot Rate at Expiry rises to AUD/USD 1.0300, then:</p> <ul style="list-style-type: none"> • You are protected from that movement and must exchange the full Transaction Amount at the Protection Rate. • On the Settlement Date you receive A\$101,010 (i.e. US\$100,000/0.9900). <p><i>Favourable currency movement</i></p> <p>If the Spot Rate at Expiry falls to AUD/USD 0.9000, then:</p> <ul style="list-style-type: none"> • You must exchange the fixed portion of US\$60,000 at the Protection Rate and so receive A\$60,606 (i.e. US\$60,000/0.9900). • You may, but are not obliged to, exchange the participating portion of US\$40,000 at the Spot Rate at Expiry. If you choose to make the exchange, you receive A\$44,444 (i.e. US\$40,000/0.9000). • As you choose to benefit from the favourable movements in exchange rates, on the Settlement Date you receive A\$105,050 (i.e. A\$60,606 + A\$44,444) for an effective exchange rate of AUD/USD 0.9519 (i.e. US\$100,000/A\$105,050).

All examples are for illustrative purposes only and do not reflect current prices or outcomes.

2. What is a Variable Forward Range?

A Variable Forward Range is a type of Forward FX transaction. It protects you against unfavourable movements in the exchange rate, and provides you with the ability to participate in favourable movements up to an exchange rate called the 'Advantage Rate' but not beyond.

The Advantage Rate and Protection Rate apply to the full Transaction Amount. The result is that the Exchange Rate that ultimately applies to your Transaction will lie within a specified range between the Protection Rate and the Advantage Rate.

We agree the Protection Rate and the Advantage Rate with you before entering into the Transaction, and specify them in the confirmation.

What are the possible outcomes under a Variable Forward Range?

- If the Spot Rate at Expiry is the same as or less favourable than the Protection Rate, then you must exchange the full Transaction Amount at the Protection Rate.
- If the Spot Rate at Expiry is between the Advantage Rate and the Protection Rate, then you may, but are not obliged to, exchange the full Transaction Amount at the Spot Rate at Expiry.

- If the Spot Rate at Expiry is the same as or more favourable than the Advantage Rate, then you must exchange the full Transaction Amount at the Advantage Rate.

How a Variable Forward Range Transaction works

Importer example	Exporter example
<p>You are an Australian importer due to pay US\$100,000 in three months' time for goods bought overseas. At that time, you need to sell your A\$ to buy US\$.</p> <ul style="list-style-type: none"> • Today's AUD/USD Spot Rate is 0.9500. • Today's AUD/USD three month Forward Rate is 0.9300. <p>As you decide to manage your exchange rate risk and protect yourself against the risk of the A\$ falling against the US\$, but also wish to benefit up to the Advantage Rate if the A\$ rises against the US\$, you enter into a Variable Forward Range with NAB.</p> <ul style="list-style-type: none"> • You agree today to sell A\$ to buy US\$ in three months' time. • The Protection Rate is AUD/USD 0.9150. • The Advantage Rate is AUD/USD 0.9650. <p><i>Protection Rate applies</i></p> <p>If the Spot Rate at Expiry falls to AUD/USD 0.8800, then:</p> <ul style="list-style-type: none"> • You are protected from that movement and must exchange the full Transaction Amount at the Protection Rate. • On the Settlement Date you pay A\$109,290 (i.e. US\$100,000/0.9150). <p><i>Spot Rate at Expiry applies</i></p> <p>If the Spot Rate at Expiry is AUD/USD 0.9350, then:</p> <ul style="list-style-type: none"> • You may, but are not obliged to, exchange the full Transaction Amount at the Spot Rate at Expiry. • If you choose to make the exchange, on the Settlement Date you pay A\$106,952 (i.e. US\$100,000/0.9350). <p><i>Advantage Rate applies</i></p> <p>If the Spot Rate at Expiry rises to AUD/USD 0.9800, then:</p> <ul style="list-style-type: none"> • You benefit from that movement up to the Advantage Rate and must exchange the full Transaction Amount at this rate. • On the Settlement Date you pay A\$103,627 (i.e. US\$100,000/0.9650). 	<p>You are an Australian exporter due to receive US\$100,000 in three months' time for goods sold overseas. At that time, you will need to sell your US\$ to buy A\$.</p> <ul style="list-style-type: none"> • Today's AUD/USD Spot Rate is 0.9800. • Today's AUD/USD three month Forward Rate is 0.9710. <p>As you decide to manage your exchange rate risk and protect yourself against the risk of the A\$ rising against the US\$, but also wish to benefit down to the Advantage Rate if the A\$ falls against the US\$, you enter into a Variable Forward Range with NAB.</p> <ul style="list-style-type: none"> • You agree today to sell US\$ to buy A\$ in three months' time. • The Protection Rate is AUD/USD 0.9900. • The Advantage Rate is AUD/USD 0.9600. <p><i>Protection Rate applies</i></p> <p>If the Spot Rate at Expiry rises to AUD/USD 1.0100, then:</p> <ul style="list-style-type: none"> • You are protected from that movement and must exchange the full Transaction Amount at the Protection Rate. • On the Settlement Date you receive A\$101,010 (i.e. US\$100,000/0.9900). <p><i>Spot Rate at Expiry applies</i></p> <p>If the Spot Rate at Expiry is AUD/USD 0.9750, then:</p> <ul style="list-style-type: none"> • You may, but are not obliged to, exchange the full Transaction Amount at the Spot Rate at Expiry. • As you choose to benefit from the favourable movements in exchange rates, on the Settlement Date you receive A\$102,564 (i.e. US\$100,000/0.9750). <p><i>Advantage Rate applies</i></p> <p>If the Spot Rate at Expiry falls to AUD/USD 0.9300, then:</p> <ul style="list-style-type: none"> • You benefit from that movement down to the Advantage Rate and must exchange the full Transaction Amount at this rate. • On the Settlement Date you receive A\$104,167 (i.e. US\$100,000/0.9600).

All examples are for illustrative purposes only and do not reflect current prices or outcomes.

3. What is an Enhanced Range Forward?

An Enhanced Range Forward is a type of Forward FX transaction. It protects you against unfavourable movements in the exchange rate, and provides you with the ability to participate in favourable movements in the exchange rate up to either the Advantage Rate or the Trigger Rate.

The most favourable exchange rate that can apply depends on whether the Spot Rate breaches the Trigger Rate during the Trigger Period.

- If the Spot Rate does not breach the Trigger Rate during the Trigger Period, then you can benefit from favourable movements in the exchange rate up to the Trigger Rate.
- However, if the Spot Rate breaches the Trigger Rate during the Trigger Period, then you can only benefit from favourable movements in the exchange rate up to Advantage Rate.

The Protection Rate, Advantage Rate and the Trigger Rate apply to the full Transaction Amount. The result is that the Exchange Rate that ultimately applies to your Transaction will lie within a specified range between the Protection Rate and the Trigger Rate.

We agree the Protection Rate, Advantage Rate, Trigger Rate and Trigger Period with you before entering into the Transaction, and specify them in the confirmation.

The Trigger Period must start on the Transaction Date and end on the Expiration Date, unless we agree otherwise with you.

What are the possible outcomes under an Enhanced Range Forward?

If the Trigger Rate has not been breached

- If the Spot Rate at Expiry is the same as or less favourable than the Protection Rate, then you must exchange the full Transaction Amount at the Protection Rate.
- In all other situations, you may, but are not obliged to, exchange the full Transaction Amount at the Spot Rate at Expiry.

If the Trigger Rate has been breached

- If the Spot Rate at Expiry is the same as or less favourable than the Protection Rate, then you must exchange the full Transaction Amount at the Protection Rate.
- If the Spot Rate at Expiry is between the Advantage Rate and the Protection Rate, then you may, but are not obliged to, exchange the full Transaction Amount at the Spot Rate at Expiry.
- If the Spot Rate at Expiry is the same as or more favourable than the Advantage Rate, then you must exchange the full Transaction Amount at the Advantage Rate.

The table below shows the Exchange Rates that will apply to an Enhanced Range Forward.

	Trigger Rate breached	Trigger Rate not breached
The Spot Rate at Expiry is equal to or less favourable than the Protection Rate	Protection Rate	Protection Rate
The Spot Rate at Expiry is between the Protection Rate and the Advantage Rate	Spot Rate at Expiry	Spot Rate at Expiry
The Spot Rate at Expiry is equal to or more favourable than the Advantage Rate	Advantage Rate	Spot Rate at Expiry (not beyond the Trigger Rate)

All examples are for illustrative purposes only and do not reflect current prices or outcomes.

How an Enhanced Range Forward Transaction works

Importer example	Exporter example
<p>You are an Australian importer due to pay US\$100,000 in three months' time for goods bought overseas. At that time, you need to sell your A\$ to buy US\$.</p> <ul style="list-style-type: none"> • Today's AUD/USD Spot Rate is AUD/USD 0.9500. • Today's AUD/USD three month Forward Rate is AUD/USD 0.9300. <p>As you decide to manage your exchange rate risk and protect yourself against the risk of the A\$ falling against the US\$, but also wish to benefit potentially up to the Trigger Rate if the A\$ rises against the US\$, you enter into an Enhanced Range Forward with NAB.</p> <ul style="list-style-type: none"> • You agree today to sell A\$ to buy US\$ in three months' time. • The Protection Rate is AUD/USD 0.9150. • The Advantage Rate is AUD/USD 0.9300. • The Trigger Rate is AUD/USD 0.9700. <p><i>Protection Rate applies</i></p> <p>If the Spot Rate at Expiry falls to AUD/USD 0.8800, then:</p> <ul style="list-style-type: none"> • You are protected from that movement and must exchange the full Transaction Amount at the 	<p>You are an Australian exporter due to receive US\$100,000 in three months' time for goods sold overseas. At that time, you need to sell your US\$ to buy A\$.</p> <ul style="list-style-type: none"> • Today's AUD/USD Spot Rate is 0.9800. • Today's AUD/USD three month Forward Rate is 0.9710. <p>As you decide to manage your exchange rate risk and protect yourself against the risk of the A\$ rising against the US\$, but also wish to benefit potentially up to the Trigger Rate if the A\$ falls against the US\$, you enter into an Enhanced Range Forward with NAB.</p> <ul style="list-style-type: none"> • You agree today to sell US\$ to buy A\$ in three months' time. • The Protection Rate is AUD/USD 0.9910. • The Advantage Rate is AUD/USD 0.9710. • The Trigger Rate is AUD/USD 0.9500. <p><i>Protection Rate applies</i></p> <p>If the Spot Rate at Expiry rises to AUD/USD 1.0100, then:</p> <ul style="list-style-type: none"> • You are protected from that movement and must

Protection Rate (irrespective of whether the Trigger Rate was breached during the Trigger Period).

- On the Settlement Date you pay A\$109,290 (i.e. US\$100,000/0.9150).

Spot Rate at Expiry applies

If the Spot Rate at Expiry is AUD/USD 0.9250, then:

- You may, but are not obliged to, exchange the full Transaction Amount at the Spot Rate at Expiry (irrespective of whether the Trigger Rate was breached during the Trigger Period).
- If you choose to make the exchange, on the Settlement Date you pay A\$108,108 (i.e. US\$100,000/0.9250).

Advantage Rate applies

If the Spot Rate at Expiry is AUD/USD 0.9650 and the Trigger Rate of AUD/USD 0.9700 was breached during the Trigger Period, then:

- You benefit from that movement up to the Advantage Rate and must exchange the full Transaction Amount at this rate.
- On the Settlement Date you pay A\$107,527 (i.e. USD 100,000/0.9300).

Spot Rate up to the Trigger Rate applies

If the Spot Rate at Expiry is AUD/USD 0.9650 and the Trigger Rate of AUD/USD 0.9700 was not breached during the Trigger Period, then:

- You may, but are not obliged to, exchange the full Transaction Amount at the Spot Rate at Expiry.
- As you choose to benefit from the favourable movements in exchange rates, on the Settlement Date you pay A\$103,627 (i.e. US\$100,000/0.9650).

exchange the full Transaction Amount at the Protection Rate (irrespective of whether the Trigger Rate was breached during the Trigger Period).

- On the Settlement Date you receive A\$100,908 (i.e. US\$100,000/0.9910).

Spot Rate at Expiry applies

If the Spot Rate at Expiry is AUD/USD 0.9750, then:

- You may, but are not obliged to, exchange the full Transaction Amount at the Spot Rate at Expiry (irrespective of whether the Trigger Rate was breached during the Trigger Period).
- As you choose to benefit from favourable movements in exchange rates, on the Settlement Date you receive A\$102,564 (i.e. US\$100,000/0.9750).

Advantage Rate applies

If the Spot Rate at Expiry is AUD/USD 0.9650 and the Trigger Rate of AUD/USD 0.9500 was breached during the Trigger Period, then:

- You benefit from that movement down to the Advantage Rate and must exchange the full Transaction Amount at this rate.
- On the Settlement Date you receive A\$102,987 (i.e. USD 100,000/0.9710).

Spot Rate up to the Trigger Rate applies

If the Spot Rate at Expiry is AUD/USD 0.9650 and the Trigger Rate of AUD/USD 0.9500 was not breached during the Trigger Period, then:

- You may, but are not obliged to, exchange the full Transaction Amount at the Spot Rate at Expiry.
- As you choose to benefit from favourable movements in exchange rates, on the Settlement Date you receive A\$103,627 (i.e. US\$100,000/0.9650).

All examples are for illustrative purposes only and do not reflect current prices or outcomes.

Product costs

Transaction cost

The cost of entering a Transaction for a Limited Participation FX Solutions Product is the Exchange Rate that NAB quotes you. This Exchange Rate is based on the inter-bank market rate and then adjusted to include a margin.

What is the margin?

The margin covers NAB's internal costs for entering the Transaction, compensates us for the risks we assume, and provides us with a profit. The size of the margin varies and is influenced by various factors including:

- the type of product
- the size of the Transaction
- the frequency of Transactions between you and us
- market volatility
- the currencies being exchanged
- the time zone traded in.

Other costs

You must deliver the full amount of the relevant currency to NAB on the Settlement Date. If you do not, you may be liable to pay us an interest charge to compensate us for your non-delivery. Please refer to the Master Agreement for the details of the interest rate that we charge in these circumstances.

You may request us to cancel or vary a Transaction. If at our discretion we agree to cancel or vary the Transaction, you may be liable to pay us for additional costs including any fees or charges. If you are varying the Transaction, you may need to pay a less favourable Exchange Rate.

Other product features

What currencies are Limited Participation FX Solutions Products available in?

NAB agrees to Transactions in most major currencies. You can obtain the current list of currencies that can be exchanged by contacting your Banker or Markets representative.

What is the minimum amount?

The minimum amount for a Transaction for a Product is A\$100,000 or its foreign currency equivalent.

What settlement dates are available?

On the Transaction Date, NAB will agree the Settlement Date with you and specify it in the confirmation. The minimum settlement date is 2 business days after the transaction date; The maximum is dependent on NAB's internal limit structuring but can range from 1 to 10 years depending on circumstances.

Different Settlement Dates are available for different Currency Pairs. Please contact your Banker or Markets representative for more information.

Significant Benefits of Transactions

Your risk strategy

The benefits of entering into a Limited Participation FX Solution Transaction will depend on how it satisfies your risk management strategy and financial circumstances.

Protection from unfavourable FX movements

The primary benefit of Limited Participation FX Solutions Products is that they provide you with protection against the impact of unfavourable movements in the exchange rate. They allow a worst case to be determined for future cash flows in the selected currency for your commercial budgeting purposes. Limited Participation FX Solutions Products also provide you with the opportunity to receive some benefit from favourable movements in the exchange rate.

Timing

The further away the date for making the FX payment, the greater is the possibility of an unfavourable movement in the exchange rate. Longer dated Transactions may therefore offer greater benefits to you than shorter dated Transactions.

Natural hedge

A natural hedge exists if you receive inflows and outflows of a particular currency that offset each other so that the impact of movements in the exchange rate is neutralised. However, if there is a material degree of uncertainty about the timing and amount of the offsetting currency flows, then the Limited Participation FX Solutions Products may still be effective for your risk management purposes.

Significant Risks of Transactions

Movements in the exchange rate

The main risk of Limited Participation FX Solutions Products is that the Exchange Rate achieved on a Transaction may be less favourable than the exchange rate that you could have achieved by simply transacting in the future at the Spot Rate.

For example, if the Spot Rate at Expiry is more favourable to you than the Exchange Rate for your Transaction, you will still need to exchange currencies at the agreed rate.

Timing risk

If your business requires a certain amount of a currency on a specific date, you will need to ensure that your Transaction settles before this time. For example, if the Settlement Date occurs after you need to pay an amount owing under your commercial transaction, then there is a risk that you may not have sufficient funds to fulfil your obligations.

Need for sufficient funds on the Settlement Date

Each Transaction must be settled on the Settlement Date. If you suffer a delay in the receipt of cash from your underlying commercial transaction, then you may not have the required amount of currency to deliver to us on

the Settlement Date. It is your responsibility to ensure that you are able to settle your FX transaction on the Settlement Date.

Changes to your foreign currency needs

Your foreign currency needs may change after the Transaction Date. For example, an underlying commercial transaction may be cancelled or substantially altered and so you no longer need to exchange the same amount of currency. Unless we agree to your request to vary or cancel a Transaction, you will still need to settle on the Settlement Date.

If your foreign currency needs change after you enter into a Transaction, you should contact your Banker or Markets representative immediately.

Entering into a Transaction

How do I enter into a Transaction?

You can initiate a Transaction by:

- calling your Banker
- calling your Markets representative.

Before entering into a Transaction, NAB advises you to obtain independent advice to ensure that the proposed Transaction meets your objectives and needs and is consistent with your financial circumstances and risk management strategy.

What are the preconditions for acceptance?

NAB is not obliged to enter into a Transaction with you. Whether we decide to enter a Transaction with you is subject to our credit and documentation preconditions.

Credit preconditions

Before entering into a Transaction, NAB will assess your financial position to determine whether or not your situation satisfies our normal credit requirements. We will advise you of the outcome of this review as soon as practicable.

If your application is successful, you must enter into our standard documentation. This documentation sets out the terms of the credit approval and other matters relevant to your application.

Documentation preconditions

You may need to sign NAB's standard Master Agreement if you have not already done so. If you are a business customer you will also need to provide details as to which of your staff are authorised to deal on your behalf.

Our standard documentation for use in Transactions (including the standard Master Agreement) governs your dealing relationship with us and sets out the terms and conditions that apply to any Transaction. In particular, they describe how Transactions are priced and outline the circumstances in which Transactions can be varied or cancelled.

You can obtain a copy of these documents (including the Master Agreement) from your Banker or Markets representative.

You must read the terms and conditions of these documents carefully before entering into any Transaction. You should obtain independent legal advice if you do not understand any aspect of these documents.

How are Transactions negotiated?

The terms of each Transaction are usually agreed verbally over the telephone. At this time, both you and NAB are bound by these terms.

Conversations with our dealing room and settlements department are taped. This is standard market practice. We do this to make sure that we have a complete record of the details of all Transactions. Taped conversations are only reviewed when there is a dispute and for staff monitoring purposes.

We will send you a confirmation outlining the commercial terms of the Transaction. It is extremely important that you check the confirmation carefully to make sure that it accurately records the agreed terms. If there is a discrepancy, please contact your Banker or Markets representative immediately. Unless you tell us within one Business Day that there is a discrepancy, you are bound by the confirmation.

What information is required to enter into a Transaction?

The information that you will need to provide will include:

- which product you are buying (for example, Participating Forward)
- the relevant Currency Pair (for example, A\$ and US\$)
- the Transaction Amount (for example, A\$100,000)
- the Protection Rate
- the Expiration Date and the Settlement Date.

We may also need to agree on the following information depending on the product:

- the Advantage Rate
- the Trigger Rate.

Completing a Transaction

On the Settlement Date, you will need to deliver the relevant currency to NAB. You must deliver the currency in cleared funds.

If you and NAB owe each other amounts in the same currency on the same day, then the party owing the higher amount must pay the other the difference between those amounts (unless we agree otherwise with you). In these circumstances, the other party would not make a payment. Please contact your Banker or your Markets representative if you cannot deliver the relevant currency to us on the Settlement Date and the Transaction will not be cash settled because it does not involve A\$.

Varying or cancelling a Transaction

There is no cooling off period after entering a Transaction.

To vary or cancel a Limited Participation FX Solutions Transaction, please contact your Banker or your Markets representative. You cannot vary a Transaction without NAB's agreement.

If at our discretion we agree to your request, you must accept any costs of varying or cancelling the Transaction (including any fees or charges) and agree to the terms and conditions of any replacement Transaction. When the revised terms are agreed, we will send you an additional confirmation.

Our costs may include:

- compensating us for adjusting the risks that we assume under the Transaction (including our arrangements with other parties in the inter-bank market)
- our internal costs and profit.

If you vary a Transaction and the inter-bank market rate has moved, then our costs will reflect that movement. If this movement has been unfavourable, then your costs of varying the Transaction will be more (all other things being equal). If the movement has been favourable, then your costs of varying the Transaction will be less (all other things being equal). In some circumstances, if the movement has been sufficiently favourable, there might be a gain which we will pass onto you.

Example of varying a Variable Forward Range Transaction

Importer example	Exporter example
<p>You are an Australian importer due to pay US\$100,000 in three months' time for goods bought overseas. At that time, you need to sell your A\$ to buy US\$.</p> <ul style="list-style-type: none">• Today's AUD/USD Spot Rate is 0.9500.• Today's AUD/USD three month Forward Rate is 0.9300. <p>As you decide to manage your exchange rate risk and protect yourself against the risk of the A\$ falling against the US\$, but also wish to benefit up to the Advantage Rate if the A\$ rises against the US\$, you enter into a Variable Forward Range with NAB.</p> <ul style="list-style-type: none">• You agree today to sell A\$ to buy US\$ in three months' time.	<p>You are an Australian exporter due to receive US\$100,000 in three months' time for goods sold overseas. At that time, you will need to sell your US\$ to buy A\$.</p> <ul style="list-style-type: none">• The AUD/USD Spot Rate is 0.9800.• The AUD/USD three month Forward Rate is 0.9710. <p>As you decide to manage your exchange rate risk and protect yourself against the risk of the A\$ rising against the US\$, but also wish to benefit down to the Advantage Rate if the A\$ falls against the US\$, you enter into a Variable Forward Range with NAB.</p> <ul style="list-style-type: none">• You agree today to sell US\$ to buy A\$ in three months' time.

- The Protection Rate is AUD/USD 0.9150.
- The Advantage Rate is AUD/USD 0.9650.

Changing expectations

One month after the Transaction Date, you now expect to only require US\$70,000 for goods bought overseas and so need to buy less US\$.

You request that we amend the Variable Forward Range by decreasing the Transaction Amount to US\$70,000.

- Today's AUD/USD Spot Rate is 0.9700.
- Today's AUD/USD two month Forward Rate is 0.9570.

At our discretion, we agree to your request, but you must meet the costs in doing so. The Protection Rate and the Advantage Rate remain the same.

If the Spot Rate at Expiry rises to AUD/USD 0.9800, then:

- You benefit from that movement up to the Advantage Rate and must exchange the revised Transaction Amount at this rate.
- On the Settlement Date you pay A\$72,539 (i.e. US\$70,000/0.9650).

- The Protection Rate is AUD/USD 0.9900.
- The Advantage Rate is AUD/USD 0.9600.

Changing expectations

One month after the Transaction Date, you now expect to only receive US\$70,000 for goods sold overseas and so need to sell less US\$.

You request that we amend the Variable Forward Range by decreasing the Transaction Amount to US\$70,000.

- Today's AUD/USD Spot Rate is 0.9450.
- Today's AUD/USD two month Forward Rate is 0.9400.

At our discretion, we agree to your request, but you must meet the costs in doing so. The Protection Rate and the Advantage Rate remain the same.

If the Spot Rate at Expiry falls to AUD/USD 0.9300, then:

- You benefit from that movement up to the Advantage Rate and must exchange the revised Transaction Amount at this rate.
- On the Settlement Date you receive A\$72,917 (i.e. US\$70,000/0.9600).

All examples are for illustrative purposes only and do not reflect current prices or outcomes.

Example of cancelling a Participating Forward Transaction

Importer example

You are an Australian importer who expects to have to pay US\$100,000 in three months' time for goods bought overseas. At that time, you need to sell your A\$ to buy US\$.

- Today's AUD/USD Spot Rate is 0.9500.
- Today's AUD/USD three month Forward Rate is 0.9300.

As you decide to manage your exchange rate risk and protect yourself against the risk of the A\$ falling against the US\$, but also wish to have some benefit if the A\$ rises against the US\$, you enter into a Participating Forward with NAB.

- You agree today to sell A\$ to buy US\$ in three months' time.
- The Protection Rate is AUD/USD 0.9100.
- The Participation Rate is 40%.

Changes to your circumstances

Your underlying transaction is cancelled so you no longer need to exchange the currency at the future time.

You request that we cancel the Participating Forward.

- Today's AUD/USD Spot Rate is 0.9700.
- Today's AUD/USD two month Forward Rate is 0.9570.
At our discretion, we agree to your request, but you must meet the costs in doing so.

$\$60,000 / 0.91 (65934.07) - \$60,000 / 0.97$
 $(\$61,855.67) = \$4,078.40$

You will be required to pay us a break cost of

Exporter example

You are an Australian exporter due to receive US\$100,000 in three months' time for goods sold overseas. At that time, you need to sell your US\$ to buy A\$.

- The AUD/USD Spot Rate is 0.9800.
- The AUD/USD three month Forward Rate is 0.9650.

As you decide to manage your exchange rate risk and protect yourself against the risk of the A\$ rising against the US\$, but also wish to have some benefit if the A\$ falls against the US\$, you enter into a Participating Forward with NAB.

- You agree today to exchange US\$ for A\$ in three months' time.
- The Protection Rate is AUD/USD 0.9900.
- The Participation Rate is 40%.

Changes to your circumstances

Your underlying transaction is cancelled so you no longer need to exchange the currency at the future time.

You request that we cancel the Participating Forward.

- Today's AUD/USD Spot Rate is 0.9450.
- Today's AUD/USD two month Forward Rate is 0.9400.

At our discretion, we agree to your request, but you must meet the costs in doing so.

$\$60,000 / 0.99 (60,606.06) - \$60,000 / 0.9450$
 $(\$63,492.06) = \$2,886.00$

\$4,078.40 when the transaction is cancelled.

You will be required to pay us a break cost of \$2,886.00 when the transaction is cancelled.

All examples are for illustrative purposes only and do not reflect current prices or outcomes.

Currency orders

If current pricing does not meet your requirements, NAB can accept your order for a Limited Participation FX Solutions Product. You will need to specify in advance the relevant transaction details. We will attempt to fill your order when general market conditions allow us to do so.

We are not obliged to accept an order and, at any given time, may only offer the service on some currencies.

Our ability to fill your order may be limited by prevailing market conditions. Price volatility may be extreme and/or liquidity may be poor, preventing us from filling your order. We will seek to advise you that we cannot hold your order open and of the reasons why.

You can request us to hold an order open for a period of up to 30 days. At the end of that period, any unfilled portion of the order will lapse.

If you intend to cancel your order, please contact your Markets representative immediately. An order cannot be cancelled after we have filled it. If we have partially filled an order, only the unfilled portion may be cancelled.

Your order must be for a minimum amount of A\$100,000 or its foreign currency equivalent.

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NAB FOREIGN EXCHANGE TRANSACTIONS LIMITED PARTICIPATION FX SOLUTIONS PRODUCTS

National Australia Bank Limited

Supplementary Product Disclosure Statement

Dated: 24 June 2019

Dated 24 June 2019

Issuer: National Australia Bank Limited ABN 12 004 044 937, AFSL and Credit Licence 230686

This is a supplementary product disclosure statement (“**SPDS**”) issued by National Australia Bank Limited (ABN 12 004 044 937, AFSL 230686) (“**NAB**”). This SPDS supplements the product disclosure statement issued by NAB for Limited Participation FX Solutions Products dated 6 August 2012 (“**PDS**”) and together they establish the terms of Limited Participation FX Solutions Transactions entered into on or after the date of this SPDS.

The terms of the PDS continue in full force and effect except to the extent that those terms are modified by this SPDS. You should read this SPDS together with the PDS. Terms defined in the Glossary section of the PDS have the same meanings in this SPDS.

The information in this SPDS is subject to change. If the change is materially adverse NAB will provide updated information by issuing a further supplementary PDS or a replacement PDS which will be made available on NAB’s website: <https://www.nab.com.au/content/dam/nabrwd/documents/pds/investment/limited-participation-fx-solutions-products-pds.pdf> and <https://www.nab.com.au/business/international-and-foreign-exchange/financial-markets/financial-markets-disclosures>. If the change is not materially adverse NAB will publish a notice of the change at www.nab.com.au. You can also access this updated information by speaking to your NAB foreign exchange specialist or your banker. You can get a paper copy of any updated information without charge by calling **13 10 12**.

The purpose of this SPDS is to make amendments as follows:

1. Updated Information

The Updated Information section under the Important Information section of the PDS is deleted in its entirety and replaced with the following:

“Updated Information

The information in this PDS is subject to change. If the change is materially adverse, NAB will provide updated information by issuing a supplementary or replacement PDS which will be made available on our website, <https://www.nab.com.au/business/international-and-foreign-exchange/financial-markets/foreign-exchange>.

If the change is not materially adverse, NAB will publish a notice of the change at www.nab.com.au. You can also access this updated information by calling NAB on **13 10 12**, speaking to your NAB foreign exchange specialist or your banker.

You can get a paper copy of any updated information without charge by calling **13 10 12**.”

2. Privacy notification

The privacy policy section under the “Important Information” section of the PDS is deleted in its entirety and replaced with the following:

“Privacy Policy

“We’ll collect your personal information from you directly whenever we can, for example when you fill out a form with us, when you’ve given us a call, used our websites (including via cookies) or mobile applications or dropped into one of our branches or used our online or mobile banking services (including collection of information about your use of technology, when you access these services (such as location data) and information about how you use your devices)(See our Cookies Policy www.nab.com.au/cookies for more information). Sometimes we collect your personal information from third parties. You may not be aware that we have done so. If we collect information that can be used to identify you, we will take reasonable steps to notify you of that collection.”

For more information about how NAB collects, uses, shares and handles your personal information see our Privacy Policy www.nab.com.au/privacy and Privacy Notification www.nab.com.au/privacynotification. Information in these documents includes how you can:

- access and correct your information;
- Make a complaint about how we manage your information; and
- view the overseas locations NAB discloses personal information to.

You can ask us for a copy of these documents at any time by calling **13 10 12**.”

3. Banking Code of Practice

The Code of Banking Practice section under the “Important Information” section of the PDS is deleted in its entirety and replaced with the following:

“Banking Code of Practice (Banking Code)

The Banking Code applies to NAB’s relationship with you if you are an individual or a small business referred to in the Banking Code.

You can obtain from us, on request:

- information on our current rates and standard fees and charges relating to these Products;
- general descriptive information concerning our banking services (including about cheques, account opening procedures, bank cheques, our confidentiality

obligations and complaint handling procedures) and concerning the importance of reading the terms and conditions for each banking service we provide to you and informing us promptly when you are in financial difficulty;

- general descriptive information about the identification requirements of the Anti-Money Laundering & Counter Terrorism Financing Act 2006 (Cth) (**AML/CTF Act**) and the options available to you under the tax file number legislation; and
- a copy of the Banking Code.

To find out more about the Banking Code, visit nab.com.au and look up “Banking Code”.

4. Staff incentives

The “Staff incentives” section under the “Important Information” section of the PDS is deleted in its entirety and replaced with the following:

“Staff incentives

NAB staff members are salaried employees of NAB and in most cases do not receive any proportion of any fees or commissions paid to NAB or any other company in the NAB group in connection with the products. Staff members may be entitled to receive additional monetary or non-monetary benefits and/or rewards resulting from participation in programs conducted by NAB.

Monetary benefits or rewards may include an annual bonus, the level of which may depend on the overall performance of the NAB group of companies.

Whether staff members receive any such benefits and rewards depends on a number of balanced performance and behavioural factors, which may include a measure linked to sales of unspecified products and services provided to customers.

Non-monetary benefits or rewards for eligible staff may be provided in the form of recognition points which can be redeemed for products from a regularly updated catalogue which may include items such as film tickets, home appliances, beauty & fashion products and personal experiences. It is not possible to determine at any given time whether a staff member will receive any form of benefit or reward or to quantify them. They are not directly attributable to any particular product or deal that the staff member has given advice on.”

5. Labour standards and environmental, social and ethical considerations

A new section **Labour standards and environmental, social and ethical considerations** is inserted in the “the Important Information” section after “Significant taxation implications section” as follows:

‘Labour standards and environmental, social and ethical considerations

NAB does not take into account labour, environmental, social or ethical standards when entering into a Product under this PDS. To learn more about NAB’s commitment to our Corporate Responsibility and to review a copy of our latest sustainability report go to www.nab.com.au.’

6. Making a complaint

A new section “Making a Complaint” is inserted in the “Important Information” section after “Significant taxation implications”:

“Making a complaint

We are always trying to improve our customers’ experience, but we know things do not always go the way they should. Your feedback about the services you receive from us and our products can help us understand and address issues we otherwise might not know about.

For information about making a complaint or resolving problems or disputes, please contact your NAB foreign exchange specialist, your banker or contact NAB markets on **1800 307 827**.

If you feel your contact has not resolved the issue, then the next step is to speak to our Customer Resolutions Team. Here’s how:

1. Call us:
Call our dedicated Customer Resolutions Team any time between 8am and 7pm, Monday to Friday (AEST/AEDT), on **1800 152 015**.
2. Send us a form online: complete our online feedback form at nab.com.au, or email us at feedback@nab.com.au.
3. Write to us at the following address:
National Australia Bank
General Manager, NAB Resolve Reply Paid 2870
Melbourne, Vic 8060

7. Dispute Resolution

The “Dispute Resolution” section under the “Important Information” section of the PDS is deleted in its entirety and replaced with the following:

“Dispute resolution

If you still feel your concerns have not been resolved to your satisfaction, you can raise your concerns with the independent external dispute resolution provider, the Australian Financial Complaints Authority (AFCA). AFCA is an external dispute resolution (EDR) scheme to deal with complaints from consumers in the financial system. AFCA provides fair and independent financial services complaint resolution that’s free to consumers.

Of course as a valued customer, we’d much rather try to resolve the issue together first. In fact, AFCA will encourage you to resolve the issue with NAB before they start to investigate.

AFCA can be contacted at:

Website: afca.org.au

Email: info@afca.org.au

Telephone: **1800 931 678** (free call within Australia, 9:00 am – 5:00 pm AEST weekdays)

Calls from an international number add +61.

International calls may incur a charge from your carrier.

In writing to: Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne, VIC 3001

You can also contact the Australian Securities & Investments Commission (ASIC) to make a complaint and to find further information on your rights. ASIC is an independent Australian government body that acts as Australia’s corporate regulator. To obtain further information they may be contacted at:

Telephone: **1300 300 630**

Website: www.asic.gov.au”

8. Glossary

A new definition is added the glossary is in its correct alphabetical order as follows:

“**Banking Code** means the Banking Code of Practice, but before 1 July 2019 refers to the Code of Banking Practice (2013 version).”

“**Australian Financial Complaints Authority or AFCA** is the external dispute resolution (EDR) scheme to deal with complaints from consumers in the financial system.”

“**Australian Securities & Investments Commission** is an independent Australian government body that acts as Australia’s corporate regulator.”

For more information call

13 13 12

8am – 8pm AEST, Monday to Friday
9am – 6pm AEST, Saturday and Sunday
or visit us at **nab.com.au**



Hearing impaired customers
with telephone typewriters
can contact us on **1300 363 647**

The registered address of the issuer:
National Australia Bank Limited
Level 1
800 Bourke Street
Docklands VIC 3008