



Financial Services Guide for Equity Options

Options and Approved Options with Loans

Effective Date: 10.10.2014

Financial Services Guide (FSG) for National Australia Bank Limited in relation to Equity Options and Approved Options with Loans set out in the Product Disclosure Statement dated 10 June 2010 and supplementary Product Disclosure Statement dated 2 June 2014.

About this and other documents

This FSG is an important document provided by National Australia Bank Limited ABN 12 004 044 937 ('NAB', 'we', 'us' or 'our') setting out the range of financial services and the type of financial products that we are authorised to provide in relation to Options and Approved Options with Loans under our Australian Financial Services Licence 230686 ('AFSL').

If we provide you with other financial services, we may provide you with separate FSG's containing information relevant to those services.

This document will help you decide whether to use the financial services we provide in relation to the Options and Approved Options with Loans. It includes information about:

- how we and our associates are remunerated for services relating to the Options and Approved Options with Loans; and
- our internal and external complaints handling procedures and how these are available to you.

Before you acquire Options or Approved Options with Loans from us, you will receive the Product Disclosure Statement dated 10 June 2010 and Supplementary Product Disclosure Statement dated 2 June 2014 ("PDS"). The PDS contains important information about Options and Approved Options with Loans to help you make informed decisions.

Financial services and products we are authorised to provide

NAB is authorised under its AFSL to provide the following financial services in relation to Options and Approved Options with Loans:

- general financial product advice in relation to derivatives, securities and non-cash payment facilities;
- dealing in relation to derivatives, securities and non-cash payment facilities; and
- making a market in derivatives.

Who does NAB act for when providing the financial services?

NAB acts on its own behalf and is responsible for the financial services it provides to you under its AFSL. NAB may act as agent where it is dealing in securities.

**Remuneration for Options services
Options and Approved Options with Loans benefits**

We will not charge you brokerage or fees for services we provide you in relation to Options or Approved Options with Loans unless we set these out in the PDS or otherwise disclose these to you.

The PDS contains details of benefits we receive from Options and Approved Options with Loans including but not limited to option premiums.

Financial Adviser fees

If you wish to pay your financial Adviser a fee ("**Adviser Fee**"), in connection with entering into an Option or Approved Option with Loan, you may appoint NAB as your agent to pay to your advisor on your behalf your specified Adviser Fee amount.

An instruction to pay an Adviser Fee is included in the indicative quote sheet that NAB will send to you for a proposed Option or Approved Option with Loan transaction should you wish to use it. You will need to return to NAB a signed quote sheet which sets out the dollar amount of the Adviser Fee you would like to pay and your adviser's details.

NAB will not be involved in the calculation of any Adviser Fee amount. This is for you to agree with your adviser.

Commissions

If you are a wholesale client or you are outside Australia, for each Option, we may pay your financial adviser a commission of up to 3.3% (including GST) of the notional value of the Option.

For each Approved Option with Loan we may:

- pay your financial adviser a commission of up to 3.3% of the notional value of the Option; and
- charge you an establishment fee for your Loan of up to 3% of the Principal advanced under the Loan

For a particular Option, notional value = price of reference security x number of securities covered by the Option.

If your adviser is remunerated on a fee-for-service basis, he or she may decide not to receive any commission for Options or Approved Options with Loans. If applicable, NAB may take these commissions (or lack of them) into account when determining any Option Premium or Fixed Option Premium you are required to pay or are entitled to receive in connection with your Option. Remuneration that your financial adviser receives for Options or Approved Options with Loans advice provided to you will be disclosed by your financial adviser (if calculable) at the time you receive the advice or as soon as practicable after.

National Margin Services Pty Ltd and NMS Nominees Pty Ltd

As explained in the PDS, National Margin Services Pty Ltd (NMS) acts as CHESS sponsor and NMS Nominees Pty Ltd acts as nominee in connection with Options and Approved Options with Loans.

NAB Staff

NAB staff members are salaried employees of NAB and do not receive any proportion of any fees or commissions paid to NAB in connection with the financial services or financial products referred to in this FSG. Staff members may be entitled to receive additional monetary or non-monetary benefits and/or rewards resulting from participation in programs conducted by the NAB. These may include an annual bonus 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 NAB from sales of products as a consequence of the staff member's efforts.

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

Further information about remuneration

Please contact us if you would like further information about remuneration and benefits for the services we provide.

Participation in licensed markets and clearing and settlement facilities

We are a participant in each of Austraclear Limited, ASX Settlement and Transfer Corporation and Yieldbroker Pty Limited. We are a non-broker participant in the Australian Securities Exchange Limited. We use clearing facilities including CLEARSTREAM, Reserve Bank Information and Transfer System, Real Time Gross Settlement, Austraclear, Continuous Linked Settlement, ASX OTC Clearing, LCH OTC Clearing and LCH Repoclear.

Compensation arrangements

As we are an APRA regulated authorised deposit taking institution, we are exempt from the compensation requirements normally applicable to Australian Financial Services Licensees.

Lodging a complaint

We're always trying to improve our customers' banking experience, but we know things don't 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. Our brochure titled 'All feedback is good feedback: let's talk' includes more information and is available from any NAB branch.

There are two ways to talk to us.

1. In person: Speak directly to us at your branch and we'll do our best to resolve your concern or issue.
2. Phone our call centre on **13 22 65**.

By giving us as much information as possible, you'll be helping us to resolve things faster. If you have any supporting documentation, please have it handy when you raise your concern.

How long will it take?

If you raise an issue with us, we'll address it as quickly as possible. In fact, most complaints are resolved within one business day. If your issue can't be resolved straight away, we'll make sure we see it through. In nearly all cases, you can expect that your concern will be resolved within five business days. In the event that it takes us longer than five days to resolve or investigate, we'll ensure that you're regularly updated.

Going a step further

If you feel that your contact at our branch or call centre hasn't resolved the issue, then the next step is to speak to our Customer Resolutions Team. Here's how:

1. Call our dedicated Customer Resolutions Team any time between 8am and 7pm, Monday to Friday (AEST), on **1800 152 015**.
2. Write to us at:
NAB
Head of Customer Resolutions
Reply Paid 2870
Melbourne Vic 8060
3. Complete the online feedback form at nab.com.au, send us a secure message through your NAB Internet Banking, or email us at feedback@nab.com.au

Need more options?

If you still feel your issue hasn't been resolved to your satisfaction, then you can raise your concern with the Financial Ombudsman Service. Of course, as you're a valued customer, we'd much rather try to resolve the issue together first. In fact, the Ombudsman will encourage you to resolve the issue with NAB before they start to investigate.

Financial Ombudsman Service
GPO Box 3
Melbourne Victoria 3001

Telephone: 1300 780 808

Fax: 03 9613 6399

Internet: www.fos.org.au.

Instructing and Contacting Us

You can give us instructions in writing (ie fax, email or letter) or any other method we agree with you. Our contact details are:

NAB Equity Options Administration Team

Level 30, 500 Bourke Street
Melbourne Vic 3000

Telephone: 1800 652 669

Facsimile: +61 3 8641 3922

Email: niis@nab.com.au

For more information call

13 22 65

8am – 8pm AEST, Monday to Friday
or visit nab.com.au



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