



NAB TAILORED DEPOSITS.

Product Disclosure Statement

IMPORTANT NOTICES

Issuer and contact details

This Product Disclosure Statement (PDS) is issued by National Australia Bank Limited ABN 12 004 044 937, Australian Financial Services Licence 230686.

The PDS provides general information relating to the offer of the NAB Flexi Deposit and NAB Floating Deposit. Collectively, we refer to these products as the NAB Tailored Deposits. You should read the PDS before making a decision to invest in any of the NAB Tailored Deposits.

Any advice in this PDS has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should, before acting on any advice in this PDS, consider whether it is appropriate to your objectives, financial situation and needs.

The date of this document is 01 March 2020.

Relationship managed

NAB Tailored Deposits are available through NAB Relationship Managers. Please contact your Relationship Manager directly with queries in relation to these products.

Updated information

The information in this PDS is subject to change. If the change is not materially adverse NAB will publish a notice of the change on our website at www.nab.com.au/tailoreddeposits.

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 www.nab.com.au/tailoreddeposits.

You can also access this information by speaking to your financial adviser or your NAB Relationship Manager. A paper copy of the information will be given to you, without charge, upon request.

Telephone recording

Calls to or from your NAB Relationship Manager may be recorded to assist NAB with its dispute resolution process.

Our regulatory obligations

NAB is subject to a number of regulatory obligations which include the requirement to identify our customers and, in certain circumstances prescribed by applicable law, to report such information to third parties.

This may be to prevent the facilitation of money laundering and terrorism financing and/or to avoid tax evasion. For example, NAB is required to identify certain US persons in order to meet account information reporting requirements under local and international laws. If you or (where you are any entity) any controlling person are a US citizen or US tax resident or we suspect that you are, we may contact you for further information. Failure to respond may lead to certain reporting requirements.

Financial Claims Scheme

The Financial Claims Scheme provides a guarantee of funds deposited with an Authorised Deposit-taking Institution (ADI) such as NAB. In the event that an ADI becomes insolvent, customers may be eligible to claim the amount of their deposits with that ADI from the Scheme. Payments under the Scheme are subject to a limit for each depositor. For more information regarding the Scheme, visit the Financial Claims Scheme website at www.fcs.gov.au.

Tax File Number options

Interest earned on your account may form part of your assessable income.

NAB is authorised to collect your Tax File Number (TFN) under the Income Tax Assessment Act 1936. NAB will use your TFN to report details of Interest earned on your NAB Tailored Deposit to the Australian Taxation Office. It is not compulsory to provide your TFN and it is not an offence if you decline to do so.

If you do not provide your TFN, Australian Business Number (ABN) or advise that you are eligible for an exemption from providing a TFN or ABN, NAB may be obliged to deduct Withholding Tax at the maximum marginal tax rate (plus the Medicare levy) from any interest income you earn on your account. If you are a non-resident of Australia, NAB may also be obliged to deduct Withholding Tax.

Definitions

Terms used in this PDS are defined in the Glossary in Section 7 of this PDS.

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Section 1

WHY INVEST IN A NAB TAILORED DEPOSIT?

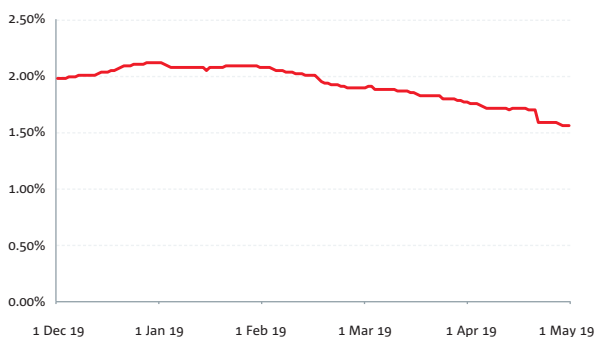
The NAB Tailored Deposits provide you with the ability to tailor your deposit to suit your view on interest rates and cash flow requirements.

This section provides information about market considerations for which a NAB Tailored Deposit can be beneficial.

Interest rates

Interest rates can rise and fall over time. The Bank Bill Swap (BBSW) Benchmark Rate is the interest rate at which banks will lend to each other. Changes in BBSW will flow through to other interest rates which may affect your cash flow, expenditure and more.

Average 1m, 3m & 6m BBSW



Source: NAB Market Research

NAB Tailored Deposits can help you implement your interest rate views through the safety of a sophisticated deposit. You can protect yourself against unfavourable interest rate movements and take advantage of a rising interest rate environment.

With a NAB Flexi Deposit you will:

- Receive BBSW-linked returns
- Have the flexibility to specify the terms and order of your fixed and floating periods, and the fixed rate and/or floating rate margin

With a NAB Floating Deposit you will:

- Receive BBSW-linked returns
- Receive a fixed margin over BBSW on your periodic interest payments
- Receive potentially a higher return in a rising rate environment compared to fixed interest returns offered by standard term deposits of equivalent term and principal

Section 2

PRODUCT FEATURES AT A GLANCE

Option	Flexi Deposit	Floating Deposit
What is it?	A term deposit divided into two periods, one fixed period and one floating period.	A term deposit where your interest rate is based on a floating reference rate plus a margin.
Purpose	Provides you with the ability to tailor your deposit to implement your view on interest rates and cash flow requirements.	Provides you with the ability to receive interest payments linked to a floating reference rate and lock in a fixed margin for the deposit term.
Minimum principal amount	\$100,000	\$100,000
Terms	One to five years	Six months to five years
Interest rate reference	Bank Bill Swap (BBSW) Benchmark Rate – see Section 5 for explanation of BBSW	
Interest payment frequency	Monthly, quarterly or semi-annually	
Fees and charges	There are no establishment, transaction or service fees payable on a NAB Tailored Deposit. NAB may however deduct from your NAB Tailored Deposit any government charges, duties or taxes relating to your deposit where applicable.	
No early pre-payment	NAB Tailored Deposits are held to maturity deposits of a fixed amount for a fixed term at a fixed rate and/or fixed margin. Your deposit cannot be withdrawn before maturity, except in exceptional circumstances and at NAB's discretion.	
How do I apply?	Complete the Application Form and Authority and provide it to your NAB Relationship Manager.	
Variation of terms	Once you have locked in your NAB Tailored Deposit you cannot vary the terms of your NAB Tailored Deposit during the deposit term.	
Cooling off	There is no cooling off period for any NAB Tailored Deposits.	

Section 3

KEY BENEFITS AND RISKS

You should carefully consider the benefits and risks below before investing in a NAB Tailored Deposit. You should talk to your financial adviser to determine if investment in a NAB Tailored Deposit is right for you.

<p>Key Benefits</p>	<ul style="list-style-type: none"> • Flexibility – You can tailor your NAB Tailored Deposit to suit your interest rate view and cash flow requirements. • Peace of mind – Like other NAB deposits, your NAB Tailored Deposit is a liability of one of Australia’s key financial institutions. • Certainty of return – Your interest rate and/or your margin above BBSW is locked in at the commencement of your deposit. • Relationship managed – You can contact your NAB Relationship Manager for any information on your NAB Tailored Deposit.
<p>Key Risks</p>	<ul style="list-style-type: none"> • Interest rate risk – Interest rates may not move in accordance with your view at the time of investing in a NAB Tailored Deposit. Interest rate movements of a different direction or magnitude than you expected may result in a lower return than you anticipated or could otherwise have obtained in the market. • No early pre-payment – A NAB Tailored Deposit is a deposit of a fixed amount for a fixed term at a fixed rate and/or fixed margin. Your deposit cannot be withdrawn before maturity of the fixed term, except in exceptional circumstances and at NAB’s discretion. • No cooling off period – There is no cooling off period once the transaction details have been negotiated and verbally agreed. • Credit and operational risk – NAB Tailored Deposits are serviced by NAB and are subject to the effectiveness of our processes and procedures. NAB’s ability to meet our obligations is linked to our financial health as a regulated Australian bank, which is intended to reduce the risk of NAB not performing its obligations.

Section 4

HOW YOUR NAB TAILORED DEPOSIT WILL WORK

The following clauses apply to your NAB Tailored Deposit regarding the opening of your account and maturity of your deposit.

Specific clauses for each product you select are set out in Section 5.

Applying for your NAB Tailored Deposit

Step 1 Please ensure you have read this PDS and discuss the offer with your financial adviser and/or NAB Relationship Manager.

Step 2 Decide your preferences for the following components of your NAB Tailored Deposit;

Product	Component
Flexi Deposit	<ul style="list-style-type: none"> Principal to invest; Deposit term; Interest payment frequency; Order of your floating and fixed rate periods; and Length of each floating and fixed rate period.
Floating Deposit	<ul style="list-style-type: none"> Principal to invest; Deposit term; and Interest payment frequency.

Indicative interest rate quote

Step 3 Based on your preferences your NAB Relationship Manager will provide you or your Nominated Representative with an indicative quote for your NAB Tailored Deposit.

Step 4 You may accept the quote by completing and submitting the Application Form and Authority for your NAB Tailored Deposit to your NAB Relationship Manager.

Receipt of your cleared funds

Step 5 On receipt of your completed Application Form and Authority by your NAB Relationship Manager, and principal deposited in cleared funds prior to 3pm AEST/AEDT on a Business Day, we will issue your NAB Tailored Deposit.

We will also confirm the investment details of your NAB Tailored Deposit. You should check this confirmation carefully.

Maturity of your NAB Tailored Deposit

Step 6 We will contact you or your Nominated Representative prior to maturity of your NAB Tailored Deposit (or you could also call us) to discuss your upcoming deposit maturity and determine if you wish to reinvest your principal and/or interest at maturity.

Step 7 If you require payment of your principal on maturity, we will arrange your final payment to be made to your Nominated Account.

Re-investment of your NAB Tailored Deposit

Step 8 If you choose to re-invest your principal and/or interest in a new NAB Tailored Deposit, your NAB Relationship Manager will take you through the relevant steps.

Step 9 Details of your completed Application Form and Authority will apply as a standing authority to each NAB Tailored Deposit opened under this PDS.

Section 5

INTEREST CALCULATION AND PAYMENT WITH WORKED EXAMPLES

In addition to the clauses set out in Section 4, the following clauses apply to the specific NAB Tailored Deposit issued to you.

5.1 NAB Flexi Deposit

Interest rate

The indicative rate quoted by your NAB Relationship Manager and agreed by you at that time will be:

- fixed for the fixed rate period; and
- a floating rate (Reference Rate plus a margin) will apply for the floating rate period.

The order of each period is selected by you on application with your NAB Relationship Manager.

During your floating rate period, your Reference Rate is reset according to changes in the applicable BBSW (which matches your selected interest payment frequency) as at the beginning of each interest payment frequency period. The floating rate that then applies for that interest payment frequency period is the updated Reference Rate plus your margin.

Interest calculation

Interest is calculated daily on your principal according to the interest rate applicable to your fixed or floating rate period, up to and including the Business Day before the interest payment date.

Interest payments are calculated using the following formula:

$$\text{Interest Payment} = P \times R \times \frac{D}{365}$$

P	Principal
R	Fixed rate or floating rate (Reference Rate) plus a margin
D	Days in fixed or floating rate period selected by you

Interest payment

Interest is credited to your Nominated Account according to the interest payment frequency selected by you on the first Business Day of the subsequent interest payment period.

What is the Reference Rate ?

The Reference Rate is the applicable Australian Bank Bill Swap (BBSW) Benchmark Rate which matches the frequency of your interest payments. BBSW is widely used as a reference interest rate by banks in Australia.

More information on BBSW can be sourced from the Australian Financial Markets Association website at www.afma.com.au/data.

BBSW is not the Reserve Bank of Australia (RBA) Cash Rate and does not necessarily replicate the RBA Cash Rate.

Case Example 1

Bob is an investor with views on interest rates over the next two years. He believes that interest rates will fall in the short term (next 6 months) and slowly pick up over the long term (next 18 months thereafter).

Bob wants to invest \$200,000 in a NAB Flexi Deposit and receive monthly interest payments. His NAB Relationship Manager provides him with the following 2 year Flexi Deposit quote:

Fixed rate (first 6 months): 2.70% p.a.

Floating rate (next 18 months): 1m BBSW + 90bps

Bob advises his NAB Relationship Manager to proceed with the quote and invest his \$200,000 in a NAB Flexi Deposit paying monthly interest for a 2 year term (as displayed below).

Month	1m BBSW	D	R (p.a.)	Interest payments
Fixed rate period				
1	1.64%	31	2.70%	\$458.63
2	1.56%	28	2.70%	\$414.25
3	1.49%	31	2.70%	\$458.63
4	1.57%	30	2.70%	\$443.84
5	1.68%	31	2.70%	\$458.63
6	1.74%	30	2.70%	\$443.84
Floating rate period				
7	1.71%	31	2.61%	\$443.34
8	1.77%	31	2.67%	\$453.53
9	1.81%	30	2.71%	\$445.48
10	1.76%	31	2.66%	\$451.84
11	1.72%	30	2.62%	\$430.68
12	1.92%	31	2.82%	\$479.01
13	1.98%	31	2.88%	\$489.21
14	1.99%	28	2.89%	\$443.40
15	2.03%	31	2.93%	\$497.70
16	1.94%	30	2.84%	\$466.85
17	2.10%	31	3.00%	\$509.59
18	2.13%	30	3.03%	\$498.08
19	2.08%	31	2.98%	\$506.19
20	2.20%	31	3.10%	\$526.58
21	2.31%	30	3.21%	\$527.67
22	2.27%	31	3.17%	\$538.47
23	2.31%	30	3.21%	\$527.67
24	2.41%	31	3.31%	\$562.25

Monthly interest workings

$$\begin{aligned} \text{Month 4} &= P \times \text{fixed rate} \times D/365 \\ &= \$200,000 \times 2.70\% \times 30/365 \\ &= \$443.84 \end{aligned}$$

$$\begin{aligned} \text{Month 10} &= P \times \text{floating rate} \times D/365 \\ &= \$200,000 \times 2.66\% \times 31/365 \\ &= \$451.84 \end{aligned}$$

At maturity

At maturity, Bob will receive his principal of \$200,000, in addition to his final interest payment in his Nominated Account.

Payment at maturity

$$\begin{aligned} &= P + [P \times \text{floating rate} \times D/365] \\ &= \$200,000 + [\$200,000 \times 3.31\% \times 31/365] \\ &= \$200,562.25 \end{aligned}$$

Summary

By tailoring his deposit, Bob was able to:

- Benefit from rising BBSW beyond the first 6 months of his NAB Flexi Deposit through his rising floating rate which is reset in line with 1m BBSW on a monthly basis (as per his elected interest payment frequency)
- Enjoy higher returns over the life of his deposit than he would have received if he were to invest his principal at the fixed rate of 2.70% p.a. over the 2 years

Case Example 2

Hidden Treasures Pty Ltd is a mining company that wants to invest \$2,000,000 over 5 years and receive quarterly interest returns.

They want to receive higher interest returns in the first 2 years to fund additional labour costs associated with a current project. Hidden Treasures' NAB Relationship Manager provides the following 5 year Flexi Deposit quote:

Fixed rate (first 2 years): 3.10% p.a.

Floating rate (next 3 years): 3m BBSW + 34bps

Hidden Treasures advises their NAB Relationship Manager to proceed with the quote and invest \$2,000,000 in a NAB Flexi Deposit paying quarterly interest over a 5 year period. Details are displayed in the below table.

Quarter	3m BBSW	D	R (p.a.)	Interest payments
Fixed rate period				
1	1.71%	90	3.10%	\$15,287.67
2	1.85%	91	3.10%	\$15,457.53
3	1.79%	92	3.10%	\$15,627.40
4	1.68%	92	3.10%	\$15,627.40
5	1.73%	90	3.10%	\$15,287.67
6	1.82%	91	3.10%	\$15,457.53
7	1.85%	92	3.10%	\$15,627.40
8	1.78%	92	3.10%	\$15,627.40
Floating rate period				
9	1.80%	90	2.14%	\$10,553.42
10	1.89%	91	2.23%	\$11,119.45
11	1.81%	92	2.15%	\$10,838.36
12	1.86%	92	2.20%	\$11,090.41
13	1.79%	90	2.13%	\$10,504.11
14	1.91%	91	2.25%	\$11,219.18
15	1.94%	92	2.28%	\$11,493.70
16	1.91%	92	2.25%	\$11,342.47
17	1.98%	90	2.32%	\$11,441.10
18	2.03%	91	2.37%	\$11,817.53
19	2.01%	92	2.35%	\$11,846.58
20	2.07%	92	2.41%	\$12,149.04

Quarterly interest workings

$$\begin{aligned} \text{Quarter 2} &= P \times \text{fixed rate} \times D/365 \\ &= \$2,000,000 \times 3.10\% \times 91/365 \\ &= \$15,457.53 \end{aligned}$$

$$\begin{aligned} \text{Quarter 16} &= P \times \text{floating rate} \times D/365 \\ &= \$2,000,000 \times 2.25\% \times 92/365 \\ &= \$11,342.47 \end{aligned}$$

At maturity

At maturity, Hidden Treasures will receive their principal of \$2,000,000, in addition to their final interest payment in their Nominated Account.

Payment at maturity

$$\begin{aligned} &= P + [P \times \text{floating rate} \times D/365] \\ &= \$2,000,000 + [\$2,000,000 \times 2.41\% \times 92/365] \\ &= \$2,012,149.04 \end{aligned}$$

Summary

By tailoring their deposit, Hidden Treasures locked in:

- The quarterly interest returns they required over the first 2 years to fund labour costs for their current project
- Interest payments linked to rising 3m BBSW, reset on a quarterly basis, in the final 3 years

5.2 NAB Floating Deposit

Interest rate

The indicative rate quoted by your NAB Relationship Manager and agreed by you at that time will be a floating rate comprising a Reference Rate (BBSW) plus a margin for the term you select on application with your NAB Relationship Manager.

Your Reference Rate is reset according to changes in the applicable BBSW (which matches your selected interest payment frequency) as at the beginning of each interest payment frequency period. The floating rate that then applies for each interest payment frequency period is the updated Reference Rate plus your margin.

Interest calculation

Interest is calculated daily on your principal according to the interest rate applicable to your selected floating rate period up to and including the Business Day before the interest payment date.

Interest payments are calculated using the following formula:

$$\text{Interest Payment} = P \times R \times \frac{D}{365}$$

P	Principal
R	Floating rate (Reference Rate plus a Margin)
D	Days in floating rate period selected by you

Interest payment

Interest is credited to your Nominated Account according to the interest payment frequency selected by you on the first Business Day of the subsequent interest payment period.

What is the Reference Rate?

The Reference Rate is the applicable Australian Bank Bill Swap (BBSW) Benchmark Rate which matches the frequency of your Interest payments. BBSW is widely used as a reference interest rate by banks in Australia.

More information on BBSW can be sourced from the Australian Financial Markets Association website at www.afma.com.au/data.

BBSW is not the Reserve Bank of Australia (RBA) Cash Rate and does not necessarily replicate the RBA Cash Rate.

Case Example 1

Westside Community Group (Westside) is a government-owned organisation which holds a principal of \$10,000,000. Westside require benchmark returns of 3m BBSW plus a margin of 83bps on their principal to meet cash flow requirements associated with the implementation of a community program over the next 5 years.

Westside would prefer the convenience of holding a single deposit for 5 years that provides quarterly interest payments. Westside’s NAB Relationship Manager provides the following 5 year NAB Floating Deposit quote:

Floating rate: 3m BBSW + 83bps

Westside advise their NAB Relationship Manager to proceed with the quote and invest \$10,000,000 in a 5 year NAB Floating Deposit. They receive quarterly interest payments as per the details specified in the below table.

Quarter	3m BBSW	D	R (p.a.)	Interest payments
1	1.84%	90	2.67%	\$65,835.62
2	1.89%	91	2.72%	\$67,813.70
3	1.87%	92	2.70%	\$68,054.79
4	1.93%	92	2.76%	\$69,567.12
5	1.90%	90	2.73%	\$67,315.07
6	1.81%	91	2.64%	\$65,819.18
7	1.83%	92	2.66%	\$67,046.58
8	1.98%	92	2.81%	\$70,827.40
9	2.01%	90	2.84%	\$70,027.40
10	1.96%	91	2.79%	\$69,558.90
11	1.89%	92	2.72%	\$68,558.90
12	1.80%	92	2.63%	\$66,290.41
13	1.71%	90	2.54%	\$62,630.14
14	1.73%	91	2.56%	\$63,824.66
15	1.69%	92	2.52%	\$63,517.81
16	1.63%	92	2.46%	\$62,005.48
17	1.68%	90	2.51%	\$61,890.41
18	1.73%	91	2.56%	\$63,824.66
19	1.71%	92	2.54%	\$64,021.92
20	1.77%	92	2.60%	\$65,534.25

Quarterly interest workings

$$\begin{aligned} \text{Quarter 3} &= P \times \text{floating rate} \times D/365 \\ &= \$10,000,000 \times 2.76\% \times 92/365 \\ &= \$69,567.12 \end{aligned}$$

$$\begin{aligned} \text{Quarter 15} &= P \times \text{floating rate} \times D/365 \\ &= \$10,000,000 \times 2.52\% \times 92/365 \\ &= \$63,517.81 \end{aligned}$$

At maturity

At maturity, Westside will receive their principal of \$10,000,000, in addition to their final interest payment in their Nominated Account.

Payment at maturity

$$\begin{aligned} &= P + [P \times \text{floating rate} \times D/365] \\ &= \$10,000,000 + [\$10,000,000 \times 2.60\% \times 92/365] \\ &= \$10,063,013.70 \end{aligned}$$

Summary

Despite the interest rate movements over the 5 year term, by tailoring their deposit, Westside was able to:

- Have their floating rate reset each quarter in line with 3m BBSW effective on each interest payment period start date
- Meet its benchmark by receiving a floating rate of 83bps above 3m BBSW on their principal
- Benefit from the convenience of administering only one single deposit

Case Example 2

Phil is an investor who has \$200,000 to deposit for a period of 6 months. He would like to receive monthly interest returns of 1m BBSW plus a margin of 95bps.

Phil's NAB Relationship Manager provides the following 6 month NAB Floating Deposit quote:

Floating rate: 1m BBSW + 95bps

Phil advises his NAB Relationship Manager to proceed with the quote and invest \$200,000 in a 6 month NAB Floating Deposit. He receives monthly interest payments as per the details specified in the below table.

Month	1m BBSW	D	R (p.a.)	Interest payments
1	1.77%	31	2.72%	\$462.03
2	1.71%	28	2.66%	\$408.11
3	1.75%	31	2.70%	\$458.63
4	1.74%	30	2.69%	\$442.19
5	1.84%	31	2.79%	\$473.92
6	1.90%	30	2.85%	\$468.49

Monthly interest workings

$$\begin{aligned} \text{Month 2} &= P \times \text{floating rate} \times D/365 \\ &= \$200,000 \times 2.66\% \times 28/365 \\ &= \$408.11 \end{aligned}$$

$$\begin{aligned} \text{Month 4} &= P \times \text{floating rate} \times D/365 \\ &= \$200,000 \times 2.69\% \times 30/365 \\ &= \$442.19 \end{aligned}$$

$$\begin{aligned} \text{Month 5} &= P \times \text{floating rate} \times D/365 \\ &= \$200,000 \times 2.79\% \times 31/365 \\ &= \$473.92 \end{aligned}$$

At maturity

At maturity, Phil will receive his principal of \$200,000, in addition to his final interest payment in his Nominated Account.

Payment at maturity

$$\begin{aligned} &= P + [P \times \text{floating rate} \times D/365] \\ &= \$200,000 + [\$200,000 \times 2.85\% \times 30/365] \\ &= \$200,468.49 \end{aligned}$$

Summary

By tailoring his deposit, Phil was able to:

- Have his floating rate reset each month in line with rising 1m BBSW effective on each interest payment period start date
- Benefit from increasing interest payments as a result of his rising floating rate

Section 6

OTHER IMPORTANT PRODUCT INFORMATION

6.1 Other important product terms

Banking Code of Practice

NAB has adopted the Banking Code of Practice and relevant provisions of the Code apply to your NAB Tailored Deposits if you are an individual or a small business referred to in the Code.

You can obtain from NAB upon request:

- a) information on the indicative interest rates available on the NAB Tailored Deposits from your NAB Relationship Manager;
- b) general descriptive information concerning NAB's banking services including;
 - account opening procedures;
 - NAB's obligations regarding the confidentiality of your information;
 - complaint handling procedures;
 - bank cheques;
 - the advisability of you informing NAB promptly when you are in financial difficulty;
 - the advisability of you reading the terms and conditions applying to each banking service NAB provides to you;
- c) general descriptive information about;
 - the identification requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006;
 - the options available to you under the TFN legislation; and
- d) a copy of the Banking Code of Practice.

Discretion

Where the terms in this PDS confer on NAB a discretion, we will exercise that discretion reasonably and in accordance with our legitimate business needs.

Changes NAB may make

NAB may make changes to the terms in this PDS, including introducing or changing a fee or charge, and will give you reasonable notice of any such change in the national media, or as is otherwise required by an applicable legislation or industry codes.

If we believe a change is unfavourable to you, we usually give 31 days' notice of the change, but can give less notice or no notice if this is in accordance with law and industry codes. For example, this may happen if it is reasonable for us to give shorter notice, to manage an immediate and material risk. Any new or changed government charges can be notified reasonably promptly after the government notifies us – but we may not have to tell you about them if the government publicises the change.

Communications

Any notices or communications we provide to you under these terms will be made by electronic communication to your nominated email address set out in the Application Form and Authority (as updated from time to time). In some cases we may also provide written confirmation to your nominated mailing address (e.g. confirmation notices).

You must notify us promptly of each change of your nominated email address or nominated mailing address.

Fees

NAB does not charge any establishment, transaction or monthly fees for your NAB Tailored Deposits.

NAB may however where applicable, deduct from your NAB Tailored Deposits any government charges, duties or taxes relating to your NAB Tailored Deposits.

No early pre-payment

The NAB Tailored Deposits are designed to be held until maturity.

Your deposit cannot be withdrawn before maturity of the fixed term, except in exceptional circumstances and at NAB's discretion.

If NAB exercises its discretion in such circumstances, NAB may reduce the interest paid according to the proportion of the time for which the NAB Tailored Deposit was held relative to the duration of the original term. NAB may take into consideration any interest already paid to you during the term when calculating the reduction of interest. This may mean a reduction of the principal to reflect the proportion of the interest paid for the term the deposit has not been held.

Confirmations

After receipt by NAB of cleared funds in your NAB Tailored Deposit, NAB will issue to you a confirmation notice setting out the key commercial terms of your NAB Tailored Deposit.

Joint accounts

- a) If there are two or more of you, you will be treated as holding the NAB Tailored Deposit jointly. This means that each NAB Tailored Deposit holder has the right to all of the balance of the NAB Tailored Deposit, jointly with other holders.
- b) If any of you die, the NAB Tailored Deposit will be treated as the product of the survivor or survivors jointly.
- c) Unless any of you request otherwise, NAB letters or notices (including annual interest statements) will be forwarded to the mailing address or email address of the first of you named in the NAB Tailored Deposit Application Form and Authority. In the absence of evidence to the contrary, you will all be deemed to have received any NAB letters or notices forwarded in accordance with this PDS.
- d) NAB may, at its discretion, make exceptions to clauses a) to c) from time to time.

Account authority

- a) Each depositor is authorised to provide instructions for the deposit alone unless an authority is provided to NAB which specifies who is authorised to operate the account and whether they may do so alone or jointly.
- b) When a depositor authorises a person under *Account authority* clause a) that person (the Nominated Representative) is authorised to give instructions in relation to the terms of investment or re-investment in a NAB Tailored Deposit.
- c) In respect of any authority provided to NAB under *Account authority* clause a) the depositor(s) agrees that NAB may elect not to follow any instructions given under the authority if;
 - i) NAB is not satisfied that the person giving the instruction has authority (for example, if NAB is not satisfied that the signature on the instruction matches the specimen signature held);
 - ii) in NAB's opinion, the instructions are not clear;
 - iii) NAB cannot authenticate or validate any information or documents relating to the account or service, a person who is authorised to transact on it, or the transaction; or
 - iv) NAB is notified of a dispute between joint depositors (in which case NAB may require all joint depositors or Nominated Representatives to sign any authority to operate this account).
- d) In respect of any authority provided to NAB under *Account authority* clause a) the depositors agree that NAB may, by giving notice, override the authority and require that all or specific future transactions must be authorised by all depositors and/or Nominated Representatives.

- e) In respect of any authority provided to NAB under *Account authority* clause a), the depositors agree that the authority does not prevent NAB from complying with other valid depositor and/or Nominated Representative instructions.

Depositor email and telephone instructions

- a) Any email or telephone instruction provided by you for your NAB Tailored Deposit must be given to your NAB Relationship Manager (including instructions referred to in *Account authority* clause b)). Instructions can't be given by visiting a NAB branch.
- b) Any email or telephone instruction to pay principal and/or interest to any account other than the Nominated Account set out in Section E of the Application Form and Authority must be supported by a completed and signed NAB Tailored Deposits Change of Details Form.
- c) In relation to email or telephone instructions properly made by you to a NAB Relationship Manager:
- i) NAB is authorised to accept and act upon any email or telephone instruction given to NAB which purports to have been given by you;
 - ii) NAB must receive all instructions given by email or telephone for processing on a particular day by 3pm AEST/AEDT. NAB reserves the right to hold any instructions received after this time for processing on the following Business Day;
 - iii) all depositors ratify each and every action taken by a depositor while this authority applies;
 - iv) NAB isn't responsible for any loss, damage or liability depositors may suffer or incur by reason of, or in connection with:
 - NAB acting on any email or telephone instructions which purports to have been delivered from any depositor acting individually;
 - any error in the email or telephone instructions; or

- in the absence of a breach of obligation owed to a depositor, any delays in following an email or telephone instruction.
- d) NAB isn't liable if NAB acts on email or telephone instructions which are the result of forgery, fraud or error or are given in excess of the authority of the depositor who issues the email or telephone instruction.
- e) NAB may choose not to accept or act upon any email or telephone instruction given under this authority if for any reason we are unsatisfied that the instruction has been issued by one of the depositors. NAB may also choose to only accept or act upon an email or telephone instruction after the instruction is confirmed or further information is provided.
- f) NAB is not obliged to action any email or telephone instruction unless there are enough funds available to carry out the request.
- g) Acting reasonably and in accordance with our legitimate business interests, NAB may vary the terms of this authority by giving you at least seven days written notice.
- h) NAB may, by giving you notice, override this authority and require that all depositors authorise all or specific future email or telephone instructions on your NAB Tailored Deposit.

Governing law

The terms in this PDS and the transactions contemplated by these terms are governed by the law in force in Victoria and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of those courts.

Assignment

You acknowledge that your rights under a NAB Tailored Deposit are personal to you, and a purported dealing by you in relation to a NAB Tailored Deposit (including by way of assignment, transfer, mortgage, charge, security interest, declaration of trust or otherwise) will not be effective to give anybody other than you any rights in or to that NAB Tailored Deposit as against NAB.

6.2 General matters

Taxation

The tax implications of a NAB Tailored Deposit may vary depending on your individual circumstances and your investor type (investing entity type).

You should not rely on the general tax information contained in this PDS prior to investing to determine your personal tax obligations. You should discuss your specific taxation circumstances with, and obtain advice from, your independent tax adviser when considering whether to invest in a NAB Tailored Deposit.

NAB benefits and staff remuneration

Staff members who sell NAB Tailored Deposits are salaried employees of NAB and 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. Non-monetary benefits or rewards for staff members and their partner 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 NAB Tailored Deposits 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.

Remuneration to financial advisers

NAB does not pay or pass on benefits to your financial adviser or to any other person in connection with your NAB Tailored Deposits which would be prohibited conflicted remuneration under Australian law.

Only in the case that you are a wholesale client investing in your NAB Tailored Deposits through a financial adviser, you may give us an express instruction or clear consent to pay your financial adviser a fee or commission as remuneration for financial product advice given to you by the financial adviser.

Platform investors

We authorise the use of this PDS as disclosure if you invest in NAB Tailored Deposits through a Wealth Platform such as an investor directed portfolio service (IDPS) or IDPS-like scheme, Superannuation Fund Master Trust, Wrap account or a nominee or custody service.

People who invest in NAB Tailored Deposits through a Wealth Platform do not become direct investors in NAB Tailored Deposits. The operator or custodian of the master trust or wrap account will hold the assets in a trust on your behalf. The operator or custodian will be recorded as the investor in respect of NAB Tailored Deposits and will be the entity who exercises the rights and receives the benefit as a holder of NAB Tailored Deposits. Reports and documentation relating to NAB Tailored Deposits will be sent to the operator or custodian. If you invest in NAB Tailored Deposits through a master trust or wrap account, your investment may be subject to different conditions from those set out in this PDS, particularly in relation to:

- fees and expenses;
- transferring their investment in NAB Tailored Deposits; and
- receipt of principal at maturity.

Investors in Wealth Platforms should contact their adviser or operator for queries relating to their investment.

Complaints

As you are an Indirect Investor, for information about resolving problems or disputes, please first contact the Platform Operator.

If you subsequently feel your complaint has not been resolved to your satisfaction, you may refer it to our external dispute resolution provider, the Australian Financial Complaints Authority (AFCA), of which we are a member. AFCA is an external dispute resolution scheme that provides free advice and assistance to consumers to help resolve complaints relating to financial service providers.

The address of AFCA is GPO Box 3, Melbourne VIC 3001. You can lodge a complaint by calling 1800 931 678 or emailing info@afca.org.au. More information is available at www.afca.org.au.

Privacy notification

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 includes how you can:

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

You can ask us for a copy of these documents at any time through contacting **1800 227 611**.

Section 7

GLOSSARY

AEDT Australian Eastern Daylight Time.

AEST Australian Eastern Standard Time.

Banking Code of Practice or **Code** mean the Banking Code of Practice, but before 1 July 2019 refer to the Code of Banking Practice (2013 version).

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Sydney.

Interest means a monthly, quarterly or semi-annual payment (other than a principal payment) made by us under your NAB Tailored Deposit.

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

NAB Tailored Deposit means a deposit with NAB on the terms set out in this PDS.

Nominated Account means the account identified in Section E of the Application Form and Authority to which principal and interest entitlements will be credited during the term of the deposit and/or at maturity.

Nominated Representative means your elected authorising officer(s) and/or financial adviser as identified in Section B and/or C respectively in your Application Form and Authority. These representatives have authority to provide instructions to NAB regarding your NAB Tailored Deposit.

Platform means an investor directed portfolio service (IDPS) or IDPS-like scheme, Superannuation Fund Master Trust, Wrap account or a nominee or custody service.

You, your means the depositor(s) who opened the NAB Tailored Deposit, and if there is more than one, you means each of them separately and every two or more of them jointly. You includes your successors and assigns and, in relation to your rights to operate the deposit, any other Nominated Representative to the deposit acting within his or her authority. For the avoidance of doubt, You may be a natural person, a company or other form of incorporated entity.

DIRECTORY

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

NAB Tailored Deposit Administration Team
Level 30, 500 Bourke Street
Melbourne VIC 3000
TEL: 1800 227 611