

KEB HANA Bank Sydney Branch

Deposit Accounts

Terms and Conditions

Oct 2015 Edition



SYDNEY BRANCH

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Contents

1.	Interpretation	2
2.	New Accounts	2
3.	Demand Deposit Accounts	2
4.	Term Deposit Accounts	3
5.	Account Operation	4
6.	Interest	6
7.	Suspension and Closure of Accounts	7
8.	Cheque accounts	8

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Terms and Conditions

1. Interpretation

Terms not otherwise defined in any offer letter have the following meanings:

Australian Resident means an obligor identified by KEB HANA as being a permanent resident of Australia or an Australian citizen.

Business Day means a day (other than a Saturday or Sunday or a public holiday or bank holiday) on which banks are open for general business in Sydney and, in relation to any date for payment or purchase of funds, the principal financial centre for the relevant currency of those funds.

Foreign Resident means an obligor that is not an Australian Resident.

KEB HANA means KEB HANA Bank trading as KEB HANA Bank Sydney Branch, ABN 96 164 085 563, AFSL No. 450526 situated on level 12 Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

2. New Accounts

If you wish to open an account referred to in these terms and conditions with KEB HANA HANA, you must provide KEB HANA with the following documents or information in form and substance acceptable to KEB HANA:

- (a) a 'Notice to New Depositors' declaration, properly completed and signed by you;
- (b) any forms or documents required from you in order for KEB HANA to assess whether you are an Australian Resident or a Foreign Resident; and
- (c) any other account opening forms that apply to the account in the form provided by KEB HANA to you.

3. Demand Deposit Accounts

3.1 Opening a demand deposit Account

- (a) You may open accounts for the deposit of money with KEB HANA. In these terms and conditions, this is called a '**demand deposit account**'.
- (b) The opening of any demand deposit account is solely at KEB HANA's discretion. KEB HANA does not have to provide any reason for refusing to open a demand deposit account.
- (c) KEB HANA may determine the minimum amount required to be deposited with KEB HANA in order to open a demand deposit account. KEB HANA may change this amount at any time. Demand deposit accounts for different types of customers may require different minimum initial deposit amounts. As of the date of these terms and

conditions, the following minimum initial deposit amounts apply you when you wish to open a deposit account:

- (i) if you are an Australian Resident, A\$250,000 or its equivalent in another currency acceptable to KEB HANA;
 - (ii) if you are a Foreign Resident, A\$50 or its equivalent in another currency acceptable to KEB HANA;
 - (iii) if you are a body corporate that is not an unincorporated association, nil;
 - (iv) if you are a body corporate that is an unincorporated association, A\$250,000 or its equivalent in another currency acceptable to KEB HANA.
- (d) You may open a deposit account by contacting KEB HANA by phone. You may be required to provide KEB HANA with certain information including your name, the name of the account, your address and any other relevant information including, without limitation your Australian Tax File Number, Australian Company Number and / or Australian Business Number.

3.2 **Joint accounts**

- (a) A deposit account may be opened in more than one name. This is called a '**joint account**'.
- (b) Each account holder can give instructions in relation to the joint account. This means that any joint account holder can authorise a withdrawal, transfer, or other dealing in relation to a deposit account.
- (c) Each account holder is jointly and severally liable in respect to the joint account. For example, each account holder is liable for any overdrawn amounts in respect of the joint account even if one account holder did not authorise the deposit account to be overdrawn.

4. Term Deposit Accounts

- (a) You may open accounts for the deposit of money with KEB HANA on a fixed term basis. In these terms and conditions, this is called a '**term deposit account**'.
- (b) The opening of any term deposit account is solely at KEB HANA's discretion. KEB HANA does not have to provide any reason for refusing to open a term deposit account.
- (c) KEB HANA may determine the minimum amount required to be deposited with KEB HANA in order to open a term deposit account. KEB HANA may change this amount at any time. Different types of term deposit accounts may require different minimum opening amounts. As of the date of these terms and conditions, the following minimum opening amounts apply to you when you wish to open a term deposit account:
 - (i) if you are an Australian Resident, A\$250,000 or its equivalent in another currency acceptable to KEB HANA;
 - (ii) if you are a Foreign Resident, A\$5,000 or its equivalent in another currency acceptable to KEB HANA;

- (iii) if you are a body corporate that is not an unincorporated association, A\$5,000 or its equivalent in another currency acceptable to KEB HANA;
 - (iv) if you are a body corporate that is an unincorporated association, A\$250,000 or its equivalent in another currency acceptable to KEB HANA.
- (d) When placing funds on term deposit, you must instruct KEB HANA as to the length of time the funds are to be placed on term deposit and the maturity date. If you do not instruct KEB HANA on these matters, KEB HANA will place the funds on deposit for a period determined by KEB HANA. The maximum length of time that funds may be placed on term deposit is five years.
- (e) You must notify KEB HANA more than 30 days before you make any withdrawal of some or all of the funds on term deposit.
- (f) Without limiting KEB HANA's rights under paragraph (h) below or clause 7 of these conditions, if you do not provide notice to KEB HANA more than 30 days before you make any withdrawal of some or all of the funds on term deposit, instructing KEB HANA how those funds are to be dealt with, KEB HANA may, at its absolute discretion:
- (i) re-deposit those funds in the same term deposit product that you initially selected, and apply the then current interest rate for such term deposits (which may be lower than the interest rate applicable to the funds held on term deposit with KEB HANA); or
 - (ii) withdraw all funds from the term deposit account and pay them to you, and close your term deposit account.
- (g) Funds may only be withdrawn without penalty from the term deposit on the maturity date. Withdrawals which occur prior to the maturity date may only be made with KEB HANA's prior written consent (which will be granted at KEB HANA's sole discretion), which you must request in writing more than 30 days prior to the requested withdrawal date, and the interest on the term deposit may be paid at a lower rate determined by KEB HANA. Also, you may be liable to pay to KEB HANA any fees or charges.
- (h) Unless more than 2 days prior to the maturity date KEB HANA receives written instructions from you requesting that your term deposit be rolled over to a new term for a period to be agreed with KEB HANA, on the maturity date of a term deposit the term deposit will be rolled over to a new term for a similar period at KEB HANA's prevailing interest rate at KEB HANA's discretion.
- (i) No Corporate Deposit may be withdrawn from a term deposit under paragraphs (e) to (g) if the depositor has not given KEB HANA greater than 30 days prior written notice from the proposed date of withdrawal of its intention to make that withdrawal. For the purposes of this paragraph, a '**Corporate Deposit**' is a deposit that is not a Retail Deposit or a SME Deposit (as defined below).

5. Account Operation

5.1 Deposits

- (a) KEB HANA may not accept deposits greater than A\$5,000 made by cash unless it has given its prior consent to you to do so.

- (b) Deposits may be made by electronic funds transfer or any other method which KEB HANA permits from time to time. You are responsible for ensuring the accuracy and completeness of any deposit. KEB HANA accepts no liability for any inaccuracies or omissions when a deposit is made.
- (c) KEB HANA reserves the right to refuse to accept any deposit, in any currency, at its sole discretion.
- (d) KEB HANA may at any time prescribe a minimum or maximum amount which may be deposited into an account in any one transaction.
- (e) Interest will only accrue on any deposit made once KEB HANA has received cleared funds.

5.2 **Withdrawals**

- (a) Withdrawals of cash greater than A\$5,000 are not permitted without KEB HANA's prior consent. Withdrawals may be made by electronic transfer of funds or any other method KEB HANA prescribes from time to time.
- (b) KEB HANA may at any time prescribe a minimum or maximum amount which may be withdrawn in any one transaction.
- (c) KEB HANA may debit your account for all amounts withdrawn.
- (d) KEB HANA is under no obligation to honour any request to withdraw funds if:
 - (i) the account has insufficient funds;
 - (ii) in KEB HANA's opinion the withdrawal request contains a signature which is different from the account holders' signatures given to KEB HANA (irrespective of whether the signatures are authentic or not);
 - (iii) in KEB HANA's opinion, the party making the request has not provided sufficient information or documentation to KEB HANA to enable KEB HANA to determine the identity of that party; or
 - (iv) in KEB HANA's opinion the request for withdrawal is irregular in any way.
- (e) KEB HANA is not liable if any request for withdrawal is false or forged, and KEB HANA may still debit your account so long as KEB HANA is acting in good faith.
- (f) All requests for withdrawals (including any alteration to a previous request) must be made in the manner prescribed by KEB HANA from time to time.

5.3 **Overdrawn accounts**

- (a) Overdraft facilities are only allowed with the prior written approval of KEB HANA, on terms and conditions specified by KEB HANA from time to time.
- (b) Unless otherwise agreed with KEB HANA, all overdrawn amounts are immediately payable to KEB HANA together with interest, commission, fees and charges.

- (c) Interest payable on overdrawn amounts will be charged on a monthly basis (or such other basis as KEB HANA may specify) at a rate determined by KEB HANA. Interest will accrue daily.
- (d) KEB HANA may debit your account with any amount owed to KEB HANA even if this results in the account being overdrawn. In this instance, you will still be liable to pay all overdrawn amounts immediately.

5.4 **No liability**

Despite any provision of these terms and conditions and to the maximum extent permitted by law, neither KEB HANA nor any of its agents are liable for any loss or damage (including without limitation consequential loss or damage) due to:

- (a) any errors, delays or defaults of any kind in the transmission or delivery of any funds, messages or instructions;
- (b) any acts, regulation or law of any relevant government or government agency;
- (c) a failure to locate or error in identifying any payee;
- (d) non-receipt of funds by the payee's bank; or
- (e) any matter whatsoever beyond the reasonable control of KEB HANA or its agents.

5.5 **Right of Set Off**

KEB HANA reserves the right to apply the credit balance held in any of your Term Deposit accounts against any debt owed by either you, jointly or individually to KEB HANA.

5.6 **Minimum balance**

KEB HANA may at any time nominate a minimum account balance which must be maintained in the account by you.

6. **Interest**

6.1 **Interest on deposit accounts**

- (a) KEB HANA will pay interest on all amounts held in a deposit account.
- (b) Interest rates will be determined by KEB HANA at its discretion and may vary on a daily basis. The current interest rates applied by KEB HANA will be disclosed on the website of KEB HANA and are available at the Sydney branch office of KEB HANA.
- (c) Interest will be calculated on the daily balance on the last day of each calendar quarter (subject to paragraphs (e) and (f) below).
- (d) Interest will be paid to the account for which interest has accrued.
- (e) If a payment date for interest is not a Business Day, the relevant payment obligation will be due on the next Business Day.

- (f) If a payment date for interest is on the 29th, 30th or 31st day of a month which does not contain that date, the relevant payment obligation will be due on the next Business Day.

6.2 Interest on term deposit accounts

- (a) KEB HANA will pay interest on all amounts held in a term deposit account.
- (b) The rate of interest is fixed for the term of the deposit, unless any funds are withdrawn prior to the maturity date, in which case KEB HANA will vary the interest rate at its discretion. You may also incur fees and charges.
- (c) Interest will be calculated on the daily balance and paid on the maturity of the deposit (subject to paragraphs (e) and (f) below).
- (d) Interest will be paid to the account for which interest has accrued.
- (e) If a payment date for interest is not a Business Day, the relevant payment obligation will be due on the next Business Day.
- (f) If a payment date for interest is on the 29th, 30th or 31st day of a month which does not contain that date, the relevant payment obligation will be due on the next Business Day.

7. Suspension and Closure of Accounts

7.1 Closure of an account by you

- (a) You may close an account at any time by contacting KEB HANA. Fees and charges may apply to closing an account.
- (b) Closing of term deposit accounts may result in a reduction in interest.
- (c) On closure of an account, KEB HANA will pay to you the balance of the account as at the date of closure less any fees, charges or penalties.
- (d) With respect to Retail Deposits and SME Deposits, KEB HANA has complete discretion to consider application of fees and penalties if account closure is a result of hardship. For the purposes of this paragraph:
 - (i) a ‘**Retail Deposit**’ is a deposit made by natural person; and
 - (ii) a ‘**SME Deposit**’ is a deposit made by a small or medium enterprise where such deposits are managed as retail exposures and are generally considered as having similar liquidity risk characteristics to Retail Deposits, and the total aggregated funding raised from an SME customer is less than \$2 million (on a consolidated basis where applicable),

in each case for the purposes of Prudential Standard APS 210, issued by the Australian Prudential and Regulation Authority from time to time.

7.2 KEB HANA may close accounts

- (a) KEB HANA may elect to close any account at any time.

- (b) If KEB HANA closes an account, KEB HANA may discharge its liability to you by notifying you in writing that the account has been closed and sending the net balance to your nominated account or to the last address for notices notified by you to KEB HANA.

7.3 **KEB HANA may suspend accounts**

KEB HANA may suspend the operation of any or all accounts for any reason.

7.4 **Unclaimed money**

If you do not make a deposit or withdrawal on an account for seven years (excluding payment of interest), Commonwealth legislation states that KEB HANA must treat the funds as unclaimed money and without notice to you, transfer the balance to the Commonwealth Government where it will be held in an unclaimed money fund which does not accrue interest. In these circumstances you must apply to the Commonwealth Government for release of the funds.

8. Cheque Accounts

8.1 **Introduction**

This clause applies if KEB HANA has opened an account with you to issue and process cheques. KEB HANA may pay, stop or dishonour any cheque. Subject to these conditions of use, KEB HANA will pay a cheque when you draw the cheque and the cheque is presented to KEB HANA for payment. KEB HANA may decide the order in which cheques are paid.

8.2 **Authority**

- (a) You must ensure that any cheque drawn on the cheque facility is signed in accordance with a written authority you give to KEB HANA. That authority must set out who may sign cheques on your behalf.
- (b) You may change or replace the authority by written notice to KEB HANA.
- (c) KEB HANA may not act in accordance with the authority if:
 - (i) the instructions given under the authority are inconsistent with your loan contract;
 - (ii) KEB HANA reasonably believes that an instruction given under the authority may result in loss to you or KEB HANA;
 - (iii) the instructions given under the authority are not clear or conflict with another instruction or with an obligation that KEB HANA owes;
 - (iv) KEB HANA becomes aware of a dispute between you and another party; or
 - (v) KEB HANA becomes aware that any of you has died, become insolvent, or become mentally incapacitated.

8.3 Using the cheque facility

- (a) This cheque facility has been made available to you so that you can draw down funds, or make redraws, from your linked facility account in accordance with your loan contract.
- (b) You authorise KEB HANA to debit the amount of each cheque that KEB HANA pays to your linked facility account. When KEB HANA debits that amount to the linked facility account, the amount of the cheque becomes part of the balance owing on the linked facility account. Interest accrues on the balance owing on the linked facility account, in accordance with your loan contract.
- (c) You must not draw a cheque if the amount of the cheque, together with any fees in respect of that cheque, would exceed the available credit balance on the linked facility account. You should check the available credit balance on your linked facility account before drawing a cheque. Fees may apply if there are insufficient funds in your linked facility account.
- (d) If for any reason KEB HANA honour a cheque which exceeds the cleared funds in your account or results in the balance of your account exceeding *your* credit limit (or is presented after your account is closed or your cheque facility is cancelled), then you will owe KEB HANA the outstanding amount. This is not an agreement by KEB HANA to provide you with credit. This debt is payable immediately to KEB HANA together with any interest and costs or expenses KEB HANA may incur in the collection of this debt.

8.4 Drawing cheques

- (a) You must only use the cheque forms KEB HANA gives you to draw a cheque.
- (b) When you draw a cheque, you should clearly print in ink (not pencil or erasable ink):
 - (i) the name of the person to whom the cheque is payable ('the **payee**'). Cheques must not be made out to cash;
 - (ii) the amount for which the cheque is drawn in words and numbers (do not leave any gaps that could be filled in by someone else); and
 - (iii) the date of the cheque.
- (c) The cheque must be signed in accordance with the authority given to KEB HANA by you.
- (d) If you alter a cheque, the alteration must be signed (as close as possible to the alteration) by the signatory or signatories that signed the cheque.
- (e) Please ensure that cheques are filled out completely. Never sign a blank cheque.

8.5 Some features of KEB HANA's cheque forms

KEB HANA recommends that you do not delete or alter the cheque forms KEB HANA gives you.

(a) **Crossed**

The cheque forms KEB HANA gives you are crossed with two parallel lines across the face of the cheque from top to bottom. This means that KEB HANA will only pay the cheques into an account, not as cash over the counter.

KEB HANA recommends that you do not delete or alter the crossing on the cheque forms KEB HANA gives you.

(b) **Not negotiable**

The cheques KEB HANA provides you are marked 'not negotiable'. This means that any person receiving a cheque has the same rights as the person giving it. For example, if someone receives a stolen cheque, the owner can recover the amount of the cheque from the person who received the cheque even though that person was not aware that the cheque was stolen.

KEB HANA recommends that you do not delete or alter the words 'not negotiable' on the cheque forms KEB HANA gives you.

(c) **Account payee only**

When the words 'account payee only' are written on a cheque, the cheque should only be paid into the account of the person named in the cheque as payee.

(d) **Bearer**

If a cheque is made payable to a payee 'or bearer', KEB HANA may pay the amount of the cheque to the person who presents the cheque, even if that person is not the payee on the cheque.

If you delete the words 'or bearer', you are directing KEB HANA to pay the amount of the cheque only to the payee named in the cheque or to any other person to whom the payee has ordered it to be paid by endorsing the cheque.

8.6 **Taking care of your cheque book and unused cheques**

- (a) To avoid the unauthorised use of cheques, you must take care of your cheque book and unused cheques and keep them in a secure location.
- (b) You must notify KEB HANA immediately if you become aware that a cheque form is lost, stolen or signed other than in accordance with the authority. If you fail to notify KEB HANA, you may be liable for some or all of the losses incurred due to KEB HANA paying on any of those cheques that appear to have been drawn in accordance with the authority.

8.7 **Stopping cheques**

- (a) You can ask to cancel a cheque or stop payment on it before KEB HANA pays the cheque.
- (b) To stop or cancel a cheque, you must contact us on **+61 2 9231 6333** or contact your relationship manager. You will need to provide details of your linked facility account, the date and amount of the cheque, the cheque number and the name of the payee. If you tell your relationship manager, the relationship manager will arrange for KEB HANA to stop the cheque.
- (c) KEB HANA will stop payment on the cheque, provided the cheque has not already been paid at the time KEB HANA is reasonably able to deal with your instruction.
- (d) KEB HANA may charge you a fee for stopping payment on a cheque.

8.8 Dishonouring cheques

- (a) Acting reasonably, KEB HANA may dishonour a cheque KEB HANA will normally only do so if:
- (i) paying the cheque together with any fees in respect of that cheque would exceed the available credit balance on the linked facility account;
 - (ii) the cheque is post-dated (that is, it bears a date that is after the date it is presented);
 - (iii) the cheque is presented 15 months or more from when it is dated;
 - (iv) the cheque has not been signed in accordance with the authority;
 - (v) there has been a material alteration to the cheque that does not appear to be authorised in accordance with the authority;
 - (vi) KEB HANA receives notice of your death, mental incapacity, bankruptcy or insolvency;
 - (vii) the cheque has not been properly completed or is incomplete;
 - (viii) KEB HANA do not physically receive the cheque as soon as reasonably practicable after presentment for payment;
 - (ix) KEB HANA have previously been notified or reasonably suspect that the cheque has been lost or stolen or signed other than in accordance with the authority;
 - (x) KEB HANA will not make the drawdown or redraw, you seek to make by drawing the cheque, under the contract for your loan; or
 - (xi) you are in default.
- (b) If a cheque contains a dollar amount in words which differs from the amount in figures, KEB HANA may either authorise the payment of the lesser of the two amounts or dishonour the cheque.
- (c) If the cheque facility is cancelled or withdrawn, any cheques presented after the date of cancellation or withdrawal will normally be dishonoured, but at KEB HANA's option they may be paid. KEB HANA may also elect to dishonour a cheque.

8.9 Liability

In addition to any matters already outlined within these terms and conditions, KEB HANA accepts no liability for:

- (a) any delay or failure in effecting a transaction on your behalf;
- (b) any act or transaction performed or effected by us in good faith on your behalf; or
- (c) the dishonour or failure to dishonour any cheque drawn by you.