

Term Deposit Accounts

Effective 8th June 2010

This is the Product Disclosure Statement (PDS) and Terms and Conditions prepared by Bank of China (Australia) Limited ("Bank") for the Bank's Term Deposit Accounts. The information in the PDS is subject to change from time to time. The Bank may also change the terms and conditions at any time, subject to law. Where the new information is materially adverse information, the Bank will either issue a new PDS or a supplementary PDS setting out the updated information. Where the new information is not materially adverse information, the Bank will notify customers of the updated information as set out in this PDS and the Bank will provide a paper copy of any updates free of charge on request. Updated information can be found at any time on our website <http://www.bocau.com.au>.

Product Disclosure Statement & Terms and Conditions

Australian Offices

Website: <http://www.bocau.com.au>

NSW

Main Office

39-41 York Street Sydney NSW 2000
Phone: 02 8235 5888 Fax: 02 9262 1794
E-mail: banking_au@bank-of-china.com

Haymarket Branch

681 George Street Sydney NSW 2000
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E-mail: haymarket_au@bank-of-china.com

Parramatta Branch

Level 2, Shop 2104, Westfield Shopping Town
Parramatta NSW 2150
Phone: 02 9893 8833 Fax: 02 9687 2919
E-mail: parramatta_au@bank-of-china.com

Hurstville Branch

213 Forest Road Hurstville NSW 2220
Phone: 02 9586 3205 Fax: 02 9579 3442
E-mail: hurstville_au@bank-of-china.com

VIC

Melbourne Branch

270 Queen Street Melbourne VIC 3000
Phone: 03 9602 3655 Fax: 03 9602 3383
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中國銀行

BANK OF CHINA

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Part 1 PRODUCT DISCLOSURE STATEMENT

Section 1: ACCOUNT INFORMATION

What is Term Deposit?

A Term Deposit is a term savings facility that bears fixed interest rate, fixed term and fixed amount investments.

The main features of the Bank's Term Deposit include:

- The Term Deposit Account may be dominated in Australian Dollars (AUD), Hong Kong Dollars (HKD), Chinese Currency (CNY) and United States Dollars (USD);
- Your funds receive secure return since the interest rate is fixed for the term;
- You may choose to receive principal payment and interest payment by cash or cheque, or choose to credit the payments into an account of your choice or invest in a new term deposit.

Section 2: GENERAL INFORMATION

1. What are the key risks?

The products offered in this PDS are low risk products. The risks that these products may involve include:

- Unauthorized Transactions: unauthorized transaction is one which is not authorized by the account holder. For instance, there is a risk that the customer's username, password and e-token for accessing internet banking may be misused by unauthorized persons. The EFT Code determines the liability for losses arising from unauthorized transactions;
- Accrued Interest: If funds are withdrawn prior to maturity of the investment, there is a risk that the accrued interest may be lost or reduced.

2. How do I access further Information?

Further information may be obtained from any branch or office of the Bank. Full contact details for the Bank are provided on the cover sheet of this document.

3. Dispute Resolution Process

Do you wish to make a complaint to the Bank?

The Bank prides itself on the standards of service and fairness with which we treat you, our valued customer. However, if you feel we have fallen short of these ideals, these guidelines have been prepared to assist you have your complaint dealt with speedily and effectively.

"Complaint" is defined to refer collectively to any customer complaint, enquiry (including querying entries on your periodic statement) or dispute. There is no differentiation between "complaint" and "disputes".

When responding to complaints, we will endeavour to provide reasons for the decision taken and adequately address the issues that were raised in the initial complaint. This is part of our effort to provide you with a higher quality of service and to help ensure our performance always meets your expectations.

Who is eligible for this service?

All Bank of China (Australia) Limited customers may take advantage of the procedure described in this PDS. However, you should be aware that any reference of a complaint to the Australian Banking Industry Ombudsman is limited to retail clients or small incorporated businesses. A small business is defined as an independently owned and managed business with less than 15 employees and a turnover of less than \$1 million at the time the complaint was made.

How to make a complaint?

- In the first instance you should contact 61 2 8235 5888 or 61 2 8235 5806. You should have all supporting documents or other evidence to support you grievance and consider how you would like the Bank to resolve the matter;
- If your complaint has not been resolved to your satisfaction within 24 hours, please ask

to speak to the Manager of the Personal Banking Department. We expect that the complaint should be dealt with within 5 working days of reference to the manager, although best endeavours will be used to resolve the complaint within 24 hours. Allowance should be made for cases that require the Bank to contact overseas offices (e.g. international transactions) or other Banks;

- If your complaint still has not been resolved to your satisfaction within 5 working days, you are invited to contact Complaint Coordinator of the Bank (details as listed below);
- A response should be received within 7 working days;
- If the complaint remains unresolved 7 working days after reference to Complaint Coordinator, there are a number of independent bodies that are available to assist you, including the Australian Banking Industry Ombudsman, the Small Claims Tribunal or your State Consumer Affairs Bureau.

The contact detail of Banking Ombudsman is as follows:

Financial Ombudsman Service Limited

GPO BOX 3, MELBOURNE VIC 3001

Telephone: 1300 780 808

Fax: (03) 9613 6399

Email: info@fos.org.au

Website: <http://www.fos.org.au>

Complaint Coordinator

Telephone: (02) 8235 5888

4. Customer Information and Privacy

Collecting and Using Personal Information

We collect and use your personal information for the purpose of:

- Consider your application for facilities, products or services;
- Open, administer, manage and monitor any facilities, products or services provided to

you;

- Conduct market research, product development, data processing and statistical analysis;
- Protect against fraud;
- Provide you with information about our facilities, products or services.

Disclosing Personal Information

We may disclose your personal information to the organizations described below:

- Other members of the Bank of China Group (BOC Group);
The following information may be exchanged among the members of the group:
 - any information contained in this document;
 - any other personal information you provide to us; and
 - transaction details of the accounts which you hold with the Bank.
- Service providers that the BOC Group engages to do something on our behalf, such as organizations involved in maintaining, reviewing and developing our business systems, procedures and infrastructure;
- Broker and agents who refer you to us;
- Any person acting on your behalf, including your financial adviser, solicitor or accountant, executor, administrator, trustee, guardian or attorney;
- Organization, including overseas organization, to whom we outsource certain functions;
- As required or authorized by law, for example, to government or regulatory bodies for purposes related to public health or safety, the prevention or detection of unlawful activities or to protect public revenue;
- Where you have given your consent.

Access Personal Information

You may access your information by contacting one of our branches. This is subject to some exceptions allowed by law. We will give you reasons if we deny access. We may charge you for providing access.

Provision of Personal Information

If you provide us with incomplete or inaccurate information, your request for opening an account with us may be rejected by the Bank.

Update Information

We try to ensure that the personal information that we collect, use or disclose is accurate, complete and up-to-date. Please contact us immediately when you believe that the personal information that you provide us is no longer accurate, complete and up-to-date.

5. Notice Provisions

Type of Change	Method of Notification	Time Frame
Any material changes to the information in this PDS and Terms and Conditions	Website or media advertisement or by written notice	No later than the day the change takes effect or as required by applicable law and industrial codes
Changes of fees and charges	website or media advertisement or by written notice	No later than the day the change takes effect
Introduction of a fee or charge	In writing or email	At least 30 days before the change takes effect

Part 2 TERMS AND CONDITIONS

Terms used in this terms and conditions are defined in the “Definition” section of this document.

1. How to open an account?

You can apply for a Term Deposit Account at any branch of the Bank during Business Hours. Existing Customers who hold a term deposit account with the Bank may apply for a new term deposit in the same account via internet banking.

When you apply for a term deposit, our branch staff will provide you with the detailed information concerning current interest rates, terms and minimum deposit requirement.

Existing Customers who hold a term deposit account with the Bank may obtain this information via internet banking when apply for a new term deposit.

When making a deposit at any branch of the Bank in NSW and VIC, you may instruct the Bank to transfer monies from an existing account with the Bank or by providing the Bank with a cheque or cash.

At the time of opening an account, the Bank is required to verify the identity of each signatory to the account. The Bank reserves the right to reject any application to open an account if you fail to provide us the required documents or if it is otherwise required by law. If you are an existing customer of the Bank who has already been satisfactorily identified, you are not required to provide identification documents again.

The account holder and the account signatory must be 16 years of age or older. Both Individual and Non-individual Customers may apply for this Term Deposit product.

If you open your account in more than one name, the following applies:

- Each account holder must fully comply with the terms and conditions applying to the account as if the account was held by one person;
- The joint account holders must sign an authority letter, in the form we require, to inform the Bank the method by which you wish to operate the joint account. Unless otherwise informed the Bank when the account is opened,
 - each account holder operate the account independently of each other;
 - the Bank may accept a cheque or other negotiable instrument which is payable to any one or more of the account holders;
 - if one of the account holders dies, the Bank will transfer the balance of the account to the surviving account holder(s);
 - each account holder can instruct the Bank to send account statement or request the Bank to change their contact details.

The Bank is not liable for any loss or damage arising from or in relation to acting on the instructions given by any account holder in good faith, unless it is proved that the Bank was grossly negligent.

2. Currency Options

The Bank offers multi-currency options for term deposit accounts. The term deposit accounts may be maintained in AUD, HKD, CNY and USD.

3. Payment of Interest

Different interest rates apply to different currency, different term and different amount of investment.

The interest is calculated daily and paid on maturity date. On maturity day, you can choose to have your interest credited into a nominated account with the Bank or an account held at another financial institution or added to a new Term Deposit, or paid to you by bank cheque or cash at one of our branches in NSW and VIC. You can also transfer the interest and principal together via internet banking. The related charges may apply. Please refer to the Schedule of Fees and Charges for further information.

For the current interest rate for term deposit products, please contact one of our branches.

4. Foreign Exchange Transactions

If you instruct the Bank to convert one currency into another currency before you deposit the funds into your account or withdraw from your account, the applicable exchange rate for the currency conversion is the rate agreed between you and the Bank, usually the spot rate quoted by the Bank at the time of exchange.

The Bank only accepts currency conversion requests during the Business Hours. The Business Hours for branches are provided on the back of this booklet. For the operating

hours of foreign exchange transaction via internet banking, please refer to the product disclosure statement and terms and conditions of Internet Banking Services for the details.

The Bank may reject a currency conversion request when there is insufficient note available at the time of the request.

The Bank will not charge any fees for foreign exchange transactions. Please refer to the Bank's Schedule of Fees and Charges for the details.

5. Fees and Charges

The Bank does not charge service fees for over-the-counter services. However, other charges may apply. For further details please see the Bank's Schedule of Fees and Charges.

The Bank may debit your account with government charges, duties and taxes relating to your account. If you do not provide us with your Tax File Number (TFN) or Australian Business Number (ABN), the law requires us to withhold tax from your interest payment at the rate provided by ATO.

6. Early Withdrawal

You may withdraw amounts from your term deposit account at any time. Fully withdrawal service is available over the counter at one of Bank's branches in NSW and VIC during the Business Hours and via internet banking during the operating hours. Partial withdrawal service is only available over the counter at one of Bank's branches in NSW and VIC during the Business Hours.

If you withdraw an amount from the term deposit prior to the maturity of the term over the counter at one of Bank's branches in NSW and VIC, the accrued interest may be lost or reduced in accordance with the following arrangements:

6.1 For withdrawal of the entire term deposit amount prior to maturity of the term:

- within the first 7 days from the day on which the funds are first deposited, all accrued

interest will be forfeited;

- after the first 7 days from the day on which the funds are first deposited and the amount of term deposit is below AUD5,000, USD1,000, CNY5,000 or HKD6,000, all accrued interest will be forfeited;
- after the first 7 days from the day on which the funds are first deposited and the amount of term deposit is equal or above AUD5,000, USD1,000, CNY5,000 or HKD6,000, interest is payable by the Bank. The applicable interest rate is equivalent to the interest rate for the Bank's demand deposit account at the time of the withdrawal.

6.2 For partial withdrawal prior to the maturity of the term, all accrued interest for the withdrawn amount is forfeited. Interest may be payable on the balance after withdrawal in accordance with the following arrangements:

- if the remaining balance after partial withdrawal meets the minimum deposit requirement, a interest rate will be applicable for the balance. For the information in relation to the interest rate and the method of calculating the interest, please contact one of our branches;
- if the remaining balance after partial withdrawal falls below the minimum deposit balance requirement, you will be required to withdraw the entire term deposit amount and interest payment is subject to clause 6.1 of this Terms and Conditions.

If you withdraw an amount from the term deposit prior to the maturity of the term via internet banking, for the interest payment, please refer to the Bank's Product Disclosure and Terms and Conditions of internet banking services.

If you wish to withdraw cash more than AUD5,000.00 in one transaction, please notify the Bank 24 hours in advance.

7. Maturity

At the maturity of a term, you may provide the Bank with instruction for the term deposit to be repaid in cash or by bank cheque, to be credited to a nominated account or to be extended for a further term. You add or subtract funds from your principal and interest and

reinvest that amount for a further term. If the maturity date falls on a non-business day, the maturity date will be extended to the next Business Day.

If your instruction is not received on or prior to the date of maturity, the Bank will automatically renew your Term Deposit (including interest if applicable) for a further term of the same length as the term ended, at the interest rate applicable to the term and the amount of term deposit at the date of the renewal.

8. Access the Account

The methods of access include:

- Over the counter
- Internet Banking

9. Trust Accounts

If you open an account as a trustee, you must provide sufficient evidence to satisfy the Bank that you have the necessary power and authority to open and operate the account. The Bank may debit the account for the applicable fees and charges.

10. Powers of Attorney

If an account is to be: (a) opened by an attorney on your behalf; or (b) operated (including accessing information, transferring money into/out of the account and/or closing the account) by an attorney on your behalf; you and the attorney must: (a) complete and sign any documents we require; and (b) provide us with any other documents or information we require.

If you appoint an attorney to open and/or operate your account, you must ensure that your attorney complies with the conditions of the account. You must notify us in writing if the power of attorney is revoked. The Bank will not be liable for any damages or losses caused by the unauthorized access by the attorney should the attorney have been validly appointed and no revocation of the power of attorney has been received by the Bank.

11. Authority to Operate an Account

When a new account is opened, you must inform the Bank who are authorized to operate the account. Specimen signatures will be collected by the Bank for each authorized signatory to your account. We will also verify the identity of the signatories. The Bank will not be liable for any damages or losses caused by the unauthorized access by the authorized signatories should the signatories have been validly appointed and no revocation of the authority in writing has been received by the Bank.

12. Closing the Account

You have the right to close the account at any time. In doing so, you are required to visit one of our branches in NSW and VIC.

The Bank reserves the right to close your account at any time provided that we give you one month prior notice in writing. One of the reasons that the Bank may close your account is that there is a debit balance in your account and you do not have overdraft facility. The Bank will give you one month to bring the balance in credit. Failure to do so will result in the closure of your account.

If the account has a credit balance at the time that it is closed, that balance will be paid to you. If the account has a debit balance at the time it is closed, that balance, including any debit interest or outstanding fees, will be due and payable by you to us upon demand.

13. Company Search

If you are a sole trader, a partnership and an incorporated company and you wish to open an account with the Bank or change your business or company name, directorship or company structure, the Bank will carry out a search. The account will not be opened until this search is completed. You are liable for the company search fee. Please refer to the Schedule of Fees and Charges for details.

14. Fax Indemnity

The bank may accept faxed instructions from you to operate on the account if you have entered into an agreement with the Bank.

15. Statements and Notices

15.1 Term Deposit Confirmation

Term Deposit customers are normally provided with a confirmation when the term deposit account is established and when there is a renewal of an existing term deposit.

15.2 Joint Account Confirmation and Notices

The Bank will mail the term deposit confirmations and notices to the correspondence address of any one account holder. Once the confirmation and notice has been sent to one account holder, all account holders are regarded as having received them.

15.3 End of Financial Year Notice

The Bank will issue a notice shortly after the end of each financial year to notify you the amount of interest paid on your accounts with the Bank for the financial year. You may need this information to prepare tax return.

16. AML Requirement

You are required to provide the bank appropriate proof of identification as required by Anti-Money Laundering and Counter-Terrorism Financing Act 2006(AML/CTF Act). The required identification documents are listed in the Application Form. If you do not provide the required identification documents, we may reject your application.

The Bank's AML/CTF policy provides that the Bank must check relevant databases to ensure that the account signatories do not appear on the warning lists circulated by the government which are suspected to have involvement in terrorist financing. If your name or the name of your signatory appears on the warning list, the Bank must reject your application as required by law since it is a criminal offence to hold assets that are owned or controlled by terrorist organizations or individuals.

17. Set-off Arrangements

The Bank has the right to set-off the balance of accounts that you hold with the Bank. If one of your accounts is overdrawn or is in debit and another account is in credit, the Bank may use the balance in the account in credit to set-off the account in debit. The Bank will inform you if this set-off right is exercised.

18. Inactive Accounts

If your account is not used for seven years, the Bank will:

- cease to credit interest to your account and issuing of account statements; and
- close your account and transfer the balance to ASIC.

19. Jurisdictional Disclaimer

The term deposit product is only offered within Australia.

20. Definitions

Bank and we means Bank of China (Australia) Limited ABN 28 110 077 622.

Business Day means a day (other than a Saturday or Sunday or the Bank Holiday) on which banks are open for general business in Sydney.

Attorney means a person authorized under a power of attorney to act on your behalf.

Individual Customers means the customers who are natural persons.

Non-individual Customers include sole traders, partnerships or corporations.