

» OUR PRODUCT COMMITMENT TO YOU.

PRODUCT DISCLOSURE STATEMENT

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SNAPSHOT	
Issuer	Westpac Banking Corporations (ABN 33 007 457 141 AFSL 233714).
Purpose	XYLO Foreign Exchange is an online Foreign Exchange (FX) and international payments platform. It provides users with competitive FX rates, low fees, and a quick and reliable international money transfer service, all via a single, secure website.
Suitability	XYLO Foreign Exchange was designed for small and medium-sized businesses, to provide a simple, no-frills foreign exchange solution for making and receiving international payments.
Cost	XYLO Foreign Exchange is free to join. There are no establishment fees and no annual fees. There is a flat fee of \$10 per payment (otherwise known as a Telegraphic Transfer or TT). There are also other fees and charges associated with XYLO. See the section on "Fees and Charges" on page 12.
Key Benefits	<p>XYLO enables you to make and receive payments in a wide range of currencies.</p> <p>With XYLO, your transaction limit will be assessed upon registration.</p> <p>XYLO is available 24 hours a day, 7 days a week, wherever you can access the internet for all functions, except the booking of rates which can only be completed between 7:30am Monday, Sydney (AEST) and 5:00pm Friday New York (EDT)</p> <p>XYLO uses the latest internet security technology so you can be assured your personal details and funds are kept safe. To protect against unauthorised use of your account, each user is provided with an individual security token which provides access to the XYLO platform to book FX Rates, set up transactions, and authorise payments.</p> <p>For more information on these and other significant benefits, refer to "Benefits of Using XYLO" on page 8.</p>
Key Risks	<p>Foreign Exchange markets can be volatile. The Exchange Rate which you are quoted may change significantly due to volatility, up until such time as you choose to accept that Exchange Rate.</p> <p>Payments may take longer to be credited to your payee's nominated bank account as a result of any unforeseen circumstances experienced by your payee's bank.</p> <p>XYLO may terminate any or all of your outstanding FX Transactions where you fail to pay any applicable fees, where funds are not cleared or are dishonoured, where we suspect you are involved in any fraudulent activity or misuse of XYLO, or for any other reason specified in this PDS.</p> <p>For more information on these and other significant risks, refer to "Risks of Using XYLO Foreign Exchange" on page 10.</p>
Transaction Limit	This will be assessed by XYLO upon registration.
How Do I Register?	To register, go to xylo.com.au and complete the online registration form, or call 1300 995 639 and register with XYLO Customer Care.

SECTION 1 PRODUCT DISCLOSURE STATEMENT

Important Information About This Product Disclosure Statement

A Product Disclosure Statement (PDS) is an information document. Its purpose is to provide you with enough information so that you can decide if the product you are considering will meet your needs. A PDS is also a tool for comparing the features of other similar products you may be considering.

This PDS relates to Foreign Exchange (FX) Transactions made and received through the XYLO Foreign Exchange online platform offered by Westpac Banking Corporation (Westpac).

XYLO Foreign Exchange™ is a trademark of Westpac. "XYLO" is used in this PDS to refer to the online transaction platform, "XYLO Foreign Exchange" for FX Transactions operated by Westpac under the XYLO Foreign Exchange trading name. When the trading name "XYLO Foreign Exchange" or "XYLO" is used in this PDS, it refers to Westpac operating under that trading name. References to "we" or "us" are also references to Westpac trading under the name "XYLO Foreign Exchange" or "XYLO".

This PDS, and any confirmations received from us while transacting on XYLO Foreign Exchange, form the contract between you and us relating to your use of XYLO Foreign Exchange, and as such, their terms are legally binding on you in your dealings with us. They also set out significant benefits, risks, characteristics and features of XYLO Foreign Exchange, the terms and conditions applying to XYLO FX Transactions, and your obligations in respect of them.

Trading in Foreign Exchange requires a good understanding of the way Foreign Exchange contracts and markets work. You should read and consider all sections of this PDS carefully before making a decision about the suitability of this product for you. You may also wish to obtain independent expert advice about this. If you have any questions about this product, please contact XYLO Customer Care.

If you decide to enter into an FX Transaction, you should keep a copy of this PDS and any associated documentation at hand. You should also promptly tell us if at any time you experience any financial difficulty.

The information set out in this PDS is general in nature. It has been prepared without taking into account your personal or business objectives, financial situation or needs. Because of this, you should consider its appropriateness having regard to your objectives, financial situation and needs. By providing this PDS, we do not intend to provide financial advice or any financial recommendations.

The information in this PDS is subject to change. We will provide updated information by issuing a supplementary or replacement PDS if required (such as if the change was materially adverse to you), or by posting the information on our website at xylo.com.au. You can obtain a paper copy of any updated information free of charge by contacting XYLO Customer Care.

This PDS is intended only for those businesses based in Australia with a local Australian-dollar bank account and, where applicable, a registered Australian Business Number (ABN). Distribution of this PDS in jurisdictions outside Australia may be restricted by law, and persons who come into possession of it who are not in Australia should seek advice. If you are in Australia and have received this PDS electronically, we will provide you with a paper copy free of charge, upon request. To obtain a paper copy, contact XYLO Customer Care.

XYLO is not offered to a "U.S. person" as it is defined in the rules, regulations, orders and interpretations (including, without limitation, any guidance) published or issued by the United States Commodity Futures Trading Commission, as amended and/or supplemented from time to time.

1.1 WHAT IS XYLO FOREIGN EXCHANGE?

XYLO Foreign Exchange is an online Foreign Exchange (FX) and international payments platform. It provides users with competitive FX rates, low telegraphic transfer (TT) fees, and a smart, simple and secure international money transfer service, all via a single website.

There is no need to install or download additional software or programs. Instead, XYLO operates via an internet browser, making it accessible for users to log on anywhere the internet is available.

With XYLO Foreign Exchange, you can:

- › Access competitive wholesale FX rates
- › Transact in a wide range of foreign currencies
- › Send your international payment in 3 simple steps
- › Use a variety of payment options to pay for your purchase of foreign currency including: direct debit, direct credit, BPAY or Real Time Gross Settlement ("RTGS")
- › Email payment confirmations to your payees
- › View, print, and export your payments history for the last 100 days
- › Access Westpac's economic and market forecasts and research commentary
- › Talk to our dealers about strategies to protect your business against currency movements
- › Take comfort knowing your international transfer is protected by the latest banking security technology.

Funding XYLO Foreign Exchange Transactions

You can transfer funds into your XYLO account from any Australian dollar bank account by using the following payment services provided they are available on that account:

- › Direct debit for any bank account within Australia by signing a direct debit request
- › By BPAY from any bank account that has BPAY. We will provide you with details of our BPAY Biller code to enable you to make transactions
- › By Phone and Internet Banking to transfer AUD to XYLO via direct credit or RTGS (if you have these facilities).

Irrespective of the payment method selected, you must ensure that sufficient cleared funds are transferred to us by the time funds are required to settle a XYLO transaction. If you do not have sufficient funds in the account from which a payment is to be made you may be charged a dishonour charge (see "Fees and Charges" on page 12). You should consider the terms and conditions of the account from which payments will be made to find out how long it will take for cleared funds to be available to settle your XYLO transaction.

Business Customers

XYLO Foreign Exchange was designed for small and medium-sized businesses, to provide a simple, no-frills foreign exchange solution for making and receiving international payments.

Please note: To be eligible for XYLO Foreign Exchange, you must be an Australian Resident for the purposes of the Income Tax Assessment Act 1997 and where appropriate, an Australian Business Number ("ABN") may be required before you can register with XYLO.

1.2 WHAT IS A FOREIGN EXCHANGE TRANSACTION?

A Foreign Exchange (FX) Transaction is an agreement between you and a Foreign Exchange dealer to exchange a specific amount of one currency for another at an agreed Exchange Rate on an agreed date. An FX Transaction may be necessary for conducting business in connection with exporting or importing goods or services denominated in a foreign currency, investing or borrowing overseas, repatriating profits, converting foreign currency denominated dividends, or settling other foreign currency contractual arrangements.

When you enter into an FX Transaction, you nominate the currencies to be exchanged, the amount to be exchanged, and the date at which the exchange is to take place. This is known as the Contract Amount or Contract Rate.

The price at which one currency is exchanged for another is known as the Exchange Rate.

The Exchange Rate will vary depending on market conditions and will be determined by a number of factors including the current interbank Exchange Rate, market volatility, and the type of currencies you are trading. When using XYLO Foreign Exchange, the Exchange Rate will be displayed on your computer screen prior to you deciding whether to proceed with the transaction.

When you enter into an FX Transaction, the date that the transaction settles is known as the Maturity Date or the Value Date. Contract Rates are quoted as Spot Exchange Rates or Forward Exchange Rates, depending on the Maturity Date nominated by you.

A Spot Exchange Rate refers to the Exchange Rate applicable to an FX Transaction where the Maturity Date is 2 business days after the transaction date. Transactions for Value Spot (i.e. transactions with a Spot Exchange Rate) are commonly referred to as Spot Contracts.

A Value Today Rate refers to the Exchange Rate applicable to an FX Transaction where the Maturity Date is the same date as the transaction date (i.e. today).

A Value Tomorrow Rate refers to the Exchange Rate applicable to an FX Transaction where the Maturity Date is the business day after the transaction date.

A Forward Exchange Rate refers to the Exchange Rate applicable to an FX Transaction where the Maturity Date is more than 2 business days after the transaction date. Transactions for all such maturity dates (i.e. transactions with a Forward Exchange Rate) are commonly referred to as Forward Exchange Contracts. You can nominate a Forward Exchange Contract term of up to 6 months depending on XYLO's credit assessment of you.

The rates used for Forward Exchange Contracts are determined by XYLO by calculating a Forward Margin.

All Foreign Exchange is transacted at spot (i.e. 2 business days). If a settlement is required on any date away from this date (pre or post) then the rate will be adjusted by a forward margin. (An explanation of how forward margins are calculated is provided later in this section).

Buying Foreign Currency

If you are buying foreign currency under a spot contract and choose the payment method of direct debit, the Australian Dollar Contract Amount, plus any fees, will be direct debited from your nominated bank account on the date you enter into the contract if this account is not with Westpac. If the account is held with Westpac, the funds are debited on the value date.

If you are buying foreign currency under a Forward Exchange Contract and choose the payment method of direct debit, the Australian Dollar Contract Amount, plus any fees, will be direct debited from your nominated bank account 2 business days prior to the contract value date if this account is not with Westpac. If the account is held with Westpac, the funds are debited on the value date.

It is your responsibility to ensure that cleared funds are available in any account you choose to make payment from. Where you are making a payment to a foreign supplier, funds will be transferred to your recipient's nominated account on the value date. Please note: XYLO Foreign Exchange does not take responsibility for any reasonable delays incurred by banks other than Westpac, including the Beneficiary's own bank or any intermediary banks.

If you are registered and choose to pay for your purchase of foreign currency using Electronic Funds Transfer ("EFT") it is your responsibility to transfer the Australian Dollars ("AUD") to XYLO to be received in time for settlement. Often there are lead times involved in an EFT. On your deal confirmation, we will recommend a date and time by which you should initiate the transfer. These timings are considered normal in most circumstances, however, in some circumstances it may actually take longer, in which case your settlement will be delayed. To be certain about how long the transfer to XYLO will take, we recommend you contact your financial institution that the funds are being sent from.

A facility is available to set up reminder emails about upcoming EFT payments.

Fees cannot be paid by EFT. They will always be direct debited from the nominated account.

Selling Foreign Currency

If you are selling foreign currency, the Australian Dollar Contract Amount, less any fees, will be credited to your bank account as advised to us at the time the XYLO transaction is entered into once the foreign currency funds have cleared. When you are confirming payment details, you will be provided with XYLO's foreign currency payment instructions on the payment screen.

If foreign currency is remitted to XYLO and a transaction has not been booked to convert the currency to Australian Dollars we will attempt to contact you to advise you that monies have been received. This may be by telephone and/or email on the numbers and addresses you have supplied us. If we do not obtain a response by the close of business on the day you receive this advice the foreign currency will be converted to Australian Dollars at the XYLO rate for same day value at the time of conversion. The Australian Dollars will be subsequently credited to your nominated Australian Dollar account.

How Are Forward Margins Determined?

It is important to note that Forward Margins do not represent forecasts that XYLO has made, nor do they guarantee where future Exchange Rates will be.

Instead, a Forward Margin is derived by XYLO taking into account a variety of factors including the difference in interbank interest rates between the currencies that make up the two currencies you are dealing with. The margin is expressed in Exchange Rate Points.

A Forward Margin can be either a positive or a negative number. When a Forward Margin is a positive number, it is added to the Spot Exchange Rate. When it is a negative number, it is subtracted from the Spot Exchange Rate.

Forward Contracts are not available in all currencies. Please refer to the tables on pages 8 and 9.

The following examples are indicative only and use FX rates and figures selected to demonstrate how XYLO Foreign Exchange works. In order to assess the merits of any FX Transaction, you would need to use the actual FX rates and figures quoted to you at the time. Fees may also apply (see "Fees and Charges" on page 12), however for simplicity, have not been included in the examples.

1.3 BENEFITS OF USING XYLO FOREIGN EXCHANGE

The primary benefit of an FX Transaction is to allow you to make and receive payments in a foreign currency, thus allowing you to engage in trade and other financial transactions offshore.

XYLO allows you to exchange foreign currencies at competitive rates, to make and receive foreign currency payments all over the world from a simple, secure, and convenient website.

Other significant benefits of XYLO are:

- XYLO provides both FX Transactions and payments. There is no need to use separate websites, FX providers or banks to exchange currencies and then send or receive your international payments
- Make and receive payments in a wide range of currencies.

Using XYLO is as simple as making a domestic payment, such as a phone bill or via your internet banking.

XYLO is quicker than visiting your bank branch. You can complete your FX Transaction and online payment in less than 60 seconds.

You can nominate separate user access levels for your staff. For example, you may want some employees to only be able to set-up a payment or view Payment Histories, while you can provide other employees with full Access to authorise and send your payments.

CURRENCIES		FWDS
AUD/USD	US Dollar	Yes
AUD/NZD	New Zealand Dollar	Yes
AUD/GBP	British Pound	Yes
AUD/CAD	Canadian Dollar	Yes
AUD/EUR	Euro	Yes
AUD/CHF	Swiss Franc	Yes
AUD/JPY	Japanese Yen	Yes
AUD/HKD	Hong Kong Dollar	Yes
AUD/SGD	Singapore Dollar	Yes
AUD/NOK	Norwegian Kronor	Yes
AUD/DKK	Danish Kroner	Yes
AUD/SEK	Swedish Kroner	Yes
AUD/THB	Thai Baht	
AUD/INR	Indian Rupee	
AUD/VUV	Vanuatu Vatu	
AUD/FJD	Fiji Dollar	
AUD/WST	West Samoan Tala	
AUD/XPF	French Pacific Franc	
AUD/LKR	Sri Lankan Rupee	
AUD/BND	Brunei Darussalaam	
AUD/PHP	Philippine Peso	

CURRENCIES		FWDS
AUD/SBD	Solomon Island Dollar	
AUD/SAR	Saudi Arabia Riyals	
AUD/ZAR	South African Rand	Yes
AUD/PGK	Papua New Guinea Kina	
AUD/PKR	Pakistan Rupees	
* AUD/CNY	Chinese Yuan	
# AUD/KRW	South Korean Won	
# AUD/MYR	Malaysian Ringgit	
# AUD/VND	Viet Nam Dong	
# AUD/IDR	Indonesian Rupiah	
# AUD/AED	United Arab Emirates Dirham	
# AUD/TWD	Taiwan New Dollar	
# AUD/BDT	Bangladesh Taka	
# AUD/CLP	Chile Peso	
# AUD/BRL	Brazil Real	
# AUD/ARS	Argentina Peso	
* AUD/CNH	Chinese Offshore Yuan	

* Preferred minimum AUD 10,000.
Phone dealing only, settlement online through XYLO FX.

Preferred minimum AUD 50,000.
Phone dealing only, manual settlements.

XYLO allows you to set up a list of payees who you make frequent international payments to. Simply select who you want to pay and how much. You can also send a payment confirmation email to your payee.

You can access your Payment History on XYLO for the last 100 days. XYLO is available 24 hours a day, 7 days a week, wherever you can access the internet. XYLO's rates come live from the FX Market which is open 7:30am Monday, Sydney (AEST) and 5:00pm Friday New York (EDT). You may book Live FX Rates through XYLO during these times. Please note: we may vary these access hours from time to time (e.g. Public Holidays).

XYLO uses the latest internet security technology so you can be assured your personal details and funds are kept safe. To protect against unauthorised use of your account, each user is provided with an individual security token which provides access to the XYLO platform to book FX Rates, set-up transactions, and authorise payments.

1.4 RISKS OF USING XYLO FOREIGN EXCHANGE

It is important that you are also aware of the risks of using XYLO and the risks of engaging in FX Transactions generally.

Foreign Exchange markets can be volatile. The Exchange Rate which you are quoted may change significantly due to volatility, up until such time as you choose to accept that Exchange Rate. Once you have accepted an Exchange Rate, it will remain fixed.

If you have insufficient funds in your account with which to make your payment, you may be subject to a dishonor charge (see "Fees and Charges" on page 12). Furthermore, if an FX Transaction is dishonoured for some reason, we will be required to reverse that trade. This means the FX Transaction will be reversed at the current market Exchange Rate. If Exchange Rates have moved substantially, you may be liable to pay a substantial amount to cover this difference in Exchange Rates.

Payments may take longer to be credited to your payee's nominated bank account as a result of any unforeseen circumstances experienced by your payee's bank. XYLO takes no responsibility for any reasonable delays in a payee receiving payments.

XYLO is a fully-automated system, so any incorrect payee bank account details you provide may cause your payment to be delayed or declined. XYLO takes no responsibility for any reasonable delays in a payee receiving payments.

Where a payment has not been made before a certain time (known as the Cut-Off Time, see "What are the payment Cut-Off times?" on page 15), those payment instructions may not be processed until the following business day. In this instance, the Maturity Date will be extended to the next business day, and any costs incurred by XYLO will be passed on to you as a charge (refer to "Fees and Charges" on page 12).

XYLO may terminate any or all of your outstanding FX Transactions where you fail to pay any applicable fees, where funds to be debited from your nominated bank account are not cleared or are dishonoured, where we suspect you are involved in any fraudulent activity or misuse of XYLO, or for any other reason specified in this PDS. For full details of when we may terminate an outstanding FX Transaction, please refer to "Can We Terminate Your FX Transactions?" on page 15.

Entering into an FX Transaction involves the risk that Exchange Rates relative to your Contract Rate will move between the time you enter into the FX Transaction and the date you make your payment. Because the Exchange Rate is fixed, there is an opportunity cost that you cannot participate in any subsequent favourable Exchange Rate movement, because you have already locked in an Exchange Rate.

Whilst we work hard to ensure the security of your XYLO online with the use of Secure Socket Layer (SSL) technology, transactions over the internet do involve security risks. You must protect your passwords and Access Codes to minimise the risk of any unauthorised transactions on your account. This includes not writing down any passwords or access codes, or selecting a code which could easily be guessed by others (such as your date of birth or telephone number).

XYLO may not always be available for use, due to technical outages or other problems. Whether these outages are due to maintenance of the XYLO site or problems with your own internet connection, if XYLO is unavailable for any reason, you will not be able to enter FX transactions or make electronic international payments. XYLO does not accept any liability for your inability to book an FX Transaction or make an electronic international payment. If XYLO is unavailable for any reason, it may be necessary to contact XYLO Customer Care directly in order to book an FX Transaction over the phone. We may, at our discretion, offer access to alternative payment methods until the service is restored.

Cooling-Off Period

There is no cooling-off period once Foreign Exchange transaction details have been negotiated and agreed. FX Transactions may be terminated early, subject to the risk that additional costs may be incurred.

Counterparty And Operational Risk

As is the case with most financial markets products we enter into, Westpac has performance obligations under a Foreign Exchange Transaction.

Our ability to fulfill our obligations is linked to our financial wellbeing and to the effectiveness of our internal systems, processes and procedures. The first type of risk (our financial wellbeing) is commonly referred to as credit or counterparty risk. The second type of risk (the effectiveness of our internal systems, processes and procedures) is commonly referred to as operational risk.

You must make your own assessment of our ability to meet our obligations. However, as a regulated Australian bank, we are subject to prudential regulation which is intended to reduce the risk of us failing to perform our obligations. Further information about Westpac, including copies of our recent financial statements, is available on our website at westpac.com.au.

1.5 FEES AND CHARGES

XYLO is free to join. There are no annual fees, and no establishment fees. There is a flat fee of \$10 per international payment (also known as a Telegraphic Transfer or TT). Other fees and charges are set out in the following table.

All fees are expressed in Australian Dollars and will be debited from your account on the utilisation of the service.

Certain Fees May Apply For Other Services

XYLO may change these fees at any time. We will notify you in advance of any changes to these fees in writing or by advertisement in national or local media.

The current fees will also be available on the XYLO website at xylo.com.au

XYLO derives a financial benefit by incorporating a Margin into the Exchange Rate.

The Margin is the difference between the interbank Exchange Rate we are able to obtain and the Exchange Rate we offer to the customer. It may be considered as an 'indirect cost' to you. In effect, you pay for the FX Transaction by accepting the Exchange Rate quoted by XYLO. The amount of this margin may depend on a number of factors including:

- Volatility in Foreign Exchange markets at the time. Generally, if Foreign Exchange markets are more volatile, our margin may be greater
- The currencies in which you are trading
- The frequency with which and the amount you trade with us. For example, we may offer a discount in the form of a reduced margin for our more frequent traders.

You must pay all Government duties, taxes, fees and charges which arise as a result of using XYLO.

Payment and handling of fees and charges could also be levied by other banks as part of making international payments to your Beneficiaries. Bank fees resulting from an international payment may be borne by your payee (the Beneficiary). We have no control over the fees or charges that other banks may levy.

FEE/CHARGE DESCRIPTION	FEE
File investigations	\$25.00
Sending SWIFT messages for follow-ups to beneficiary banks	\$10.00
Insufficient funds/dishonour – Non-Westpac Accounts	\$9.00
Insufficient funds/dishonour – Westpac Accounts	\$9.00
Extending a deal – Due to insufficient funds or currency cut-offs being missed	\$9.00
Attaching a payee to payment on customer's behalf	\$50.00
Authorising a payee/payment on customer's behalf	\$50.00
Processing AUD receipts to WBC account	\$10.00
Processing AUD receipts to Non-WBC account	\$15.00
Inward Telegraphic Transfer Fee (per payment)	\$10.00
Outward Telegraphic Transfer Fee (per payment)	\$10.00
Replace Lost or Damaged Token	\$20.00
Historical Transaction Records	\$40.00 per hour
Cancel/Reverse/Amend Deal	\$20.00
Unsettled Trade	\$35.00

1.6 HOW TO REGISTER FOR XYLO FOREIGN EXCHANGE

You can register for XYLO by completing the online registration form at xylo.com.au, or by calling XYLO Customer Care. During your registration process, you can nominate any user(s) who you would like to grant access to your account.

In accordance with Australian Anti-Money Laundering and Counter-Terrorism Financing legislation, and to protect your security, you will need to provide us with original certified copies of certain identification documents in order to complete your registration. Details of what documentation you must provide will be outlined during the registration process. Identification documents will be required for each user you wish to grant access to your account.

Once your registration is complete, we will courier your Welcome Pack to your nominated primary office address. This Pack contains steps to activate your account, your personal Security Token to log into your account and a Quick-Start guide.

Each user will receive a Security Token. This Security Token is used for all functions within the administration and authorisation of your account, and for executing and settling your FX Transactions (according to the access levels you have granted each user). During your registration, you may nominate a particular administrator to receive and distribute the Security Tokens to all user(s) on your account.

1.7 ADDITIONAL INFORMATION ABOUT XYLO FOREIGN EXCHANGE

This section outlines other important information about XYLO and forms the terms and conditions of using XYLO.

Same-Day Value

Foreign currency is able to be bought with the same day value by customers who have nominated a Westpac account as their nominated direct debit account or have registered for RTGS. There are strict cut-off times associated with same-day value deals. These cut-off times are available on the website in the deal screen and in the Administration tab. Before entering into a same-day value deal, these cut-off times should be checked.

When Can You Transact With XYLO?

XYLO is available 24 hours a day, 7 days a week, wherever you can access the internet for all functions except the booking of rates which can only be completed between 7:30am Monday, Sydney (AEST) and 5:00pm Friday New York (EDT). Please note these AEST times do not take into account your own time zone or global daylight saving.

Warning: if XYLO is unavailable for any reason, you will not be able to enter FX transactions and make international payments. If XYLO is unavailable due to operational disruptions, we may, at our discretion, offer access to an alternative payment process method until the service is restored.

Are There Any Credit Requirements Before Dealing?

Before entering into an FX Transaction, we will assess your financial position to determine whether or not your situation satisfies our normal credit requirements. This assessment is to determine your creditworthiness. We do not consider the suitability of this product for you as part of this process. In line with industry standards, a credit report may be sought from an independent credit reporting agency as part of this assessment.

Security – What Are Your Obligations?

Maintaining your security is important. If an unauthorised user finds out your XYLO account details, they can assume your identity and their actions will be attributed to you. It is important to keep your XYLO account details and passwords (known as your Access Codes) secure, and to protect your Security Token from loss, theft, or inappropriate use.

Your responsibilities for ensuring security are:

- › Always log out to prevent unauthorised persons from assuming your identity and gaining access to your XYLO account
- › Never reveal your Access Codes to anyone
- › Ensure that all users with access to your account protect their Access Codes
- › Notify XYLO Customer Care if you intend to add, change or delete users.

You must ensure each user is made aware of the following security obligations. You must protect your Access Codes to minimise the risk of unauthorised FX Transactions.

To protect your Access Codes you must:

- › Destroy any documentation we issue to you containing Access Codes
- › Not keep any record of your Access Codes on, with or near your computer, even if they are disguised
- › Not disclose your Access Codes to anyone, including family members, friends, employees or our XYLO staff
- › Select Access Codes that are not numbers or words that can be easily associated with you such as your date of birth, telephone number or driver's licence number
- › Make sure nobody watches you or hears you when you are entering or using your Access Codes at a computer.

If you make a record of your Access Codes, you must either take reasonable steps to prevent unauthorised access to that record, or ensure that record is reasonably disguised.

We do not consider that you have made a reasonable attempt to disguise Access Codes if, for example, you only:

- › Record it as a series of numbers or words with any of them marked to indicate the Access Codes
- › Record the Access Codes as a telephone number with the Access Code in its correct sequence within the telephone number
- › Disguise the Access Codes as a date or as an amount.

We will treat any FX Transaction affected through XYLO by the use of your Access Codes as an FX Transaction that is undertaken with your authority, without us being required to verify your authority in any case.

If there is a loss or theft of an Access Code, or you suspect that the security of the Access Code has been breached, you must ensure that you inform XYLO Customer Care of the loss, theft or suspected breach and you must ensure that the Access Codes are changed.

What Are The Payment Cut-Off Times?

Payments made through XYLO must be received by a certain time (known as the Cut-Off Time) in order to be processed on that same day. All payment instructions created and authorised before the Cut- Off Time will be processed and paid on the relevant Maturity Date. Payment instructions received after a Cut-Off Time may not be processed until the next banking day.

We will attempt to process payments promptly but will not be liable for any loss associated with any reasonable delay in processing payments.

Furthermore, it is important to note that Cut-Off Times for some currencies differ. This is because banking systems in some countries only offer their currencies on a Spot Value date basis.

Please refer to the XYLO website for the latest information on Country and Currency Cut-Off Times.

This means that your payment will not be forwarded for 2 business days. It will then take up to an additional 2 business days for your payment to be processed in the relevant currency jurisdiction.

You should keep payment timing differences in mind when transacting in certain currencies. You will be prompted to check your Cut-Off Time during your transaction.

Please note: a payment may take longer to be credited to your payee (Beneficiary) if another bank or financial institution participant involved in the global or domestic payment systems does not process a payment instruction promptly.

Can We Terminate Your FX Transactions?

We may terminate any or all outstanding FX Transactions if:

- › Funds debited from your bank account from which payment is made are not cleared funds and/or are dishonored
- › You fail to pay applicable fees when due
- › You are involved, or we suspect you are involved, in money laundering or terrorism financing
- › You materially breach a term of this PDS or of any other agreement relating to your use of XYLO
- › You are involved, or we suspect you are involved, in any fraudulent activity or misuse of XYLO
- › You become insolvent or bankrupt.

We exercise our discretion to do so at any time in any other circumstances in which we consider it reasonably necessary to protect our legitimate business interests.

If we elect to terminate any or all outstanding FX Transactions, we will calculate in Australian Dollars the market value of each FX Transaction as at the termination date using current market rates chosen by us in good faith, having regard to what a person would pay us, or what we would have to pay another person, to take over your rights and obligations under the terminated FX Transactions.

We then deduct from the sum of all amounts that a person would pay us the sum of all amounts we would have to pay another person. If the result of this calculation is that a person would pay us more than we would have to pay another person, we will pay you that amount. Alternatively, if a person would pay us less than what we would have to pay another person, then you must pay us the difference. We will notify you as soon as practicable after making these calculations. These payments must be made no later than 2 business days after we give this notice.

How Much Can You Transact Through XYLO?

This will be assessed by XYLO upon registration.

Can You Shorten The Maturity Date?

A Forward Exchange Contract's term may be shortened. This is referred to as a pre-delivery. XYLO will quote you a pre-delivery margin to do this. Our quote will take into account your existing contract details, the Spot Exchange Rate, and the relevant market interest rates available at that time.

For convenience, we will quote the pre-delivery margin as an adjustment to your existing contract rate. This margin will be expressed in Exchange Rate Points and may be positive or negative. Where it is positive, it will be added to your existing contract rate. Where it is negative, it will be subtracted.

You may choose to pre-deliver only part of your original contract amount. In this case, the partial amount will be treated as a pre-delivery as outlined above, and the balance of the original Contract Amount will be preserved at the original contract rate for the original Maturity Date.

When you have a Forward Exchange Contract to buy foreign currency and elect to have the funds debited from your nominated account which is not held with Westpac, this debit will occur up to 2 business days prior to the Maturity Date. This ensures that XYLO has cleared funds before releasing your payment. This also means you cannot shorten the Forward Exchange contract Maturity Date to within 2 business days of the date you accept the pre-delivery rate. If the account is held with Westpac, the funds are debited on the Value Date.

If you are registered to pay for your purchase of foreign currency using EFT, you may pre-deliver and change the payment method in order to shorten the maturity even further. Cut-off times always apply and it is your responsibility to check these and ensure the transfer of AUD to XYLO is received in time for settlement.

If you accept, a printable on-screen confirmation will be made available.

Can You Extend The Maturity Date?

A Forward Exchange Contract may be extended beyond the Maturity Date up until such time that funds have been debited from your nominated AUD account for the transaction if the payment method is via direct debit. For deals paid via EFT, an extension may be requested closer to the Value Date.

The maximum extension period is 3 months from the original contract Maturity Date.

All extensions will be subject to XYLO's credit approval process and are not automatic. XYLO will only allow extensions for genuine commercial reasons and not for speculative purposes. Even where genuine commercial reasons exist, XYLO retains the right to not extend a contract.

If XYLO agrees to extend your original Maturity Date, we will quote you an extension margin that takes into account your existing contract details, the spot Exchange Rate, and the relevant market interest rates available at that time.

For convenience, we will quote the extension margin as an adjustment to your existing Contract Rate. This margin will be expressed in Exchange Rate points and may be positive or negative. Where it is positive, it will be added to your existing contract rate. Where it is negative, it will be subtracted.

Remember, when paying via EFT:

- ▶ If you have not already paid for the original deal, send the full AUD amount shown on the deal confirmation so that funds are received by XYLO Foreign Exchange on or before the new Value Date
- ▶ If you have paid for the original deal and the new AUD amount is more, only send the difference
- ▶ If you have paid for the original deal and require a refund, please call XYLO Customer Care.

If you accept, a printable on-screen confirmation will be made available.

Can You Terminate An FX Transaction Before Maturity?

An FX Transaction cannot be amended or cancelled after you have authorised it. However, payments can be reversed, subject to you meeting the cost of the relevant fees and/or charges as deemed reasonable by us.

You may ask us to reverse the payments involved in an FX Transaction at any time up until the time those payments have been irrevocably made. We will then provide you with a quote for reversing those payments. Our quote will incorporate the same variables (the currencies being traded, the term, Contract Amount and Maturity Date) used when pricing the original FX Transaction. These will be adjusted for the prevailing market rates over the remaining term of the FX Transaction. We will also need to consider the cost of reversing or offsetting your original FX Transaction. When doing this, we take into account the current market rates that apply to any offsetting transactions.

If you accept the quote, we will reverse the payments involved in the FX Transaction, and you will become liable for the costs associated with the reversal.

What About Confirmations?

Upon acceptance of an Exchange Rate, XYLO produces an on-screen confirmation specifying the details of your FX Transaction, including the Exchange Rate, Contract Amount and Maturity Date. You should print and retain this for your records. XYLO also has functionality that allows you to email a payment confirmation to your payee (Beneficiary) as proof of payment.

EXTERNAL ACCOUNT INFORMATION

XYLO cannot provide account information on any external account from which payments are made to XYLO from external sources. We are not responsible for the delivery of account information from external sources.

PAYMENT HISTORY

You can access your Payment History on XYLO for the last 100 days.

Liability And Promise To Pay

Subject to the relevant provisions of the Trade Practices Act and any other rights implied by law which cannot be excluded at law or by agreement between the parties:

- › We make no warranties, either express or implied, as to the availability, merchantability, fitness for a particular purpose, or otherwise (including as to accuracy, currency, availability, completeness or quality) with respect to the services supplied between you and us with respect to your use of XYLO
- › We exclude all liability in contract, tort (including negligence) or otherwise, relating to or resulting from use of XYLO, and for any loss incurred by you directly or indirectly including, without limitation, as a result of, or arising out of:
- › Any inaccuracy, error or delay in, or omission from, any information provided to you
- › Any delays, failures, or inaccuracies in the transmission of any information to you, transmission of your instructions, or any other communications
- › Any loss or liability arising from the acts or omissions, or fraud of third parties, or your agents and employees, such as your computer systems, internet service provider (ISP) and other service providers, including other parties involved in processing instructions or payments.

Except where to do so would contravene any law, in no event shall we be liable for any indirect, special or consequential loss (including, without limitation, loss of profits or revenues) whether arising in contract, tort (including negligence), or otherwise resulting from your use of XYLO. Our liability shall in any event be limited to the re-supply of the service.

You will pay us (and all of our employees, agents, related parties and associates) for any loss:

- › Incurred as a result of your use of XYLO, us relying upon and acting in accordance with any Instruction provided by you or where your Access Code is used (whether by electronic communication or otherwise), your failure to settle any FX Transaction by the due date, or because you did not observe any of your obligations
- › Suffered due to any claim, demand or action of any kind brought against us, or incurred by us, arising directly or indirectly because you acted negligently or fraudulently in connection with XYLO.

Please note: if you are an individual and using XYLO wholly or predominantly for personal, domestic or household use or consumption, then the above Liability and Promise to Pay provision does not apply to you.

Changes To These Conditions

We may change the terms and conditions that apply to using XYLO at any time. We will provide you with prior notification, either in writing or electronically, of any changes. Use of XYLO after notification of changes will constitute acceptance of those changes.

Governing Law

The terms contained in this PDS are governed and construed in accordance with the law of the state of New South Wales and the parties agree to submit to the non-exclusive jurisdiction of the courts of New South Wales.

SCENARIO 1: FOREIGN CURRENCY PAYMENT USING A SPOT EXCHANGE RATE

You are an Australian based importer due to pay USD100,000 in 2 days time for goods you purchased overseas. You need to purchase US Dollars (USD) with Australian Dollars (AUD) and transfer the US Dollars to your supplier overseas.

You enter into an FX Contract today to buy USD for settlement in 2 local business days time (the Maturity Date).

Assume the AUD/USD Exchange Rate you have been quoted for you to buy USD is 0.8500.

Upon acceptance of this Exchange Rate, your nominated Australian Dollar bank account will be debited the following amount:

USD100,000 / 0.8500 = AUD117,647.05

This amount will be debited on the date you enter the FX Transaction.

When you book your FX Transaction, you will be asked to specify where your payment is to be made. The USD100,000 will then be paid to your supplier on the date of maturity of the contract where the currency agreed to be bought and sold by each party will need to be exchanged (the "Value Date").

Once you have accepted an Exchange Rate quote, you are obliged to take receipt of the foreign currency, regardless of any subsequent Exchange Rate movements. Failure to take delivery of the foreign currency you transacted, or failure to provide the AUD payment to XYLO may result in charges (see "Fees and Charges" on page 12) and substantial losses to you.

SCENARIO 2: FOREIGN CURRENCY RECEIPT USING A SPOT EXCHANGE RATE

You are an Australian based exporter who will receive USD100,000 in 2 days time for goods you sold overseas. You would like to convert the US Dollar receipt into Australian Dollars.

You enter into an FX Contract today to sell USD for delivery in 2 local business days time in exchange for Australian Dollars.

Assume the AUD/USD Exchange Rate you have been quoted for you to sell USD is 0.8500.

Upon acceptance of this Exchange Rate, you will be obliged to pay XYLO USD100,000 in 2 local business days time. After XYLO receives the US Dollars, you will receive the following amount:

USD100,000 / 0.8500 = AUD117,647.05

This amount will be credited on the date the funds clear.

When you book your FX Transaction, your screen will detail instructions for your supplier to pay XYLO. The AUD equivalent will be paid into your nominated Australian bank account after any applicable fees have been deducted.

Once you have accepted an Exchange Rate, you are obliged to deliver the foreign currency regardless of subsequent Exchange Rate movements. Failure to deliver the foreign currency that you book may result in charges (see "Fees and Charges" on page 12) and substantial losses to you.

SCENARIO 3: FOREIGN CURRENCY PAYMENT USING A FORWARD CONTRACT

You are an Australian based importer due to pay USD100,000 in 3 months' time. At that time, you will need to convert your Australian Dollars into US Dollars.

Assume the Spot AUD/USD Exchange Rate and the Forward Margin quoted to you is 0.8500 and -0.0040 respectively.

IF I DO NOTHING, WHAT EXCHANGE RATE RISKS DO I FACE?

If you do nothing, the amount of AUD you will need to pay in 3 months' time for your underlying USD exposure (i.e. your USD payment) will depend on the Exchange Rate quoted for value that day.

If the AUD/USD Exchange Rate goes up, you will need less AUD when it comes time to pay for the USD. Assume in this example that the AUD/USD Exchange Rate rises to 0.9000. You will then pay:

$$\text{USD100,000} / 0.9000 = \text{AUD111,111.11}$$

If the AUD/USD Exchange Rate goes down, the opposite occurs and you will need to pay more AUD. Assume the AUD/USD Exchange Rate falls to 0.8000. You will then pay:

$$\text{USD100,000} / 0.8000 = \text{AUD125,000.00}$$

HOW WILL THE FORWARD CONTRACT CHANGE THIS?

If you wish to eliminate your exposure to Exchange Rate risks and enter into a Forward Exchange Contract, then:

$$\begin{aligned} \text{Your Forward} &= \text{Spot Rate} + \text{Forward Margin} \\ \text{Contract rate} &= 0.8500 + (-0.0040) \\ &= 0.8460 \end{aligned}$$

Two business days prior to the contract Maturity Date, your nominated AUD account will be debited by:

$$\text{USD100,000} / 0.8460 = \text{AUD118,203.31}$$

and USD100,000 will be paid to your nominated payee on the contract Maturity Date.

In 3 months' time, regardless of where the AUD/USD Exchange Rate is trading at that time, you will exchange your AUD on the full Contract Amount at the contract rate.

By entering into this Forward Contract, you have removed the uncertainty of Exchange Rate fluctuations over the next 3 months. However, in exchange for this cash-flow certainty, you have also lost the opportunity to take advantage of any favourable Exchange Rate movements.

1.8 GENERAL INFORMATION

Taxation

XYLO is intended for use by Australian Tax residents only.

If you are not a resident of Australia for tax purposes and use XYLO, you may be required to withhold tax on payments you make on an FX Transaction. If you are required to withhold an amount of tax on any payments you make as a non-resident, you are liable to gross up that payment such that we receive all amounts clear of any tax. Taxation law is complex and its application to this product will depend on your particular circumstances. We make no claim that this product will provide a beneficial or appropriate tax outcome for you. When determining whether this product is suitable for your circumstances, you should consider the impact it will have on your own taxation position and seek professional advice if needed.

Financial Crimes Monitoring

Please be advised that in order for XYLO to meet its regulatory and compliance obligations relating to Anti-Money Laundering ("AML") and Counter Terrorism Financing ("CTF"), we perform certain control and monitoring activities.

You should be aware that:

- › Transactions may be delayed, blocked, frozen or refused where we have reasonable grounds to believe that they breach Australian law or sanctions (or the law or sanctions of any other country). Where transactions are delayed, blocked, frozen or refused, XYLO is not liable for any loss you suffer (including any consequential loss) howsoever caused in connection with the transactions
- › We may, from time to time, require additional information from you to assist us in the above compliance process
- › Where legally obliged to do so, we will disclose the information gathered to regulatory and/or law enforcement agencies
- › We may also disclose the information gathered to other banks, other members of the Westpac Group, service providers or to other third parties.

Upon entering into any XYLO Foreign Exchange Transaction with Westpac, you agree:

- › You are not and will not enter into an agreement with Westpac under an assumed name
- › You will not initiate, engage in or effect a transaction that may be in breach of Australian law or sanctions (or the law or sanctions of any other country)
- › Your use of XYLO does not breach any Australian law or sanctions (or the law or sanctions of any other country)
- › You will indemnify Westpac against any potential losses arising if you breach any Australian law or sanctions (or the law or sanctions of any other country) through a transaction that you have initiated, engaged in or effected or the use of XYLO
- › If we ask, you will provide us with additional information we reasonably require from you or any
- › Beneficial owner of an interest in an agreement with Westpac from third parties if we believe this is necessary to comply.

Telephone Conversations

The terms of an FX Transaction with XYLO are agreed electronically via the XYLO website. Once we have reached an agreement, both you and XYLO are bound by the terms of the FX Transaction.

Any conversations with our XYLO Customer Care team or dealers are recorded. This is standard market practice. Recorded conversations are retained for a limited period and are usually used where there is a dispute and for staff training and monitoring purposes.

You will need to advise our XYLO Customer Care team members if you do not wish to be recorded.

Communications With You

XYLO may contact you with, or send you information about other XYLO products and services that we feel might be of relevance or benefit to you.

Although we encourage you to receive this information, it is not compulsory. If you do not wish to receive it, please contact XYLO Customer Care.

Code Of Banking Practice Compliance

The Code of Banking Practice ("Code") is a self-regulatory Code adopted by us and other banks. Its purpose is to set standards of good banking practice for banks to follow when dealing with persons who are, or who may become, individual and small business customers and their guarantors.

If you are an individual or small business customer, each relevant provision of the Code applies to the product described in this PDS. The general descriptive information referred to in the Code (other than information in relation to bank cheques and account opening procedures) is set out in this PDS. This includes information about:

- › Account opening procedures
- › Our obligations regarding the confidentiality of your information
- › Complaint handling procedures
- › The advisability of you informing us promptly when you are in financial difficulty
- › The advisability of you reading the terms and conditions applying to an FX Transaction.

If you would like to discuss whether or not the Code will apply to you, please contact us on the numbers set out in the Financial Services Guide section of this PDS.

PRIVACY AND CONFIDENTIALITY COMPLIANCE

XYLO adheres to Westpac's Privacy Policy which explains our commitment to the protection of your personal information. You may obtain a copy of Westpac's Privacy Policy at westpac.com.au or at xylo.com.au, or by contacting XYLO Customer Care.

XYLO has a general duty of confidentiality towards you, except:

- › Where disclosure is compelled by law
- › Where there is a duty to the public to disclose
- › Where the interests of XYLO require disclosure
- › Where disclosure is made with your express or implied consent.

What To Do If You Have A Problem Or Dispute

Sometimes you may want to talk about problems you are having with us. Fixing these problems is very important to us.

We have put in place ways of dealing with your issues quickly and fairly.

Please talk to us first, we aim to resolve your complaint at your first point of contact with us in a time-frame agreed with you.

- › Telephone: XYLO Customer Care **1300 995 639**
between 7:30am and 6:00pm Monday to Friday
from anywhere in Australia
- › Fax: **1300 995 640**
- › Email: **customercare@xylo.com.au**

What To Do If You Are Still Unhappy

If we haven't been able to deal with your issues to your satisfaction, there are a number of other bodies you can go to. Our external dispute resolution provider is the Financial Ombudsman Service, our membership number is 10999 and the contact details are:

Financial Ombudsman Service

GPO Box 3
Melbourne VIC 3001
Telephone: 1300 780 808
Internet: fos.org.au
Email: info@fos.org.au

You can also contact the Australian Securities & Investments Commission (ASIC) to make a complaint and to obtain further information about your rights. They have a free call (Infoline: 1300 300 630), or you can contact them via email at infoline@asic.gov.au



CONTACT US

- > CALL. 1300 995 639
- > FAX. 1300 995 640
- > EMAIL. customercare@xylo.com.au

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 **Westpac**



XYLO™
FOREIGN EXCHANGE
1300 995 639 xylo.com.au