

HSBCnet

Product Disclosure Statement

Effective 1 July 2019



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Important Information

This Product Disclosure Statement (“PDS”) relates to the offer of HSBCnet by HSBC Bank Australia Limited ABN 48 006 434 162, AFSL No. 232595 (referred to as “**HSBC**”, “**Bank**”, “**we**”, “**our**” or “**us**”), who is the issuer of this PDS.

This PDS is made up of this document and another separate document about fees and charges. This PDS is dated as of the latest date borne by any of the documents which comprise it. This core document is dated 01 August 2014.

This PDS describes HSBCnet and should be read in full before a decision is made to acquire HSBCnet from HSBC. The purpose of this PDS is to provide you with sufficient information to determine whether HSBCnet meets your needs.

The information provided in this PDS is general and does not take into account your objectives, financial situation or needs. Before you acquire HSBCnet you should consider whether it is appropriate for you having regard to your own objectives, financial situation and needs. If you do acquire HSBCnet, we recommend that you retain this PDS for future reference.

Before you acquire HSBCnet you will be required to sign a customer agreement. This agreement governs the relationship between you and HSBC and sets out the terms and conditions that apply to the provision of HSBCnet. In particular, it sets out how we may be liable in relation to HSBCnet. A copy of the customer agreement is available on request and we strongly recommend that you fully consider the terms before acquiring HSBCnet. You should obtain independent advice if you do not understand any part of the agreement

Updates to information: Information relating to HSBCnet in this PDS may change from time to time. This information, where it is not materially adverse to you, may be updated and made available at www.hsbc.com.au or by contacting HSBC on 1300 300 437. A paper copy of any updated information is available free of charge on request.

If you received this document electronically or if you received any updated information other than in writing, we will provide a paper copy free on request.

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1. HSBCnet at a glance

What is HSBCnet?	HSBCnet is an online electronic banking channel designed for commercial customers which provides access to a range of online financial management capabilities and services.
What capabilities and services are available on HSBCnet?	The financial management capabilities and services which you will have access to are set out below in section 2.
What are the key benefits of HSBCnet?	<p>The key benefits of HSBCnet are:</p> <ul style="list-style-type: none">• Management of your payments, receivables, liquidity and assets with one secure solution.• View real time information on your accounts.• Detailed and flexible reporting tools including report writer create tailored reports. HSBCnet enables you to access all your accounts both domestically and internationally through one secure platform.• Robust authentication processes providing you with a channel to carry on business securely and safely.• HSBCnet allows you to control your internal security with flexible administration tools which are designed to provide efficiency and security.

<p>What are the key risks of HSBCnet?</p>	<p>The key risks of HSBCnet include:</p> <ul style="list-style-type: none"> • Internet security risk meaning that if you do not take adequate internet security precautions there is a risk your security may be compromised which could lead to unauthorised and fraudulent transactions on your accounts. • Access and control risk meaning the risk that you set up your internal access and controls for HSBCnet in a way which is not appropriate for your business. • Access methods risk meaning that the access methods which you use to access HSBCnet including any Usernames, Security Codes and Security Devices are compromised which could lead to unauthorized and fraudulent transactions on your account.
<p>What are the key risks of HSBCnet? (cont)</p>	<ul style="list-style-type: none"> • Online communication risk being the risks inherent in sending communications online and via the internet. <p>The above is a summary only and does not include all of the risks of HSBCnet. Please see section 4 “Risk to Consider” for further information.</p>
<p>What are the fees in respect of HSBCnet?</p>	<p>Fees and charges will apply for access to HSBCnet. The amount of such fees and charges depends on the package that you choose to use. Fees and charges will also apply for transactional products and services which you elect to access on HSBCnet.</p> <p>Please refer to section 5 “Fees and Costs” of this PDS and the Corporate Banking fees and charges guide for more information.</p>

What are the system requirements for HSBCnet?

In order for you to use HSBCnet, your system will need to meet certain requirements. These may change from time to time. The current recommended system requirements for HSBCnet can be found at:

http://www.hsbcnet.com/gbm/products-services/online-services/about-hsbcnet.html?showcontent=tab_2_content#getting_started

A paper copy of this is available free of charge from us upon request.

Is there a cooling-off period?

There is no cooling off period for HSBCnet.

2. HSBCnet features and capabilities

The features accessible for you are set out in each of the tables below.

Comprehensive and International Access

What payment capabilities and services can I access?	<p>Payment types and payment related capabilities and services which are available include:</p> <ul style="list-style-type: none">• Priority payments (eg telegraphic transfers, RTGS) for overseas and sameday local transactions.• Inter-account transfers between your accounts on HSBCnet.• Domestic bulk payments (ie single debit/ multiple credit) for local bank transfers and ACH/payroll transfers.• Using the Get Rate tool during payment authorisation which provides a real-time foreign exchange rate within designated periods.• File upload and file import for bulk payments.• Payment of bills using Payment Services.• Payment status enquiry.• Payment amendment and cancellation request.• Payment trace and retrieval requests.• Cheque Outsourcing.• Beneficiary Advising.• Payments against uncleared funds⁵
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What reporting (account information) capabilities and services can I access?

Reporting capabilities and services available include:

- Balance and transaction reporting.
- Set up of customized alerts to advise your Users via sms or email when an account is above or beyond a pre-defined balance, or when there has been a debit or credit transaction on that account.
- Report writer within HSBCnet allows you to create customized reports for data such as balances, statements and payment status reporting.
- Automatic file download allows you to schedule files and reports to be automatically sent to a secure email or file location.

What collection capabilities and services can I access?

Collection related capabilities and services available on HSBCnet include:

- Reports and files download including daily detailed collection reports, daily detailed cheque reports and daily good funds reports.
- Allows reporting for Receivables services such as wholesale lockbox, direct debits, virtual accounts, Payment Services and receivables alerts.
- Payor maintenance and upload allowing for reconciliation of your receivables ledger using payor/customer details provided by you.
- Receivables management provides detailed reporting for your collection needs.

What Internet Trade Services capabilities and services can I access?

You can use HSBCnet to perform the following Internet Trade Services:

- (a) view information regarding import and export accounts, trade facilities and trade authorisations;
- (b) submit import documentary credit applications and amendments;
- (c) create and amend frequently used templates and trade services clauses;
- (d) view import bill instructions and submit bill acceptance and bill payment instructions;
- (e) view export documentary credit transfers and submit transfer documentary credit instructions;
- (f) submit export 'Pre-Shipment Finance' request on 'Purchase Order' or 'Export Documentary Credit';
- (g) submit export 'Post-Shipment Finance' request on export bill;
- (h) submit import finance request to apply a new import loan, extend / pay existing import loan;
- (i) view and download a new ITS scanned report for 'Export Loan Details' (for Export Pre-Shipment Finance);
- (j) retrieve and view document images of export and import bills, and
- (k) view and download 'Trade Advice' of import and export transactions.

What Guarantees and Standby Letters of Credit capabilities and services can I access?

- You can use HSBCnet to do the following in respect of guarantees and standby letters of credit:
- (a) view information regarding your outstanding guarantees and/or standby letters of credit;
- (b) apply for a guarantee or a standby letter of credit; and
- (c) request a cancellation of a standby letter of credit.

<p>What transactional limits apply?</p> <p>*This is the default limit. You may set up a lower limit for a Business Administrator or User at your election. Higher daily limits may also be available in certain circumstances upon request, subject to our approval. Please consult your relationship manager for more information.</p>	<ul style="list-style-type: none"> • No transactional limit applies to inter account transfers between your accounts on HSBCnet. <p>For transactions other than inter account transfers between your accounts on HSBCnet:</p> <ul style="list-style-type: none"> • an overall aggregate transactional limit of AUD 500,000* applies to your profile each day if your HSBCnet profile is set up with sole authorization capability; or • no transactional limits apply if your HSBCnet profile is set up with dual authorization capability.
<p>What accounts can I access using HSBCnet?</p>	<p>You can access any domestic or international accounts whether held with HSBC, another member of the HSBC Group or a third party financial institution. Some accounts are view access only and do not have transactional access.</p>
<p>Is Mobile Banking available?</p>	<p>Yes, HSBCnet Mobile is available and can be used to view balance information, authorize payments, receive payment authorization alerts, and create Priority Payments, Payment Services payments and Inter account payments to eligible beneficiaries.</p> <p>More information is available at www.hsbcnet.com.</p>

[§] Access to this is subject to our normal credit approval process and is available at our discretion.

Access and use of some of the above capabilities and services will be subject to separate terms and conditions and such capabilities and services may be described further in their own separate product disclosure statements. Not all capabilities and services will be available to all customers. You should speak to your Relationship Manager or by calling our Customer Service Line on 1300 300 437.

For example:

- Access to Internet Trade Services capabilities and services is only available if you have been provided with relevant and necessary HSBC trade facilities. The use of Internet Trade Services is subject to the terms and conditions applying to such HSBC trade facilities (as amended from time to time). An instruction provided to HSBC through HSBCnet is taken to be an instruction given under the relevant facility terms and conditions governing your HSBC trade facilities. Use of Internet Trade Services may be subject to a fee. Please refer to the Corporate Banking fees and charges guide for details.
- Access to the guarantees and/or standby letters of credit capabilities and services is only available if you have been provided with relevant and necessary HSBC guarantee and/or standby letter of credit facilities. The use of these functionalities is subject to the terms and conditions applying to such HSBC guarantee and/or standby letter of credit facilities (as amended from time to time). An instruction provided to HSBC through HSBCnet is taken to be an instruction given under the relevant facility terms and conditions governing your HSBC guarantee and/or standby letter of credit facilities. Use of these guarantees and/or standby letters of credit functionalities may be subject to a fee. Please refer to the Corporate Banking fees and charges guide for details.

Also, depending on the type of equipment that you elect to use to access HSBCnet, you may not be able to access all of the above transactional features. For example, if you elect to access HSBCnet via a smart phone or other similar mobile device, then depending on your smart phone or mobile device, its compatibility with HSBCnet and the way in which you elect to access HSBCnet, some of the above features may not be available.

3. Security Features

These following key security features apply to HSBCnet.

Administrative controls	<p>You will need to appoint System Administrators to operate HSBCnet. Once appointed, System Administrators are responsible for the administrative control and maintenance of your HSBCnet profile including appointing Users and assigning the nature of each User’s access to HSBCnet.</p> <p>HSBCnet can be set up so that your System Administrators operate the system under either sole or dual authority. HSBC recommends that System Administrators operate the system under a dual authority set up. If you wish to set up HSBCnet to operate under dual authority, you will need to appoint at least 2 System Administrators.</p>
Authentication controls	<p>The minimum credentials required to log on and perform administrative or financial transactions on HSBCnet are a Username and a Security Code.</p> <p>The Security Code is generated by a Security Device that will be issued to each System Administrator and User set up on HSBCnet. The generation of the Security Code is based on a User set pin number for the relevant Security Device. The Security Code is a one time password and can only be used at the time it is generated.</p>

<p>User access levels</p>	<p>The nature of each User’s access can be customised to suit your organisation’s requirements. When setting up Users, the System Administrator will nominate the access levels (including any transaction limits) that will be granted to each User. For example, a User can be set up to request transactions on your accounts, authorise transactions on your accounts or view your account information only. You can appoint an unlimited number of Users on HSBCnet. The set up and ongoing maintenance of Users and their access levels is to be done by your System Administrators.</p>
<p>Transaction authorisation controls</p>	<p>HSBCnet allows you to nominate the authorisation controls you wish to apply for your transactions on HSBCnet. This includes allowing you to nominate the number and the combination of Users required to authorise a transaction. You may choose to apply different combinations depending on the nature and/or the value of the transaction.</p>
<p>Encryption</p>	<p>Each session on HSBCnet is encrypted (SSL v.3 128 bit). Security sensitive data (e.g. password) is masked on screen when entered. When being transmitted to HSBC from your browser, the transmission of data is encrypted (via SSL—Secured Socket Layer). On reaching HSBC, this data is encrypted within the databases. Even HSBCnet administrators do not have access to this information.</p>
<p>Management Information</p>	<p>Key administrative and transactional events are logged by HSBCnet and available for viewing online via the activity query log tools. An audit trail is provided allowing for retrospective internal control and financial auditing of system’s activity.</p>

<p>Data confidentiality and integrity</p>	<p>HSBC employs security industry best practices to protect customer or personal data. Our data privacy statement is presented to each user for agreement at the time of registration and details the protection that users are afforded.</p> <p>In addition, no user’s information is written to disc or stored on Internet-facing web servers. The web servers are separated physically from the back office databases that hold the transaction data. Therefore, no transaction customer information is kept on the web servers.</p>
<p>Session time-outs</p>	<p>HSBCnet enforces idle (inactivity) session timeouts. If a session remains inactive for a set period of time, the session will be terminated and the user will be required to log back into the application. Moreover, the pages the user has viewed during the session expire to prevent it from being stored in the browser, where they could be accessed later by another user.</p> <p>For additional information on the security features of HSBCnet, please refer to the HSBCnet Security Brief which you will have received together with this PDS document. An additional paper copy of this is available free from HSBC upon request.</p>

4. Risks to consider

Use of an electronic internet banking channel like HSBCnet may involve some risk including the significant risks described below.

Internet and Computer

You are responsible for acquiring and maintaining any equipment required for continued access to and use of HSBCnet. All reasonable steps must be taken to protect the equipment, hardware and software including ensuring that an appropriate firewall and/or other protective measures such as anti-virus software are installed on the equipment and that the equipment is free of viruses. If you do not take adequate internet security precautions there is a risk your security may be compromised which could lead to unauthorised and fraudulent transactions.

In accessing HSBCnet via the telecommunications equipment you should be aware that a communications line failure will impact your ability to access the system. This could result in delays in receiving account information and delivering transactions to HSBC. HSBC will not be responsible for any losses suffered by you as a result of line failure.

Access and Control Risks

In order to access and use HSBCnet, you are required to nominate System Administrators and Users to access HSBCnet on your behalf. Once nominated and set up on HSBCnet, System Administrators have the ability to establish new Users and set all access entitlements applying to other System Administrators and Users. This includes entitlements to view, create and/or authorise payments or other transactions from your accounts and the setting of the maximum transactional limits applying to each of these persons. Depending on the entitlements granted to them by a System Administrator, a User or System Administrator who is authorised access and make payments from, or perform other transactions on, your accounts,

may be able to access and transact on your accounts without the involvement or knowledge of another User or System administrator. It is therefore your responsibility for setting up appropriate persons as System Administrators or Users, and to assign appropriate access entitlements to such persons, on your behalf. The risk of this not being done properly is that access to your accounts may be set up in a manner which is not appropriate for your business. You should therefore have proper controls and processes within your business to address and monitor this.

Compromise of Access Methods

In order to access and use HSBCnet, you will be provided with various access methods including for example, usernames, pins, passwords and Security Devices. We refer to these as your Access Methods. It is your responsibility to ensure that these Access Methods are not compromised. If this occurs, there is a risk that your accounts will be accessed without your consent and unauthorised transactions may result.

The effectiveness of HSBCnet security features will be compromised if appropriate controls are not put in place in respect of your Access Methods. All Access Methods must be stored by you or your Administrators or Users, in a safe place at all times. If you suspect or are aware that an Access Method may be, or has been, compromised, you must report this to HSBC immediately. Any lost Security Devices must also be reported immediately.

HSBC will not be responsible for any misuse of any Access Method, nor will HSBC be liable for any unauthorised or mistaken transactions which may arise as a result.

Email and Online Communication

You can send secure emails to HSBC via HSBCnet. You should consider the inherent risks in sending instructions, passwords and updating your details by email. You need to consider the security of the email and ensure you are only connecting to [http:// www.hsbcnet.com](http://www.hsbcnet.com)

You should also be aware of internet and email scams which may mislead you into providing your financial details to an unknown party.

5. Fees and Costs

Fees and charges apply to HSBCnet and are set out in the Corporate Banking fees and charges guide. In addition, other fees and charges may apply when accessing transactional products or services via HSBCnet. The specific fees and charges applicable to these are set out in the Corporate Banking fees and charges guide.

You will have received a copy of the Corporate Banking fees and charges guide together with this PDS. You can obtain another copy by asking your Relationship Manager or by calling our Customer Service Line on 1300 300 437.

6. Taxation

Some costs and charges related to HSBCnet may be classified as taxable supplies under GST legislation. You may be liable for government charges, duties and tax relating to transactions carried out through HSBCnet. Refer to the Corporate Banking fees and charges guide for further information.

7. Payment Services

Before you acquire access to Payment Services, you may be required to sign or agree to terms specific to the particular Payment Services you wish to access and utilise.

8. Dispute Resolution

The following complaint handling procedures apply to HSBCnet.

Introduction

At HSBC we are committed to the delivery of excellence through the highest customer service standards. Whether you are providing feedback, paying a compliment or making a complaint, your input is important.

We aim to resolve most issues within five working days. If more complex, it can take longer but we'll keep you informed of progress.

Making a Complaint

If you have any concerns about a procedure, compliance issue, or have encountered a problem with our service, we want you to tell us about it. Either contact your Relationship Manager or call us on 1300 300 437 and we should be able to resolve the problem; if not we can undertake further investigation and action.

Customer Relations

If your complaint hasn't been resolved to your satisfaction, contact our Customer Relations Complaints team:

Toll Free: 1300 308 188

Facsimile: (02) 9255 2647

Mail: Customer Relations Team - HSBC Bank Australia Limited,
Tower 1 - International Towers Sydney, 100 Barangaroo Avenue, Sydney NSW 2000
Australia

Or you can log onto our website, www.hsbc.com.au and record your complaints or feedback via the "Contact Us" icon. Our front line staff, managers or Customer Relationship team should be able to resolve any issues you raise. If we are unable to resolve your complaint immediately to your satisfaction, we will advise you of the procedures for the further investigation and handling of your complaint and may ask you to provide further details.

We will investigate your complaint and within 21 days of receiving your complaint write to you, explaining the outcome of our investigation or that more time is needed to complete the investigation. Unless there are exceptional circumstances, we will complete our investigation within 45 days of receiving your complaint. If we are unable to resolve your complaint within 45 days, we will write to you and inform you of the reasons for the delay and provide you with monthly updates on the progress of its investigation and an indication of when your complaint is likely to be resolved,

except where we are awaiting a response from you and you have been advised that it requires such a response.

Results of HSBC's Investigations

When we complete our investigations of your complaint, we will notify you in writing of:

- ▶ the result;
- ▶ the reasons for our decision; and
- ▶ any further action you can take in respect of your complaint.

If any of your accounts with us is found to have been incorrectly credited or debited, HSBC will adjust your account accordingly (including any interest and charges) and notify you in writing of the amount of the adjustment.

If we find that you are liable for all or part of the disputed transaction, we will supply you with copies of any document or other evidence on which we based our findings, and advise you in writing, if there was any system or equipment malfunction at the time of the transaction.

If you are not satisfied with the decision, you may wish to take the matter further. You may, for instance, contact the Australian Financial Complaints Authority, if you fall within its jurisdiction.

Australian Financial Complaints Authority

The Australian Financial Complaints Authority (**AFCA**) scheme is an impartial, independent and free service for personal and small business customers.

For more information refer to the AFCA website www.afca.org.au

You can contact AFCA by writing to:

Australian Financial Complaints Authority

GPO Box 3 Melbourne, VIC 3001
Phone: 1300 780 808
Facsimile: (03) 9613 6399
Email: info@afca.org.au

9. Glossary of Terms

The terms below have the following meaning when used in this PDS:

Banking Day means, for any purpose, any day other than a Saturday or Sunday on which one or more of HSBC's branches are open in Australia.

Payment Cut-Off time means the time in Sydney after which HSBC will not process or make any further payments on that day.

Payment Services means a funds transfer tool which HSBC provides you with access to via HSBCnet in order for you to make payments to billers in multiple locations.

Security Code means an unpredictable code generated by a Security Device at predetermined intervals, to be used, in conjunction with a Username to access HSBCnet.

Security Device means the physical device which HSBC may provide to each System Administrator and User which generates a new Security Code at predetermined intervals.

System Administrator means a person appointed by you to perform administrative and/or other functions on your behalf on HSBCnet.

User means any person authorised by you to use HSBCnet.

Username means the code comprising alpha-numeric characters set up by a User to be used with the Security Code to access HSBCnet.

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