

Things you must know about your Credit Union

28 September 2009

AFSL 238991 ABN 30 087 651 205

1. Membership

Police Credit Union Members are required to purchase 1 x \$10.00 share. On closure of the Membership, Members can redeem the Member share in accordance with Police Credit Union's constitution.

Copies of Credit Union's Annual Report are available on request. Members may elect to receive a copy of Police Credit Union's Annual Report if desired.

Rights, obligations and restrictions are attached to Member shares, these are written into our constitution.

A Member must agree to and abide by the constitution of Police Credit Union and any amendments thereof of the Police Credit Union. A copy of the constitution is available on request.

Under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) personal identification is required for every signatory when opening an account. Anti-Money Laundering and Counter Terrorism Financing information is available upon request.

Names

The law does not allow you to open an account using a false name. However, if you are commonly known by more than one name, you can open an account in any one of those names, but you must give Police Credit Union confirmation of all the other names that you use and provide acceptable identification supporting this.

The same rules apply to becoming a signatory to an existing account.

If you change your name, for example upon marriage, you will need to give Police Credit Union a change of name statement. Police Credit Union will give you guidance on the procedure to change the name on your account.

Laws for proof of identity

Credit Unions and all other financial institutions must apply procedures to prove your identity when you:

Open a Membership or become a new signatory to an account.

2. About the identification requirements in the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) ("AML/CTF Act")

On all occasions, Police Credit Union will need to complete a full check of your identity. This procedure will involve:

- Making a series of checks on certain information provided by you; or
- Obtaining a statement from an acceptable certifier who has sighted, verified and copied your identification.

The procedures are part of the AML/CTF Act 2006, which is designed to help prevent people from using the financial system for tax evasion, money laundering and terrorism financing.

It is an offence under AML/CTF Act 2006 to make any false or misleading statements.

Police Credit Union supports the Australia-wide effort to fight crime and will do everything it can to make this procedure as smooth as possible for Members.

Information Checks

To open an account you must produce identification that will verify your full name, date of birth and current residential address.

Police Credit Union has the following sources that we can use to verify your full name, date of birth and current residential address.

These include:

- Australian Proof of Age Card
- Australian Drivers Licence
- An international travel document for the person (passport)
- Student Identification
 - An identification card issued to a student at an Educational Institution
 - A letter from the principal on the school's letterhead (issued within last 3 months)
- Aboriginal or Torres Strait Islander resident in an isolated area.
 - A written reference from a Community Leader to which the Member belongs.
- Birth Certificate or Birth Extract issued by any Australian state's Birth, Death or Marriages Department
- Australian Citizenship Certificate
- Police Identification
- Current Tax Assessment notice (less than 12 months)
- Current Medicare Card
- A current licence or permit issued under a law of the Commonwealth, a State or Territory
- A current Pension Card or Health Care Card
- Current records (within 3 months) of another financial body of which the signatory is a known current member.

Statement from acceptable Certifiers

A special form can be obtained from Police Credit Union for this statement. The statement must be signed by an "acceptable Certifier" after sighting and copying the acceptable documents that are allowed.

Certifiers who can sign this statement include:

- Credit Union staff authorised to open accounts.
- Legal Practitioners, Judges, Magistrates, CEO of a Federal Court, Registrar or Deputy Registrar of a Court, Justice of the Peace, Notary Public, Police Officer, Australian Consular or Diplomatic Officer, Officer of a Financial Institution (2 years continuous service), Finance Company Officer (2 years continuous service), Officer or authorized representative of AFS licensee, a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership.

3. Joint accounts

A joint account is an account in the name of more than one person. If you open a joint account with another person, you will be jointly

Things you must know about your Credit Union

28 September 2009

AFSL 238991 ABN 30 087 651 205

and severally liable for any money that you or the other person owes on the account.

You will be asked how you wish to be able to withdraw funds from the account, for example, you may wish to limit withdrawing funds unless all signatories to the account sign a withdrawal slip. On the other hand, you may wish to be able to withdraw funds with only one signature. You will be required to give Police Credit Union written instructions about how you wish to be able to withdraw funds from the joint account.

You will be able to vary the instructions so that multiple signatures are required to withdraw funds however, all signatories are required to vary the instructions in writing so that only one signature is required for withdrawals.

You should also read the terms and conditions of the account. The terms and conditions will explain the nature of your liability for any money that the other signatories to the account withdraw.

Terms and Conditions for the Operation of Accounts

For Single and Joint Accounts

1. The Member(s) has / have authorised Police Credit Union to permit any of them to:
 - (a) operate the account(s);
 - (b) deposit the money in the account(s) for any term;
 - (c) invest money in the account(s) for any term;
 - (d) negotiate any cheques in the Members' names;
 - (e) draw and sign any cheques (including an instruction to stop payment on a cheque);
 - (f) give instructions as to disposal of interest;
 - (g) give authorities for periodical payments;
 - (h) withdraw all or any moneys standing to the credit of the account;
 - (i) obtain statements of the account(s) and any information concerning the account(s) generally;
 - (j) give a third party authority to operate the account.
2. The person or persons authorised to operate the account(s) as designated above shall indemnify Police Credit Union for any liability arising out of the account(s).
3. In case of a joint account, we understand that any sum standing to our credit in Police Credit Union at any time shall be owned by us, with right of survivorship, and payment to any of us, or the survivors, in accordance with the authority given and shall not be changed or terminated except by written notice to Police Credit Union signed by any one of us, and such notice shall not affect transactions made to that time. Any details in the terms and conditions for a particular account override this general information.

4. Additional Signatories

As an account holder you may wish to give a third party access to your account by adding that person as a signatory. You retain ownership of the account and have the power to delete the signatory at any time. If you wish, you may give permission for the signatory to be issued a card to operate the account and to have access to your cheque account. However, all transactions carried out by the signatory remain the responsibility of the account holder.

Additional signatories have the right to enquire about the account, order statements, transact on the account and order replacement

cards or cheque books. However, the additional signatory is not authorised to negotiate or cancel credit, apply for new products and services, apply for or alter an access code or to close the Membership.

Where an additional signatory is deleted from the account, any transactions conducted by that person will remain the responsibility of the account holder until such time as the signatory's card(s) are returned to Police Credit Union.

All additional signatories to an account must comply with the Government's identification laws.

5. Quoting your tax file number

Police Credit Union will ask for your tax file number when you open an account. You are not required to give your tax file number, however under the law, if you choose not to provide your tax file number, Police Credit Union may deduct withholding tax on interest you earn on your account. The Government sets the withholding tax rate and may vary it at any time.

The deduction of withholding tax will form part of your normal income tax from your salary or wages. When you fill out your tax return, including your interest earned along with your regular income, you can claim the withholding tax paid on the interest as tax already paid together with the tax your employer deducts from your salary or wages.

If you give your tax file number, Police Credit Union will not deduct any withholding tax on interest that you earn on your account.

6. Cheque deposit

When you deposit a cheque to your Police Credit Union account a clearance time will apply. Cheques totalling less than \$2,000 will take 3 days to clear if they are deposited before 2.00 pm, or 4 days if deposited after 2.00 pm. Where a bank holiday occurs, the 3 and 4 day clearance time will extend by 1 day. Cheques totalling more than \$2,000 will take 5 days to clear. Cheques drawn on a foreign bank will take 180 days to clear.

During this period you will NOT be able to withdraw any of the proceeds of that cheque however, there are some exceptions to allow you immediate access to the proceeds of the cheque. Special provisions may be made for the deposit of payroll cheques. Please check with Police Credit Union as to these circumstances.

7. Credit Union Corporate Cheques

One of the ways you can withdraw funds from your account is by asking Police Credit Union to issue a corporate cheque. The fee for issuing a corporate cheque is listed in the Fees and Charges brochure.

If you lose a corporate cheque or somebody steals it, you can ask Police Credit Union to stop payment on the corporate cheque. You will need to report the loss or theft of the cheque to Police Credit Union before the cheque is paid to the bank. You will also have to complete a declaration, which protects Police Credit Union if someone else claims that Police Credit Union wrongfully stopped the cheque.

Things you must know about your Credit Union

28 September 2009

AFSL 238991 ABN 30 087 651 205

Police Credit Union will not stop payment on a corporate cheque if you use the cheque to buy goods or services and you are not happy with them. You must seek compensation or a refund directly from the provider of the goods and services. You should contact your Government Consumer Agency if you need help.

8. Financial Difficulty

You should always contact Police Credit Union promptly if you are ever in financial difficulty, especially if you are repaying a loan or have an overdraft account with Police Credit Union.

Police Credit Union will take responsible steps to assist you if you are finding it difficult to repay your loan. Even if you are only experiencing temporary difficulty, our Credit Control staff are available to assist you.

9. Terms and Conditions

Police Credit Union has terms and conditions governing your savings accounts, term deposits and loans. You should always read your terms and conditions before opening an account or taking out a loan.

The terms and conditions set out your rights and obligations. It is important that you understand these rights and obligations. If you do not understand the terms and conditions please ask Police Credit Union to explain them.

Police Credit Union will give you terms and conditions before you open an account or take out a loan.

10. Subsidiary Cards (Debit Cards only)

If you have a Debit Card with Police Credit Union, you may ask us to issue an additional card to someone else providing they become a verified signatory to the Membership. The additional card is usually called a subsidiary card.

Police Credit Union will only issue a subsidiary card to a person who is over the age of 18 years and a verified signatory to the Membership. Giving somebody a subsidiary card gives the person access to the money in your account, or access to your credit limit. You will be liable for any money that the subsidiary cardholder withdraws from your account using the subsidiary card.

You may cancel a subsidiary card by giving written notice to Police Credit Union. However you remain liable for any money that the subsidiary cardholder withdraws using the subsidiary card even after you cancel the card. You must surrender the subsidiary card to us before the cancellation is effective.

You should read the terms and conditions for your credit card. The terms and conditions will explain your rights and obligations in relation to any subsidiary card. It will also explain the nature of the liability for any money that the subsidiary cardholder withdraws using the subsidiary card.

11. Information statement about Member chequing

The Mutual Banking Code of Practice says that Police Credit Union must give you general descriptive information about our chequing facility.

This information tells you about some of your rights and obligations.

It does not state the terms and conditions of your Member chequing facility.

This information does not apply to the corporate cheque Police Credit Union gives you when withdrawing funds from your account. Please refer to Member chequing terms and conditions.

Cheques stamped 'Not Negotiable' and marked 'or bearer'

All Police Credit Union cheques are pre-stamped with a crossing and a 'Not Negotiable' instruction for your convenience. This crossing serves as a warning to the collecting financial institution that it should take steps to ensure that its customer has good title to the cheque.

The 'or bearer' instruction confirms that the cheque is to be paid to the named person, or 'payee'.

All cheques marked 'Not Negotiable' must be paid into an account before the funds are made available. Cheques deposited into an account may not be cleared immediately. You should ask Police Credit Union for details.



Providing a 'cash' cheque

There may be occasions when you wish to provide a 'cash' cheque. Cheques made payable to 'cash' may be presented for encashment at any Police Credit Union branch.

Members wishing to provide a 'cash' cheque must write 'Please Pay Cash' on the cheque payee line, cross out the parallel lines alongside the 'Not Negotiable' message, sign the deletion, and sign the cheque on the signature line.

On presentation of the cheque, Police Credit Union branch staff will verify your signature and may ask the presenter of the cheque for identification.

Cheques made payable to a named person may be cashed if the parallel lines alongside the 'Not Negotiable' message have been crossed out and the deletion signed, or if the 'Not Negotiable' message has not been pre-stamped on the cheque and it has not been added.

Things you must know about your Credit Union

28 September 2009

AFSL 238991 ABN 30 087 651 205



Presenting a 'third party' cheque

There may be a time when you are put in the position of being asked to accept a **third party cheque**, perhaps in payment for goods or services of equivalent value. It is important to understand that there are some difficulties involved in this type of transaction, both for you and Police Credit Union.

What is a 'third party' cheque?

A third party cheque is a cheque payable to one party that is to be deposited to the account of another party. For example, a cheque may be made payable to Joseph Black and Joseph Black transfers the ownership of that cheque to Michael White. Michael White may then deposit the cheque to his own account.

What problems do 'third party' cheques create?

Whilst it is legally possible to transfer ownership of a cheque, there are some potential problems. It is very difficult for Police Credit Union to know whether Michael White is entitled to the funds. Joseph Black may have noted on the back of the cheque that the funds were to be transferred to Mr White and signed the advice, however, unless Mr Black was a Member of Police Credit Union, it would be impossible to confirm his signature.

This creates a dilemma, as Police Credit Union is obliged to take due care to ensure that proper entitlement to a cheque is established. If a third party cheque is accepted and is deposited to an account of someone, or some party, who is not regarded as the 'true owner' of the cheque, Police Credit Union may be sued by the original payee of the cheque. The depositor, of course, risks losing the funds.

How can we ensure proper entitlement to a cheque?

To protect against third party cheque problems, we suggest that you ask the party providing you with the cheque to provide a replacement cheque made payable to you. If this is not possible, a Letter of Authority from the payee which includes his/her address and phone number, and approves the deposit of the cheque to your account will assist us. In some instances, a third party cheque will not be accepted without this Letter of Authority.

To help us to establish who has proper entitlement to a cheque, we will ask you to complete a 'Third Party Cheque' register when depositing the cheque. This will record details of the cheque, the payee and reason for the funds being deposited to a third party's account. This process will help to protect Police Credit Union, the payee and you, the depositor, from any future problems.

Police Credit Union will, however, on all occasions reserve the right

to refuse to accept any third party cheques. Third party cheques will not be accepted by Bank@Post outlets.

If you have any concerns about the use of one of your own cheques or about a third party cheque you have been given, a Police Credit Union Branch Manager will be very happy to offer assistance.

How do I stop payment on a cheque?

You can stop payment on a cheque by:

- Ringing Police Credit Union with sufficient particulars to identify the cheque, Police Credit Union will insist on written confirmation; or
- Writing to Police Credit Union, again with sufficient particulars to identify the cheque. You must, of course, do this before we have paid the cheque.

What do I do to reduce the risk of forgery?

When filling in a cheque:

- Start the name of the person to whom you are paying the cheque as close as possible to the word 'Pay'.
- Draw a line from the end of the person's name to the beginning of the printed words 'or bearer'.
- Start the amount in words with a capital letter as close as possible to the words 'The sum of' and do not leave blank spaces large enough for any words to be inserted; also add the word 'only' after the amount in words.
- Draw a line from the end of the amount in words to the printed '\$'.
- Start the amount in numbers close after the printed '\$' and avoid any spaces between the numbers.
- Always add a stop '.' or dash '-' to show where the dollars end and the cents begin and, if there are no cents, always write '.00' or '-00' to prevent insertion of more numbers to the dollar figure.

See cheque illustration on page 9.

When can the Police Credit Union dishonour or not pay on my cheque?

- You have not drawn up the cheque clearly so Police Credit Union is unsure of what you want to do;
- The cheque is 'stale', that is, the date of the cheque is more than 15 months ago; or
- Police Credit Union has notice of your death or mental incapacity.

Police Credit Union can dishonour your cheque or not pay it if:

- You have insufficient funds or insufficient available credit in your account to cover the cheque.

12. Direct Debits

Police Credit Union provides the facility enabling Direct Debits to be paid from your account(s). Police Credit Union can dishonour your direct debit and a fee will be charged if;

- You have insufficient funds or insufficient available credit in your account to cover the direct debit.

Things you must know about your Credit Union

28 September 2009

AFSL 238991 ABN 30 087 651 205

- You have funds that are not clear in your account.

Direct Debit withdrawal frequency is determined by the supplier, the dates and amounts can vary.

13. Confidentiality of your personal details

Apart from any duty of confidentiality under legislation, Police Credit Union has a general duty of confidentiality towards you except where:

- Disclosure is required by law;
- There is a duty to the public to disclose; or
- Disclosure is made with your express or implied consent.

We understand the importance of protecting your privacy and we are committed to complying with the Privacy Act 1988, the National Privacy Principles and the Mutual Banking Code of Practice. A copy of our Privacy Policy is available on request.

How and why we collect your personal information

We collect personal information from you when you apply for Membership and when you apply for or use our products and services. We collect it so we can:

- Give you information to which you are entitled as a Member; and
- Supply to you, and administer, the products and services you require.

We also collect it so that we can give you marketing information, with your consent (refer to 'Marketing Information').

If your personal information is not provided

If you do not provide us with complete or accurate information, we may be unable to accept your application for Membership or may not be able to provide you with the products or services that you may be seeking.

Marketing information

We may, with your consent, use your personal information to give you information, that may be of interest to you, about the other products and services that are available from us, from our related entities, and from other businesses with which we or our related entities have relationships. Your consent will be implied unless you notify us that you do not consent to your information being used for this purpose.

You can elect to alter your consent at any time - simply contact 1300 131 844 during business hours.

When we may give personal information to other organisations

Sometimes we may need to give some personal information about you to other organisations who provide services that assist us in supplying to you, or in administering, the products and services you require, or assist us in giving you the information that you are entitled to as a Member. Examples of such organisations are our related entities, Credit Union Services Corporation Australia Ltd and its subsidiaries, printing and mailing houses, insurers, valuers, legal advisers, collection agents and conveyancers. These organisations may only use the information to the extent necessary to provide the services we require.

Sometimes we may be required to give some personal information about you to other organisations to comply with our legal obligations. Examples of such organisations are our auditors, our legal advisers, APRA, AUSTRAC and the Australian Taxation Office.

Under no circumstances will information be sold to external agencies for marketing purposes.

Your access rights, and how to contact us

The Privacy Act gives you rights to access the personal information we hold about you, and you can ask us to correct the information if it is inaccurate. More information is set out in our Privacy Policy, which is available upon request.

You can contact Police Credit Union Ltd ABN 30 087 651 205 by:

- Email: pcu@policecu.com.au or privacyofficer@policecu.com.au
- Telephone: 1300 131 844
- Mail: Privacy Officer, Police Credit Union Ltd, 17-23 Carrington Street, Adelaide SA 5000.

Police Credit Union will comply with the requirements of any Credit Reporting Code of Conduct issued by the Privacy Commissioner under the Privacy Act (CTH).

14. Warning statement for a Guarantor

Things you must know about your liability under the guarantee

Understanding that, by signing a guarantee, you may become personally responsible instead of, or as well as, the debtor to pay the amounts which a debtor owes and the reasonable expenses of the credit provider in enforcing the guarantee.

If the debtor does not pay you must pay, even if this could mean losing everything you own including your home.

You should consider obtaining independent financial advice and independent legal advice.

You are not bound by any change to the credit contract, or by a new credit contract, that increases your liabilities under the guarantee unless you have agreed in writing and been given written particulars of the change or a copy of the new credit contract document.

15. Internal dispute resolution procedures

Under the Mutual Banking Code of Practice, Police Credit Union is required to offer its Members an internal dispute resolution procedure that is:

- Readily accessible to Members; and
- Free of charge to Members.

This brochure explains the internal dispute resolution procedure that Police Credit Union offers if you have a dispute with your credit union.

What is a dispute?

A dispute arises if you make a complaint to your credit union about a credit union product or service, and you are not satisfied with the response that you receive.

Things you should be aware of about the internal dispute resolution procedure

Things you must know about your Credit Union

28 September 2009

AFSL 238991 ABN 30 087 651 205

You should be aware of the following about the internal dispute resolution procedure set out in this brochure:

- You are not obliged to pursue a dispute with Police Credit Union using its internal dispute resolution procedure. If you do use the internal dispute resolution procedure, you may commence legal proceedings before, after or at the same time as using the internal dispute resolution procedure;
- Police Credit Union's participation in the internal dispute resolution procedure is not a waiver of any rights it may have under law, or under any contract between you and Police Credit Union. An example of a contract between you and Police Credit Union may be a loan contract, mortgage, a guarantee, and the terms and conditions of a VISA card or REDICARD;
- This brochure itself is not a contract between you and Police Credit Union, and it is not enforceable against Police Credit Union.

How to request resolution of a dispute?

If you raise a concern or complaint with the Credit Union and is not resolved to your satisfaction, you can contact our Dispute Resolution Officer via one of the methods listed below and an internal review will be undertaken. If the Officer is able to resolve the dispute, he or she will promptly notify you in writing of, and giving reasons for, the outcome. The Officer will normally resolve the dispute within 45 days of the initial complaint being lodged.

Dispute Resolution Officer

- Mail: PO Box 6074 Halifax St, Adelaide SA 5000
- Telephone: 1300 131 844
- Email: disputes@policecu.com.au

Police Credit Union is a member of the Financial Ombudsman Service, so if you are not satisfied with the outcome of the dispute, you can ask for an external review by this independent body.

Financial Ombudsman Service

- Mail: GPO Box 3, Melbourne Vic 3001
- Telephone: 1300 780 808 (toll free) 9am - 5pm AEST
- Fax: 03 9613 6399
- Email: info@fos.org.au

For more information, visit your local branch, call 1300 131 844, or logon to policecu.com.au