

Term Deposits Information Statement

As at 22 January 2016



Term Deposit Information

In this part of the document are the terms and conditions applying to, and other information about, our Term Deposit Accounts.

It must be read in conjunction with our:

- Financial Services Guide (FSG),
- General Service Fees Sheet, and
- Interest Rate Sheet.

Together they make up the Product Information for our Term Deposit Accounts.

Main account features & terms

Providing very competitive returns, a Police Credit Union (PCU) Term Deposit Account is the perfect vehicle for achieving your savings goals.

You deposit your money for an agreed term and we pay you a fixed interest rate for that term. Interest is paid at higher rates than those that apply to our Standard Savings Accounts.

Terms of any period from 60 days to 4 years are available, enabling you to choose the term and return to suit your individual needs. A minimum investment of \$5,000 will usually get you started and put you well on your way towards your savings goal, but we may require a higher minimum investment in some cases.

How interest is calculated & paid

The annual interest rate that applies to a Term Deposit Account is fixed for the term of the deposit, but there may be a reduction in the interest paid on any amount withdrawn early (see 'Early Withdrawals').

The rate that applies depends upon the amount you invest and the term you select and also upon how often interest is to be paid. Details of the annual interest rates applying to our Term Deposit Accounts are in our Interest Rate Sheet, which is available upon request.

Interest is calculated daily by multiplying the account balance at the end of the day by the applicable annual interest rate and dividing the result by the number of days in the calendar year.

Unless otherwise agreed when your account is opened, interest is paid at the end of the term if the term is one year or less, or annually if the term is more than one year. Interest will be paid monthly or quarterly if we agree to that when your account is opened. Interest can be credited to a PCU savings account or paid by cheque, as you direct.

Fees & Charges

No entry fees, exit fees or account keeping fees apply to our Term Deposit Accounts, but some fees and charges are payable - details are in our General Service Fees Sheet, which is available upon request.

Early Withdrawals

If you give us 7 days prior notice you may withdraw the amount invested, or any part of it, before the end of the agreed term. If you do so, the interest that would otherwise be payable on the amount withdrawn early will be reduced by 50%.

After any early redemption of funds, the balance of the remaining investment will be subject to the current rate applicable to that tier.

A deduction may be made from the amount you withdraw to take into account that reduction and any interest already paid. 24 hours notice is required of any withdrawal of \$2,000.00 or more that you require in cash.

When your Term Deposit matures

You will be notified in writing when the term of your Term Deposit Account is about to end. Unless you give us instructions to the contrary before the maturity date, on that date we will renew the Term Deposit for the same term again at the interest rate we are offering for that amount and term at that time. If the same type of investment or term is no longer available, we will reinvest the amount of your deposit in the type and term of investment that we offer at that time that in our opinion most closely resembles your Term Deposit.

Statements

All transactions on your account will be detailed in your statement, which will be provided at least six monthly.

Privacy

PCU complies with the Privacy Act 1988 and the Australian Privacy Principles. More information is in our Privacy Statement, which is available upon request.

Combination of Accounts

We may combine the balances of two or more of your accounts. This means that the credit balance in one account can be used to pay anything you owe us in relation to another account. We do not have to notify you in advance of doing this, but we will promptly notify you if we have done it.

Taxation

As interest is income, tax may be payable on the interest earned on funds deposited to any PCU account. It is not compulsory for you to disclose your tax file number to us or to claim an exemption, but if you don't we are required by law to deduct withholding tax at the highest marginal tax rate (plus the Medicare levy) from your interest payments and remit it to the Australian Taxation Office.

Customer Owned Banking Code of Practice

The Customer Owned Banking Code of Practice applies to the provision of our Term Deposit Accounts.

Changes to Terms & Conditions

We may change the fees and charges that you must pay, or the other terms and conditions applying to your account (other than the interest rate which is fixed for the term of the deposit). Subject to any laws that may require us to give you more notice or notice in a particular way, with which we will comply, we will notify you of any changes as follows:

If we introduce a new fee or charge, or vary the method by which interest is calculated or the frequency with which it is credited, we'll give you notice at least 20 days before the variation takes effect.

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If we increase an existing fee or charge we'll give you notice at least 30 days before the variation takes effect.

If we make any other change that will result in your return decreasing or your obligations increasing, we will give you notice not later than on the day the change takes effect.

If we make any other change we will give you notice within 3 months after the change takes effect or when we next correspond with you, whichever is earlier.

We will notify you of the introduction or variation of any Government charge payable directly or indirectly by you, unless it is publicised by the Government, a Government agency, or a representative body.

We will give you written notice if we introduce a new fee or charge, or vary the method by which interest is calculated or the frequency with which it is credited.

You agree that we may give you notice of all other changes by written notice, by an advertisement in a newspaper generally available in South Australia or Northern Territory, by a notice in your account statement or by a notice in our newsletter.

Dispute Resolution

For information about what to do if you have a concern or complaint, please refer to the 'Dispute Resolution' section in our FSG, which is available upon request.

Further Information

For further information about any of the products referred to in this Information Statement, simply visit your local branch, call 1300 131 844 or logon to policecu.com.au.

When you join the Credit Union, you will be given a copy of 'Things you must know about your Credit Union', which details additional important information about PCU. Further copies are available upon request.

Financial Claims Scheme

- The account holder may be entitled to payment under the Financial Claims Scheme; and
- Access to the scheme is subject to a limit for each depositor; and
- Information about the scheme can be obtained from the APRA website at www.apra.gov.au and the APRA hotline on 1300 13 10 60.

How to Contact Us

Our contact details are provided in our FSG, which is available upon request.