

Product Disclosure Statement

Term Deposit Accounts

This document is part of a Product Disclosure Statement (PDS) providing information about Queensland Teachers' Credit Union's (QTCU) Term Deposit Accounts to help you make an informed decision on whether to open a Term Deposit Account. You should read all parts of the PDS before deciding whether to open a term deposit account with QTCU. The other documents that make up the PDS for this product are:

- Annexure 1 Terms and Conditions
- Deposit Rates Schedule

Australian Financial Services Licence 241195

This PDS was prepared on 2 May, 2008.

This PDS is effective on 2 May, 2008.

Important – Read Documents

Please read the PDS including the Annexure 1 Terms and Conditions carefully. These are available upon request by contacting our office or accessing our website at www.qtcu.com.au. Always retain a copy of all PDS documents and any subsequent PDS for future reference. Relevant provisions of the Credit Union Code of Practice also apply to the Term Deposit Accounts.

Benefits and Features

The most significant benefit of deposit products is the interest earning potential. When you lodge an amount of money at a predetermined rate of interest for a fixed period of time we will pay you interest on your deposit. You may select any period between the minimum period, 1 month, and maximum period, 36 months, referred to in the Deposit Rates sheet.

The interest rate is set out in the Deposit Rates Schedule under the heading "Term Deposits". The interest rate is fixed for the term of your deposit, unless you invest in a Gold Note.

Interest will be credited as per your instructions, monthly, quarterly, six monthly, annually if the term exceeds 12 months, on maturity of the term deposit or in the case of a Gold Note interest will be credited quarterly to your nominated savings account, or as agreed otherwise between you and us. The rate of interest paid is affected by the frequency interest is credited by us to you.

Other benefits and significant features are:

- Interest is payable at a higher rate than "on call" Savings Accounts
- No account keeping fees
- No entry or exit fees
- The interest rate is fixed for the term of the deposit so the return will not be varied if other interest rates change.
- Funds are "on call" with a 2% penalty on interest if a term deposit is redeemed prior to maturity date (or in the first 2 years of a term deposit invested for a term of greater than 2 years.)

NB: Details of Terms and Conditions of the Term Deposit Products are included in the Annexure 1 Terms and Conditions.

Cost of the Product

There is no cost for the purchase of this product however, a penalty will apply for deposits redeemed prior to the maturity date or in the first 2 years of a term deposit invested for a term of greater than 2 years.

Commission

There are no commissions or other payments which may impact on the amount of your return.

Risks

There is no significant risk to capital or return on credit union fixed rate products.

If you require access to funds during the agreed term of the deposit:

- A 7 day notice period will apply.
- An interest penalty of 2% off the quoted interest rate will be applied to any amount redeemed prior to the maturity date on a term deposit of up to 2 years or in the first 2 years of a term deposit of greater than 2 years. If the quoted interest rate is less than 2% the penalty will apply for the quoted interest rate.
- The interest rate is fixed for the term of the deposit so the return will not be varied if other interest rates change.

Taxation Issues

Interest is income and accordingly tax may be payable on the interest earned on funds deposited in a Term Deposit Account.

Quotation of your Tax File Number/s (TFN) is not compulsory but if you do not quote your TFN or a TFN exemption, tax may be required to be deducted from your interest.

How you can get additional information about this product?

Under the Credit Union Code of Practice, credit unions are required to make general descriptive information available about the following to members:

- Operation of accounts
- Cheque facilities
- Identification requirements under the relevant legislation
- The credit union's internal dispute resolution (IDR) procedure (IDR details located in this PDS)

This information, together with further information about our Term Deposit Accounts, can be obtained from the following sources:

- refer to our Annexure 1 Terms and Conditions,
- contact us via the contact details given at the end of this PDS, or
- on our website at www.qtcu.com.au.

If you want to make a complaint

If you have a concern or a complaint about any Queensland Teachers' Credit Union product or service you should contact us. Our complaints and compliments process requires us to deal with any complaint efficiently and promptly.

If the consultant cannot satisfy your concern on the spot, we will advise you of our complaint handling process and give you a schedule for dealing with your complaint. If you are not satisfied with the way in which we deal with your complaint, or if we do not respond promptly, you may refer the complaint to our external dispute resolution centre, CUDRC, on 1800 624 241 (toll free). You may wish to refer to our Complaints and Compliments brochure for further details.



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Annexure 1 - Terms and Conditions

1. **Term Deposit:** A "Term Deposit" is a deposit where you agree to leave with us a particular amount for a particular term in consideration of us paying you a fixed rate of interest on the deposit amount.
2. **Different rates apply** to different amounts and different terms. Please refer to our Deposit Rates sheet for details.
3. **General Information:** We draw your attention to the availability of general information about our products and services and about your rights to privacy, issues relating to tax file numbers, joint accounts, complaint handling, account opening procedures, our obligations regarding management of personal information, our right to combine accounts, Credit Union Corporate Cheques, the advisability of you informing the credit union promptly if you are in financial difficulty and any matters which are set out in our other brochures. You can obtain this general information by contacting us.
4. **Credit Union Code of Practice:** The relevant provisions of the Credit Union Code of Practice apply to Term Deposits.
5. **Fees** may be payable in certain circumstances. Please refer to our Fees and Charges brochure.
6. **Tax File Number** You are not obliged to give us your tax file number, but if you do not and are not exempt, the law requires us to deduct from interest payable on your Term Deposit, tax at the rate the Australian Taxation Office advises.
7. **Notification:** We will notify you on acceptance of a Term Deposit.
8. **Maximum and Minimum Amounts** We have the right to refuse to accept any deposit and may set maximum and minimum amounts for deposits and terms. A Term Deposit must be for a minimum of \$1,000. A Gold Note is an individual \$1,000 deposit. An Edvest Regular Income Term Deposit must be for a minimum of \$5,000.
9. **Increase in Amount of Deposit:** Term Deposits can only be increased at maturity with the exception of Gold Notes where no increase to the amount is allowed at maturity.
10. **Joint Accounts:** If there is more than one account holder:
 - each one of you is responsible for the Term Deposit individually and jointly with all the others;
 - any one of you can operate the Term Deposit except where more than one to sign has been requested; and
 - if any one or more of you dies, the Term Deposit will continue solely for the benefit of the survivor/s as the only account holder/s.
11. **The interest rate** on a Term Deposit will not change during the term of the deposit with the exception of Gold Notes where the interest rate may change during the term of the deposit after the initial period. If we quote you an interest rate, the rate may differ if the deposit is not made on the same day.
12. **Interest:** Interest will be calculated on daily balances and paid monthly, annually, at maturity or as agreed otherwise between you and us, depending on how much you invest and for how long; interest on the Gold Note will be credited to the nominated savings account quarterly.
13. **Interest at Maturity:** Your interest may be reinvested at maturity, paid to a nominated account you have with us, or sent to you by cheque.
14. **Cheques Require Clearance:** Cheques deposited may require clearance but if cleared interest will accrue from the date of lodgement.
15. **On maturity,** if you have not previously advised us otherwise we will automatically reinvest your funds for the same term as the previous deposit and at the rate of interest current for that amount at that date provided that the same term is available. If the same term is not available we will reinvest your deposit to the closest term. Our process is for you to inform us at date of opening what you want to happen at maturity and we follow these instructions.
16. **On renewal** of a Term Deposit the interest rate will be changed to the rate current as at the maturity date and the Term Deposit is reinvested for the further term.
17. **Not Re-investing:** Should you decide not to re-invest your Term Deposit, it will be transferred to a savings account that you have with us or to a nominated account, or sent to you by cheque.
18. **Early Withdrawal Requests:** If you require access to your Term Deposit prior to the maturity date or before the first 2 years of a Term Deposit of greater than 2 years, you must give us 7 days notice in writing before the funds are required. We may in our absolute discretion consider whether or not to agree to your request. Our decision is final without any responsibility on our part to compensate you, in any way, because of our decision.
19. **Early Withdrawal Penalty**
- 19.1 Term Deposit of up to 2 years - should you require all or part of the Term Deposit before the maturity date the interest rate will be reduced by a penalty rate of 2% from the opening date to the date of redemption request. If the quoted interest rate is less than 2% the penalty will apply for the quoted interest rate.
- 19.2 Term Deposit of greater than 2 years - should you require all or part of the Term Deposit before the first 2 years the interest rate will be reduced by a penalty rate of 2% from the opening date to the date of redemption request. If the quoted interest rate is less than 2% the penalty will apply for the quoted interest rate. After the first 2 years of the Term Deposit, the funds will remain at call for the remainder of the fixed term period and no interest penalty will apply should you require the funds in the Term Deposit to be redeemed.
20. **Statements** will be provided at least six monthly and may also be obtained on request.
21. **Information** on current fees, charges and interest rates is available on request or can be viewed at www.qtcu.com.au.
22. **We may change terms and conditions,** alter or cease any of our accounts, products or payment services, introduce a fee or charge or change any fees and charges applying to an account at any time.
23. **Notice of changes**
- 23.1 We will give you notice in writing (which includes in the member newsletter or account statement) at least 30 days before any change that:
 - introduces or increases a fee or charge; or
 - changes the method of calculating interest; or
 - changes the frequency with which interest is credited.
- 23.2 We will notify you of other changes to the terms and conditions as follows: In writing (which includes the member newsletter or account statement) on the date the change takes effect or as soon as practicable afterwards but within:
 - Three (3) months if your interests are adversely affected; or
 - Twelve (12) months if your interests are not adversely affected.
- 23.3 We will notify you of decreases to fees and charges when we next correspond with you or within Twelve (12) months whichever is the earlier.
24. **Change of Address:** If you change your address or email address and do not tell us, you are considered to be notified if we write to the old address or the old email address.
25. **Error or Complaint:** If you believe an error has been made or you have a complaint, please call us on 13 29 30 we will make any corrections to your account we consider appropriate in the circumstances. Any correction will be included in your next statement. If you request, we will provide you with further details about any correction shown on your account statement.
26. **Dispute Resolution:** If we do not resolve your complaint to your satisfaction, you may call our Customer Relations Officer on 13 29 30 or refer to our Complaints and Compliments brochure.
27. **Identification Requirements:** The law requires everyone who opens a new account and all signatories to the account to be identified. Therefore, we must be sure of your identity and the identity of signatories to your account before we can open an account. To be identified you must provide us with certain documents. We will let you know the documents you need to satisfy us of your identity when you complete the relevant application form. Whether opening a new account or becoming a signatory to an existing account:
 - False names cannot be used;
 - All names by which you are commonly known must be provided;
 - Change of name through marriage or other circumstance must be communicated to QTCU and supported by relevant documentation.
28. **AML/CTF Legislation:** QTCU has certain obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and rules made under that Act ("AML/CTF Law"). As such, you acknowledge that:
 - we may be required to disclose money laundering/terrorism financing information by law;
 - we may be required to release information regarding internet banking transactions to overseas regulators;
 - we may be prohibited from effecting some internet banking transactions to overseas jurisdictions and involving certain persons (in addition to the prohibitions required by Australian law);
 - your transactions could be delayed, blocked or frozen if we believe on reasonable grounds that making a payment may be in breach of the AML/CTF Law;
 - you agree that we will incur no liability to you if we do delay or block a transaction, or refuse to pay any money in the reasonable belief that a transaction may contravene any AML/CTF Law;
 - we may need to collect additional information from you in order for us to comply with AML/CTF Law; and
 - we may suffer loss from you entering into transactions that would breach the AML/CTF Law or acting on someone else's behalf (unless they are a trustee) in breach of the AML/CTF Law. We may seek a warranty and an indemnity from you based on that warranty.