

# Term Deposit Account Product Disclosure Statement

Containing Conditions of Use – as at May 2019

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### Important Notice about this Product Disclosure Statement

**This Product Disclosure Statement (PDS) is an important document that:**

- contains information about the Term Deposit Account; and
- constitutes the Conditions of Use of the Term Deposit Account

### This PDS helps you to:

- decide whether the Term Deposit Account will meet your needs; and
- compare this product with other financial products you may be considering.

### You should read this PDS before making a decision to open the Term Deposit Account.

Please note that by opening a Term Deposit Account you become bound by these Conditions of Use.

Please keep this PDS in a safe place so you can refer to it when needed. Alternatively, you can obtain information set out in this document (and download this document) by visiting our website at [www.unitybank.com.au](http://www.unitybank.com.au)

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The Term Deposit Account Product Disclosure Statement is issued by: Unity Bank Limited. All details are current as at the date of this TDPDS. We will update and publish changes to the TDPDS on our website. ABN 11 087 650 315 AFSL / Australian Credit Licence 240399.

## KEY TERMS AND INFORMATION

### What product does this PDS apply to?

This PDS only applies to our Term Deposit Accounts.

### What is the Term Deposit Account?

The Term Deposit Account is a deposit account in which you:

- deposit funds with the Bank for a fixed period of time (the term); and
- earn a fixed rate of interest on the balance of the Account during the term.

### What are the Benefits?

The rate of interest you earn on the Term Deposit Account is fixed for the term of the Account. This means that the interest you earn is protected from fluctuations in the market rate of interest during the term of the Account.

### What are the Risks?

You are not entitled to close, or withdraw funds from, the Term Deposit Account until the end of the term. This means that:

- you may not be able to use the invested funds for other purposes;
- you may not be able to take advantage of increases in the market rate of interest.

We may, in our absolute discretion, allow you to withdraw funds from the Term Deposit Account before the end of the term. See Early Withdrawal for further information.

### Minimum Opening Balance

The minimum opening balance for a Term Deposit Account is shown on our Interest Rates schedule.

### Available Terms

You can invest your funds in a Term Deposit Account for any term contained in our Interest Rates schedule.

### Fees and Charges

There is no fee for opening or maintaining a Term Deposit Account. We may impose a charge for paying your balance to you by corporate cheque. We will also debit your Term Deposit Account for all applicable government taxes and charges.

Please refer to the Fees & Charges and Transaction Limits brochure for our current fees and charges.

### Interest Rate and Calculation

Please refer to our Interest Rates schedule for the current Term Deposit Account interest rates payable.

Interest is calculated on daily balances and credited monthly or on maturity. Interest is paid to your nominated account with the Bank.

### What Happens at the End of the Term?

Your Term Deposit Account matures at the end of the term. On maturity:

- any unpaid interest earned on the Term Deposit will be paid to your nominated account with the Bank; and
- the balance of your Term Deposit Account will automatically rollover into a new Term Deposit Account unless you have previously instructed us not to do so.

The new Term Deposit Account will be for the same term as the current Term Deposit Account. The new Term Deposit Account will be subject to the terms and conditions, interest rate, and fees and charges as

applicable to our Term Deposit Accounts with that balance and term in effect at the date of the rollover. Note that these may be different from the terms and conditions, interest rate, and fees and charges that apply to your original Term Deposit Account.

If you inform us within 5 business days of the end of the term that you do not want to rollover the balance into a new Term Deposit Account, then on maturity we will transfer the balance to your nominated account with the Bank. Alternatively you may request that we pay your balance by corporate cheque, in which case we may charge a corporate cheque fee: see the Fees & Charges and Transaction Limits brochure.

### Early Withdrawal

We may allow you, at our discretion, to withdraw part or all of the deposit before maturity. If we allow early withdrawal we may recalculate interest earned on the withdrawn amount from the date of deposit to the day prior to withdrawal at a reduced rate. We will inform you what the reduced interest rate is before you make the early withdrawal.

If we have already paid you interest in relation to the amount withdrawn, we may deduct the difference between the interest already paid on that amount and the interest earned on that amount under the new calculation, from your remaining balance or the amount we pay to you.

### Financial Claims Scheme

As an account holder you may be entitled to payment under the Financial Claims Scheme. Access to the scheme is subject to a limit for each depositor. Information about the scheme can be obtained from the APRA website at:

<http://www.apra.gov.au/>

and the APRA hotline on 1300 55 88 49.

## GENERAL TERMS AND INFORMATION

### How Do I Open An Account?

You will need to become a member of the Bank before we can issue the Term Deposit Account to you. If you are not already a member of the Bank, you will need to:

- complete a membership application form; and
- subscribe for a member share in the Bank.

### Proof Of Identity Required

The law requires us to verify your identity when you open an account or the identity of any person you appoint as a signatory to your account.

In most cases you can prove your identity by showing us one of the following photo identity documents:

- a Photo card (NSW only)
- a State or Territory drivers licence or proof of age card
- an Australian current passport or one that has expired within the last 2 years;
- a photo drivers licence issued by a foreign government;
- a passport issued by a foreign government, the United Nations or a UN agency;
- a national ID card, with photo and signature, issued by a foreign government, the United Nations or a UN agency

If you do not have photo ID please contact us to discuss what other forms of identification may be acceptable.

The law does not allow you to open an account using an alias without you also giving us all the other names that you are commonly known by.

If you want to appoint a signatory to your account, the signatory will also have to provide proof of identity, as above.

### **What Are The Taxation Consequences?**

Interest earned on an account is income and may be subject to income tax.

### **Disclosing Your Tax File Number (TFN)**

When you apply for the Term Deposit Account we will ask you whether you want to disclose your Tax File Number or exemption, unless you have already provided it to us.

You do not have to disclose your Tax File Number to us. If you do not, we will deduct withholding tax from interest paid on the account at the highest marginal rate.

For a joint account, all holders must quote their Tax File Numbers and/or exemptions, otherwise withholding tax applies to all the interest earned on the joint account. Businesses need only quote their ABN instead of a TFN.

### **Joint Accounts**

A joint account is an account in the name of more than one person. The important legal consequences of holding a joint account are:

- the right of survivorship – when one joint holder dies, the surviving joint holders automatically take the deceased joint holder's interest in the account.
- joint liability – each joint holder is individually liable for the full amount owing on the joint account.

You can operate a joint account on an 'all to sign' or 'either/or to sign' basis:

- 'all to sign' means all joint holders must sign.
- 'either/or to sign' means any one joint holder can sign.

All joint account holders must consent to the joint account being operated on an 'either/or to sign' basis. However, any one joint account holder can cancel this arrangement, making it 'all to sign'.

### **Trust Accounts**

You can open an account as a trust account. However:

- we are not taken to be aware of the terms of the trust; or
- we do not have to verify that any transactions you carry out on the account are authorised by the trust.

You agree to indemnify us against any claim made upon us in relation to, or arising out of that trust.

### **Third Party Access**

You can authorise us at any time to allow another person to operate on your Term Deposit Account. However, we will need to verify this person's identity before they can access your account.

You are responsible for all transactions your authorised person carries out on your account. You should ensure that the person you authorise to operate on your account is a person you trust fully.

You may revoke the authorised person's authority at any time by giving us written notice.

### **Making the Initial Deposit To The Account**

You can make the initial deposit to the account:

- by cash or cheque at any branch which accepts deposits;

- by transfer from another account with us; or
- by transfer from another financial institution.

### **Account Statements**

We will send you account statements at least every 12 months. You can ask us for an account statement at any time. We may charge a fee for providing additional statements or copies: see our Fees & Charges and Transaction Limits brochure.

You should check your account statement as soon as you receive it. Immediately notify us of any unauthorised transactions or errors. Please refer to How to Contact Us on the index page for our contact details.

### **What Happens If I Change My Name, Address or Email?**

If you change your name, address or email, please let us know immediately.

### **Account Combination**

If you have more than one account with us, we may apply a deposit balance in any account to any other deposit account in the same name which is overdrawn.

On termination of your membership, we may combine all your accounts (whether deposit or loan accounts) you have with us provided the accounts are all in the same name.

We will not combine accounts if to do so would breach the Code of Operation for Centrelink Direct Credit Payments.

We will give you written notice promptly after exercising any right to combine your accounts.

### **Notifying Changes**

We may change fees, charges and other information at any time. We must give you 20 days notice of any increase in a fee or charge, or any new fee or charge. We must give you notice of any other permitted variation to a term or condition with your next statement.

We may use various methods, and combinations of methods, to notify you of these changes, such as:

- notification by letter;
- notification on or with your next statement of account;
- notification on or with the next newsletter;
- advertisements in the local or national media;
- notification on our website.

However, we will always select a method or methods appropriate to the nature and extent of the change, as well as the cost effectiveness of the method of notification.

### **How We Send Notices & Statements**

We may send you notices and statements:

- by post, to the address recorded in our membership records or to a mailing address you nominate;
- by fax;
- by email;
- by advertisement in the media, for some notices only.

If you agree, we may, instead of sending you a notice or statement, post notices or statements to our website for you to retrieve. We will tell you when information is available for you to retrieve, either at the time or on setting up a facility that will have regular postings to the website.

You can change your email address, or revert to receiving paper notices or statements, at any time.

## What is Farm Management Deposit?

The Farm Management Deposits scheme is designed to allow individuals carrying on a primary production business in Australia, with taxable non primary production income, to shift before tax income from years when they need it least to years when it is most needed. The scheme helps those individuals to manage their exposure to adverse economic events and seasonal fluctuations. Eligibility criteria apply to individuals carrying on a primary production business in Australia under the scheme. Primary producers can access their Farm Management Deposits early when they have been affected by an applicable natural disaster under the Natural Disaster Relief and Recovery Arrangements (NDRRA).

For further details please refer to [www.daff.gov.au/fmnds](http://www.daff.gov.au/fmnds)

### Farm Management Special Terms and Conditions

- The owner of a Farm Management Deposit must be a primary producer when the deposit is made. The scheme is restricted to natural persons (not companies).
- An individual person must make the deposit. Deposits cannot be made by two or more persons jointly or made on behalf of two or more persons.
- A trustee (including a trustee company) may only hold a Farm Management Deposit where the beneficiary is presently entitled to a share of the income of the trust estate and is under a legal disability.
- The initial deposit must be \$10,000 or more, but cannot exceed \$400,000. You can have individual Farm Management Deposits but the sum of all of your Farm Management Deposits must not exceed \$400,000.
- You cannot transfer your deposit rights to another person.
- The deposit must not be used by you or any other person, as security for any amount owed to the Bank, or as a mortgage offset account to reduce your liability to pay interest on other debts to the Bank.
- Interest or other earnings on the deposit must not be invested as a Farm Management Deposit without having been paid to you first.
- The Farm Management Deposit must be repaid if you become bankrupt, die or cease to become a primary producer for at least 120 days or more. Except where the entire amount of your Farm Management Deposit account is repaid by us, the amount of any repayment must be \$1,000 or more.
- At your written request, and upon receipt of any information or other assistance necessary for the purpose, we must electronically transfer the balance of your Farm Management Deposit account to another financial institution that agrees to accept it as a FMD. Reduced interest may apply if the FMD is transferred prior to its maturity.
- The Bank cannot deduct any fees from the principal of a Farm Management Deposit, however it may charge fees on the deposit.
- Farm Management Deposits can be for 3, 6, 12 or 24 months, however to retain the taxation benefits, the funds are not to be withdrawn within the first twelve months.

### Farm Management Deposits Definitions

A "primary producer" is an individual who:

- Has a primary production business in Australia, but not as a trustee of a trust estate
- Is a partner (not a company) in a partnership that has a primary production business in Australia, or
- Is a beneficiary (not a company) who is presently entitled to a share of the income of a trust estate where the trustee has a primary production business in Australia.

"Primary production business" means where you carry on a business of:

- Cultivating or propagating plants, fungi or their products or parties (including seeds, spores, bulbs and similar things), in any physical environment
- Maintaining animals for the purpose of selling them or their bodily produce (including natural increase)
- Manufacturing dairy produce from raw material that you produced
- Conducting operations relating directly to taking or catching fish, turtles, dugong, beche-de-mer, crustaceans or aquatic molluscs
- Conducting operations relating directly to taking or culturing pearls or pearl shell
- Planting or tending trees in a plantation or forest that are intended to be felled
- Felling trees in a plantation or forest
- Transporting trees, or parts of trees, that you felled in a plantation or forest to the place where they are to be milled or processed, or from which they are to be transported to the place where they are first to be milled or processed.

### COMPLAINTS

We have an internal dispute resolution system to deal with any complaints you may have in relation to the Term Deposit Account or transactions on the account. Our dispute resolution policy requires us to deal with any complaint efficiently, speedily and sympathetically. If you are not satisfied with the way in which we resolve your complaint, or if we do not respond speedily, you may refer the complaint to our external dispute resolution centre.

Our staff have a duty to deal with your complaint under our dispute resolution policy. Our staff must also advise you about our complaint handling process and the timetable for handling your complaint. We also have an easy to read guide to our dispute resolution system available for you on request.

### CODES OF CONDUCT

We warrant that we will comply with the Customer Owned Banking Code of Practice.

### PRIVACY

We have a privacy information statement that sets out:

- our obligations regarding the confidentiality of your personal information; and
- how we manage your personal information.

We will give you the privacy information statement whenever we request personal information from you. It is always available on request and you can download it from our website at [www.unitybank.com.au](http://www.unitybank.com.au)