

Notice of Variation to RACQ Bank Terms and Conditions

These changes form part of and must be read in conjunction with your existing Terms and Conditions. These changes are effective from 20 March 2022. It is important that you read this notice carefully and retain it for your records.

Interpretation of this Notice

1. If a section or sub section is not specifically mentioned in this document, it remains unchanged.
2. Section numbers as listed in this notice relate directly to the section numbers in your terms and conditions.

You can get a copy of the full RACQ Bank Terms and Conditions at racq.com/downloads or by contacting 13 1905.

Summary of Changes to your Terms and Conditions

Changes to the RACQ Bank Terms and Conditions from the previous version dated 5 October 2021 include:

- 8.8 Term Deposit account withdrawals before maturity date – the Early Redemption Fee will now be based on the period of the term completed before withdrawal. The previous Term Deposit Early Redemption Fee will be applicable to all terms opened or reinvested prior to 20 March 2022.
- 8.13 Term Deposit account Terms and Conditions – Clarification that no Early Redemption Fee or Notice Period applies to redemptions within 10 days after the date of maturity.
- 12.5 BPAY transaction limits – Simplification of wording regarding limits for BPAY payments.

Table of Changes to your Terms and Conditions

Pursuant to section 5.1 of the RACQ Bank Terms and Conditions, the variation to section 8.8 Term Deposit account – withdrawals before maturity date will apply to new Term Deposit accounts and Term Deposits reinvested from 20 March 2022. All other variations will apply to new and existing accounts.

Section	Previous Wording	New Wording										
8.8 Term Deposit account – Withdrawals before maturity date	<p>You may request to withdraw your term deposit before the maturity date.</p> <p>If you make a request to withdraw your funds:</p> <ul style="list-style-type: none"> A 31-day notice period applies to early withdrawals; A prepayment adjustment whereby the interest rate will be reduced by our lowest current term deposit rate (from the opening date to the date of the redemption) will apply. 	<p>You may make a request to withdraw your term deposit before the maturity date.</p> <p>If you make a request to withdraw your funds:</p> <ul style="list-style-type: none"> A 31-day notice period applies to early withdrawals. We will confirm the withdrawal date with you verbally or in writing and on that date the funds will be dispersed as per your maturity instructions. Requests to break a term deposit immediately on hardship grounds are assessed on a case by case basis. We may ask you to provide documentation to support your request for hardship. An early redemption interest adjustment (i.e. Early redemption fee) will apply. The interest adjustment is made according to the proportion of the term completed as outlined in the table below. The interest adjustment specified in the table is the percentage of the interest earned to date on your deposit that you will lose in the event you break the investment term of the deposit at the time indicated in the table. The amount of the interest adjustment applied will depend on how early in the investment term you seek to withdraw your funds. <p>Partial withdrawals are not allowed. If you choose to redeem your funds, they must be paid to a nominated account you have with us.</p> <table border="1"> <thead> <tr> <th>Proportion of term completed</th> <th>Interest adjustment</th> </tr> </thead> <tbody> <tr> <td>0% - 25%</td> <td>80% of the interest earned up to the date we allow you to withdraw your deposit</td> </tr> <tr> <td>>25% - 50%</td> <td>60% of the interest earned up to the date we allow you to withdraw your deposit</td> </tr> <tr> <td>>50% - 75%</td> <td>40% of the interest earned up to the date we allow you to withdraw your deposit</td> </tr> <tr> <td>>75% - 99.9%</td> <td>20% of the interest earned up to the date we allow you to withdraw your deposit</td> </tr> </tbody> </table> <p>Example</p> <p>You have a Term Deposit of \$10,000 invested for a period of 1 year (365 days) at 1.00% per annum with interest paid at maturity. If the date that we allow you to withdraw your deposit is 6 months (181 days) into the term, the proportion of the term completed is 50% (181/365 days x 100). From the table above, you can determine that the interest adjustment (fee) is 60% of the interest earned to date.</p> <p>Interest earned to date = \$10,000 x 1.00% x 181/365 = \$49.59 Interest adjustment (fee) = 60% of \$49.59 = \$29.75 Interest to be paid = \$49.59 - \$29.75 = \$19.84</p> <p>Interest earned is interest that has accrued plus any interest that has been paid. Therefore, if the interest adjustment is greater than what has been accrued and paid the difference will be taken from the principal.</p>	Proportion of term completed	Interest adjustment	0% - 25%	80% of the interest earned up to the date we allow you to withdraw your deposit	>25% - 50%	60% of the interest earned up to the date we allow you to withdraw your deposit	>50% - 75%	40% of the interest earned up to the date we allow you to withdraw your deposit	>75% - 99.9%	20% of the interest earned up to the date we allow you to withdraw your deposit
Proportion of term completed	Interest adjustment											
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Section	Previous Wording	New Wording
8.13 Term Deposit account Terms and Conditions	<p>Maturity</p> <p>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 (which may be lower than the rate of interest applying to the original term deposit) provided the same term is available. If the same term is not available, we will reinvest your deposit to the closest term.</p> <p>Our process is for you to inform us at the date of opening what you want to happen at maturity and we follow these instructions. Following maturity, we will allow you to withdraw any term deposit that is reinvested for no penalty, provided you give us your instructions to do so within 10 days of the date of maturity.</p> <p>If you choose to redeem your funds, they must be paid to a nominated account you have with us.</p>	<p>Maturity</p> <p>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 (which may be lower than the rate of interest applying to the original term deposit) provided the same term is available. If the same term is not available, we will reinvest your deposit to the closest term.</p> <p>Our process is for you to inform us at the date of opening what you want to happen at maturity and we follow these instructions. Following maturity, we will allow you to withdraw any term deposit that is reinvested without an early redemption fee or notice period, provided you give us your instructions to do so within 10 days of the date of maturity.</p> <p>If you choose to redeem your funds, they must be paid to a nominated account you have with us.</p>
12.5 BPAY transaction limits	<p>(a) We may limit the amount of BPAY payments you may make on any one day.</p> <p>(b) If at any time BPAY will allow transactions other than bill. However, we may limit the amount you may transact on any one day via BPAY on the other transaction.</p> <p>(c) We will advise you of all such transaction limits. The standard limit applied for BPAY payments is \$20,000 per day.</p>	<p>(a) We may limit the amount of BPAY payments you may make on any one day.</p> <p>(b) The standard limit applied for BPAY payments is \$20,000 per day.</p>