

Product Disclosure Statement: RACQ Bank Cash Investment Account (“RACQ Bank CIA”)

Effective date: 10 November 2020

Version 6

Introduction and Purpose of the PDS

This Product Disclosure Document (PDS) contains important information required under the *Financial Services Reform Act 2001* (FSRA) about the RACQ Bank Cash Investment Account (RACQ Bank CIA). A PDS must be provided to you when you are provided with personal advice, a recommendation or an offer of a particular financial product or service listed under the FSRA. You also have the right to ask us about our current fees and charges (this is set out in the PDS) and what you can do if you have a dispute.

This PDS sets out the terms and conditions of the product, the features of the product and is designed to give you sufficient information about it in order to make an informed decision, including the ability to compare this product with others. This information includes product benefits, other relevant information, risks (when applicable) and how interest is calculated.

General description of Key Features of the RACQ Bank CIA

The RACQ Bank Cash Investment Account (‘RACQ Bank CIA’) is a Cash Management Account issued by RACQ Bank to The Trust Company (PTAL) Limited and administered by its agent Clearstream Australia Limited (“CAL”). CAL deposits monies it holds on behalf of its investors into the RACQ Bank CIA and RACQ Bank pays interest on the total monies held to CAL. CAL distributes these interest returns to its investors. Because RACQ Bank has no contractual link to individual investors, it can only pay interest returns to CAL.

Feature	RACQ Bank Cash Investment Account
Minimum opening deposit	Nil
Minimum account balance	Nil
Minimum transaction size	Nil
Available access	Deposits can only be made electronically. Withdrawal requests need to be made to RACQ Bank Operations Support by email to OperationsSupport@racq.com.au
Withdrawal notice	Withdrawal requests will be actioned within 1 business day (Brisbane time). Withdrawals are subject to the availability of cleared funds.
Restrictions on the number of withdrawals	One per business day where possible.
Third party payments allowed	No
Statements	Statements provided monthly. Transaction Listing emailed monthly by the 2nd business day of the month.
Interest Rate	The interest rate payable is variable and may be changed by RACQ Bank at any time. The interest rate is set on the basis of the interest rate that is the sum of the official cash rate as notified by the Reserve Bank of Australia (RBA) plus 0.40% per annum. Rate changes will be effected on the next date that interest is due to be paid (i.e first day of the month) after the change to the official cash rate is announced by the Reserve Bank of Australia. You may also obtain the current rates at any time by contacting us (refer to page 2 “How to contact us”).
Interest calculated	Interest is calculated using the interest rate applicable for each day during the month and the closing daily balance of the account.
Interest Paid	Interest calculated up to the last day of the month and credited on the first day of the following month. The interest will be transferred to the account that CAL has supplied details of for that purpose by the 2nd business day of the month. The monthly transaction listing forwarded to CAL will be up to and including the first of the month entry for the interest credit. The interest paid to the RACQ Bank CIA will be printed on your monthly account statement.
Fees and Charges	There are no establishment, ongoing or transaction fees or charges for this product.

Risks

The RACQ Bank CIA has restrictions on the methods for both deposits and withdrawals. The RACQ Bank CIA may not be suitable for your particular needs and this is a risk you need to consider.

For this reason you should ensure you understand the features of, and restrictions on the RACQ Bank CIA. The PDS is intended to assist you in gaining an understanding of these things.

Members Banking Group Limited trading as RACQ Bank (RACQ Bank) is an Authorised Deposit Taking Institution under the Banking Act 1969. As such, RACQ Bank is regulated by APRA and subject to similar prudential requirements as other banks, building societies and credit unions. As a mutual bank, the mutual structure allows RACQ Bank to be more focused on its customers. More information about RACQ Bank can be found on the RACQ Bank website at racq.com/banking.

Taxation

RACQ Bank provides the amount of interest earned on all savings and investment products. This information will be provided on statements to CAL.

If you want to make a complaint

If you have a concern or a complaint about any RACQ Bank product or service you should contact us. Our Complaints process requires us to deal with any complaint efficiently and promptly. The process is set out in full in our Complaints and Compliments brochure which is available on racq.com/banking.

If you're not happy with our response, you may ask us to refer your complaint to our Group Member Advocate Office.

Phone: 1300 851 381

Email: racqdisputeresolution@racq.com.au

The Group Member Advocate Office works independently of our Banking business and has the appropriate knowledge, skills and authority to deal with your complaint. The Group Member Advocate Office will review your complaint and provide their decision in writing within 15 business days from the date of your request for a review.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA, via the details shown on page 3.

How to contact us

You may contact us in relation to the RACQ Bank CIA by using any of the following means:

by calling RACQ Bank's Operations and Payments Team, on 13 1905;

by writing to us (marked to the attention of RACQ Bank's Operations and Payments Team) at PO Box 120, Banyo QLD 4014; or

by faxing to us 07 3252 7053.

Terms and conditions that apply to the RACQ Bank CIA

1. **Privacy:** At RACQ Bank we treat account holder information with care. We will comply with the provisions of our Privacy Policy which is available on racq.com/banking.
2. **Customer Owned Banking Code of Practice:** We warrant that we will comply with the Customer Owned Banking Code of Practice. Please see the section About the Customer Owned Banking Code of Practice for more detail.
3. **Electronic Funds Transfer Code of Conduct:** We warrant that we will comply with the Electronic Funds Transfer Code of Conduct.
4. **Tax File Number:** You are not obliged to give us your tax file number or ABN, but if you do not and are not exempt, the law requires us to deduct from interest payable on the RACQ Bank CIA, tax at the rate the Australian Taxation Office advises.
5. **Deposits to the RACQ Bank CIA:** You can make deposits to the RACQ Bank CIA from time to time. This can only be effected by way of electronic transfer from another account with another financial institution or with RACQ Bank to the RACQ Bank CIA.
6. **Withdrawals from the RACQ Bank CIA:** You can make withdrawals from the RACQ Bank CIA by giving us instructions in writing by email to the nominated email address. Any instructions must be given only from authorised signatories at CAL and you must ensure that an up to date list of signatories, specimen signatures and identifying requirements are complied with at all times. Withdrawals can only be effected by way of electronic transfer actioned by RACQ Bank from the RACQ Bank CIA to another account that you have nominated for this purpose. You agree to limit withdrawal requests to one per day, where possible. RACQ Bank will action withdrawal requests within 1 Business Day of receipt.
7. **The interest rate on the RACQ Bank CIA will be set based upon the sum of the official cash rate as notified by the Reserve Bank of Australia plus 0.40% per annum. The current rate is available by contacting us in the manner set out in this PDS. The rate change will be effected on the next date that interest is due to be paid after the change to the official cash rate is announced by the Reserve Bank of Australia, i.e. first of the following month.**
8. **Interest:** Interest will be calculated on daily balances and paid monthly (in arrears).
9. **Statements will be provided at least monthly and may also be obtained on request. Transaction listings will be provided monthly by the second business day of the month by fax or to the email address nominated by CAL.**
10. **We may change terms and conditions, alter or cease the account, product or payment services, introduce a fee or charge or change any fees and charges applying to the RACQ Bank CIA at any time.**

Notice of changes (except for changes in Interest Rate)

(a) We will give you notice in writing (which includes in the 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.

(b) We will notify you of other changes to the terms and conditions as follows:

In writing (which includes the 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.

(c) 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.

11. Change of Address: If you change your postal or email address and do not tell us, you are considered to be notified if we write to the old postal or email address.
12. Error or Complaint: If you believe an error has been made or you have a complaint, please call us in the manner specified above. 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.
13. Dispute Resolution: If we do not resolve your complaint to your satisfaction, you may call our Customer Relations Team on 13 1905.

About the Customer Owned Banking Code of Practice

Mutual banking delivers member- focused, competitive services. As a Mutual Bank, we are a customer-owned financial institution committed to putting our members first.

The Customer Owned Banking Code of Practice (Code), the code of practice for mutual financial institutions, is an important public expression of the value we place on improving the financial wellbeing of our individual members and their communities.

Our 10 Key Promises to you are

1. We will be fair and ethical in our dealings with you
2. We will focus on our members
3. We will give you clear information about our products and services
4. We will be responsible lenders
5. We will deliver high customer service and standards
6. We will deal fairly with any complaints
7. We will recognise member rights as owners
8. We will comply with our legal and industry obligations
9. We will recognise our impact on the wider community
10. We will support and promote this Code of Practice.

You can download a copy of the Customer Owned Banking Code of Practice here:

www.customerownedbanking.asn.au

If you have a complaint about our compliance with the Customer Owned Banking Code of Practice you can contact:

Customer Owned Banking Code Compliance Committee

PO Box 14240

Melbourne VIC 8001

Phone: 1800 931 678

Email: info@codecompliance.org.au

<http://www.cobccc.org.au/for-consumers/resolving-complaints/>

The Customer Owned Banking Code Compliance Committee (CCC) is an independent committee, established in accordance with the Code, to ensure that subscribers to the Code are meeting the standards of good practice that they promised to achieve when they signed up to the Code. The CCC investigates complaints that the Code has been breached and monitors compliance with the Code through such things as mystery shopping, surveys, compliance visits and complaint handling.

Please be aware that the CCC is not a dispute resolution body. To make a claim for financial compensation we recommend you contact us first. If you're not happy with our response, you may ask us to refer your complaint to our Group Member Advocate Office.

Phone: 1300 851 381

Email: racqdisputeresolution@racq.com.au

The Group Member Advocate Office works independently of our Banking business and has the appropriate knowledge, skills and authority to deal with your complaint. The Group Member Advocate Office will review your complaint and provide their decision in writing within 15 business days from the date of your request for a review.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001

The Financial Claims Scheme

The Financial Claims Scheme ensures that depositors with banks and other authorised deposit taking institutions will be guaranteed repayment of their funds in the extremely unlikely event that any banking institution fails. The Scheme includes a guarantee of \$250,000 per person per institution.

For further information about the Scheme:

- Visit the Australian Prudential Authority's (APRA's) website at www.apra.gov.au
- Call APRA's Hotline on 1300 13 10 60

RACQ Bank CASH INVESTMENT ACCOUNT ('RACQ Bank CIA')

Investor Information Sheet

Who is RACQ Bank?

Members Banking Group Limited trading as RACQ Bank (RACQ Bank) is an Authorised Deposit Taking Institution under the *Banking Act 1959*. As such, RACQ Bank is regulated by APRA and subject to similar prudential requirements as other banks, building societies and credit unions. As a mutual bank, the mutual structure allows RACQ Bank to be more focused on its customers. More information about RACQ Bank can be found on the RACQ Bank website at racq.com/banking.

What is the Product?

The RACQ Bank Cash Investment Account ('RACQ Bank CIA') is a Cash Management Account issued by RACQ Bank to The Trust Company (PTAL) Limited and administered by its agent Clearstream Australia Limited ("CAL"). CAL deposits monies it holds on behalf of its investors into the RACQ Bank CIA and RACQ Bank pays interest on the total monies held to CAL. CAL distributes these interest returns to its investors. Because RACQ Bank has no contractual link to individual investors, it can only pay interest returns to CAL.

What are the Cash Investment Account Objectives?

To provide a simple and secure capital guaranteed cash investment with consistent and competitive returns.

What are the risks of the Product?

The RACQ Bank CIA may not be suitable for your particular needs and this is a risk you need to consider. For this reason you should ensure you understand the features of and restrictions on the RACQ Bank CIA.

What are the returns on the Product and how are they calculated?

RACQ Bank sets the interest rate on the RACQ Bank CIA by reference to the short term money market rates.

RACQ Bank calculates interest on daily balances held in the RACQ Bank CIA. Interest is paid monthly and sent to CAL.

After deducting interest distributed on redeemed funds, CAL distributes the remaining interest to each investor based on the monthly average balance for each investor remaining in the Product at the end of the month.

CAL distributes interest on redeemed funds based on the average interest rate for the month prior to redemption.

What fees apply?

RACQ Bank does not charge any fees to CAL for issuing or administering the RACQ Bank CIA product.

Where can I find the current interest rate?

Investors can obtain the current interest rate for the RACQ Bank CIA by contacting CAL.

When and how can I withdraw funds?

Investors can withdraw from or add to funds held in the RACQ Bank CIA at any time, according to the requirements and procedures that CAL has for doing this. RACQ Bank endeavours to make the redemption process with CAL as efficient as possible.

More Information?

A copy of the Product Disclosure Statement (PDS) for the RACQ Bank CIA accompanies this sheet. The PDS sets out the contractual relationship between RACQ Bank and CAL for the issue and operation of RACQ Bank CIA. Investors should refer to the relevant CAL PDS in relation to the administration of funds or contact CAL for additional information.