

<b>Product</b>	Term Deposits
<b>Issuer</b>	QPCU Limited trading as QBANK ABN 79 087 651 036 AFSL / ACL 241413 ( <b>we, us, our and QBANK</b> )
<b>Date of Issue</b>	25 May 2022
<b>Target Market</b>	<p>1.1 This Target Market Determination (TMD) sets out the target market for our Term Deposits product.</p> <p>1.2 Term Deposits are a secure way of earning high interest whilst providing customers with peace of mind knowing exactly how much their investment is worth. The key features of this product include:</p> <ul style="list-style-type: none"> <li>(a) high interest rate;</li> <li>(b) choice of investment terms from three months to five years;</li> <li>(c) option of fortnightly, monthly, annually or at maturity interest payments#;</li> <li>(d) no monthly account keeping fees;</li> <li>(e) interest calculated daily;</li> <li>(f) deposits Australian Government guaranteed up to \$250,000; and</li> <li>(g) minimum investment of \$2,000.</li> </ul> <p>1.3 This product is available to Members* and Non-Members. A depositor must be an Australian resident or company, Australian citizen (residing in Australia or overseas) or a foreign individual. For Non-Members, the term deposit is available directly from QBANK or through a finance broker (distributor).</p> <p>1.4 Depositors who may be at a disadvantage due to language, age or medical capabilities will be offered the services of an interpreter or the ability to be accompanied by a person of their choice to the initial and subsequent interviews. These depositors will need to obtain independent legal and financial advice and provide supporting evidence.</p> <p>1.5 QBANK does not encourage depositors to apply for this product if the above key features do not align with their objectives and requirements. This product is not suitable for depositors who are planning to make withdrawals during the investment period.</p> <p>1.6 QBANK has committed itself to the Customer Owned Banking Code of Practice (<b>Code</b>), and will only provide the product where it can satisfy itself that it will meet its obligations under the Code to do so.</p>
<b>Distribution Conditions</b>	<p>2.1 Distribution Conditions</p> <ul style="list-style-type: none"> <li>(a) To ensure this product will be distributed to depositors within the target market, QBANK will:                             <ul style="list-style-type: none"> <li>(i) be selective regarding distributors;</li> <li>(ii) implement targeted advertising;</li> <li>(iii) provide specific content about this product on its website;</li> <li>(iv) use line scripts specific to this product at its call centre;</li> <li>(v) ensure authorised bankers are adequately trained; and</li> <li>(vi) provide guidance for distributors.</li> </ul> </li> </ul> <p>2.2 Selection of Distributors</p>

### Review Triggers

- (a) QBANK strictly adheres to its *Vendor Management Framework* when selecting its distributors to ensure a clearly defined and consistent approach. Selecting a new distributor will involve the completion of the Vendor Risk Assessment Form, Contract Execution Request and Contract Work Flow Request Form.
  - (b) QBANK conducts ongoing management of its distributors including periodic due diligence requirements, renewal, variation, monitoring and evaluation.
- 2.3 Supervision and Monitoring
- (a) QBANK is able to supervise and monitor the distribution of this product through review triggers which highlight any issues with distribution e.g. where the product potentially has been distributed outside of the target market. QBANK supervises and monitors the distribution of this product by keeping separate, any term deposits referred to by its distributors from term deposits made available directly from QBANK.
- 2.4 Conflict of Interest
- (a) QBANK has taken steps to ensure that its remuneration and incentive structures for this product do not result in distribution that is inconsistent with the TMD.
  - (b) Commission rates for distributors are fixed and do not vary based on the amount deposited.
- 2.5 Information Sharing with Distributors
- (a) QBANK will provide to its distributors sufficient information to assist them with meeting their obligations to ensure distribution is consistent with this TMD.
  - (b) QBANK communicates directly with its distributors to advise of changes to the term deposit rates.
- 2.6 If QBANK becomes aware that the distribution conditions for this product are inadequate, where for example, significant distribution is occurring outside the target market, it will:
- (a) amend this TMD to set out additional distribution conditions to ensure that such distribution does not occur; or
  - (b) cease distribution.
- 3.1 There may be events and circumstances (called 'review triggers') that would reasonably suggest that this TMD is no longer appropriate. These review triggers include:
- (a) the number of applicants outside the target market;
  - (b) the number of people requesting early release of their money before maturity and reason for the request;
  - (c) the term deposit interest rates in comparison to similar products from other financial institution;
  - (d) a material change to this product;
  - (e) promotional features that materially change this product;
  - (f) complaints to Australian Financial Complaints Authority; and
  - (g) the nature and number of all complaints and complaint trends.
- 3.2 QBANK will review this TMD within 10 business days if it knows, or reasonably knows, that a review trigger, or an event or circumstance that reasonably suggests that this TMD is no longer appropriate, has occurred.

### Review Periods

- 3.3 QBANK will notify the Australian Securities and Investments Commission within 10 business days of it becoming aware of a significant dealing in this product that is not consistent with this TMD.
- 3.4 Distributors must notify QBANK when they identify a significant dealing that is not consistent with this TMD. QBANK acknowledges whether a dealing is significant may be dependent on the circumstances of a distributor's business however, this information will assist QBANK to determine whether the dealing is significant and reportable.
- 4.1 The next review of this TMD will occur by 5 October 2022.
- 4.2 To ensure that this TMD remains appropriate for this product, QBANK will review this TMD:
  - (a) periodically, and at least each six months;
  - (b) in response to any review triggers; or
  - (c) in response to other events or circumstances that would reasonably suggest that this TMD is no longer appropriate.
- 4.3 QBANK will integrate the review process into the product governance arrangements, and controls will be put in place to ensure that meaningful reviews take place. Possible outcomes from the review process include:
  - (a) no change to the way the product is distributed;
  - (b) changing the product design, target market or distribution; or
  - (c) ceasing to distribute this product.
- 4.4 If QBANK becomes aware of information that would reasonably suggest that this TMD is no longer appropriate (e.g. a review trigger has occurred), QBANK will stop issuing this product and direct its distributors to stop distributing until QBANK has reviewed this TMD and product.

### Distribution Information Reporting Requirements

- 5.1 Complaints, defaults and general feedback about a financial product are a useful indicator of whether this TMD may still be appropriate.
- 5.2 Where QBANK engages mortgage or finance brokers to distribute this product, it requires the brokers to promptly provide any information about complaints and product feedback received to QBANK.
- 5.3 QBANK requires a broker to provide the following information:

Type of Information	Description	Reporting Period
Complaint / Significant Dealings / Others	The following information is required: <ol style="list-style-type: none"> <li>1. Distributor name</li> <li>2. Date of complaint</li> <li>3. Product</li> <li>4. Nature of the complaint</li> <li>5. AFCA status (if applicable)</li> </ol>	Complaint / Others - As soon as complaint is received by the distributor.  Significant Dealings – As soon as practicable, and in any case within 10 business days after becoming aware.

\* Please visit <https://www.qbank.com.au/join/> to see our membership eligibility criteria.

# Fortnightly and monthly interest payments are available on all terms up to 60 months at a reduced interest rate. Please refer to our deposit rates schedule for details.