

Terms & Conditions of Offer of Debt Securities by Credit Union Auckland

1.1 Description of the debt securities

Shares

This is an offer of debt securities called Credit Union shares (**Shares**) issued by Credit Union Auckland, trading as NZCU Auckland (**Credit Union Auckland**). Credit Union Auckland's Shares are not like shares in a company but are more like a bank savings or other deposit account.

You invest money in Credit Union Auckland, and in return Credit Union Auckland promises to pay you any interest that you may be due (depending on your accounts held) and repay your money when you want to withdraw it or at the end of the term of your deposit.

This offer is only made to people living in the Auckland Province (**Depositors**).

Shares rank behind other creditors on a liquidation of the Credit Union. On a liquidation of the Credit Union, your rights and claims under the Shares would rank:

- **after** all creditors preferred by law (e.g. the Inland Revenue for unpaid PAYE and employees for holiday pay), the Supervisor, and any permitted prior security interests;
- **equally** with all other existing and potential Depositors;
- **ahead** of any lesser ranking secured and unsecured creditors (if any). This includes any 'credit union securities' that have been issued by the Credit Union as subordinated debt.

1.2 Products Offered

Share accounts

At the date of application, and at all times while a Depositor with Credit Union Auckland, Depositors may elect in writing to have all or any part of their deposits held in one or more of the Share accounts operated by Credit Union Auckland.

Types of Share accounts

Credit Union Auckland offers four different types of Share accounts, being:

- On Call Share Accounts (S1, S2, S3, S8, and S10);
- A "Notice of Withdrawal" Account (S6 with 14 days' notice of withdrawal);
- Special Share Accounts (S7 and S9); and
- Term Share Accounts.

Each Share account may offer different terms and conditions as to:

- any return payable, and when;
- whether the account can be held alone or in conjunction with one or more other accounts;
- the term of investment (term deposits); and
- the timing of repayment.

The financial return on Shares is dependent on the type of Share account in which Depositors' shares are placed, the terms of the account, the timing of the application and the duration of the term of the deposit. During the term of this PDS, the Credit Union reserves the right, subject only to any restriction in this PDS, the Trust Deed, the terms and conditions of the Share account or otherwise at law, to alter the terms and conditions as to financial return, the minimum amount of Shares required to be invested and the timing of repayment rates or terms of any Share account.

You can find more information about the dates of when the interest is due and paid on: <https://nzcuaukland.co.nz/>

Terms and Conditions common to all Share Accounts

Minimum deposit: All Depositors must have at least a minimum balance of \$10.00 in the Minimum Shareholding Account (described below) to be a depositor with (and thereby a member of) the Credit Union.

Timing of repayments: Depositors operate their share accounts in a similar manner to deposits and withdrawals in a bank savings or deposit account. While shares are usually available to be withdrawn at call (unless on term deposit), the Credit Union's Rules provide that in special circumstances (for example, if the Credit Union could not meet its debts as they fell due) a 60 day notice period for withdrawal may be required.

On-Call Accounts:

On-call accounts allow you to withdraw funds whenever you need to. There are no restrictions on when you can retrieve your funds from your account.

Everyday Account (S1)

Minimum deposit: Nil.
Timing of repayments: On demand.
Interest Rate: Nil, on any balance.
Terms and conditions: Open to all Depositors.

Goal Saver (S2)

Minimum deposit: Nil.
Timing of repayments: On demand.
Interest Rate: 1.5% per annum on any balance.
Terms and conditions: Interest is calculated on the basis of the minimum monthly balance and paid monthly. Credit Union Auckland reserves the right to change the interest rate and the basis on which the interest is calculated.

BillPay Account (S3)

Minimum deposit: Nil.
Timing of repayments: On demand.
Interest Rate: Nil, on any balance.
Terms and conditions: Open to all Depositors.

Success Saver (S8)

Minimum deposit: Nil.
Timing of repayments: On demand.
Interest Rate: 2.25% per annum on any balance to \$4,999.99, and 3.25% per annum on any balance \$5,000 and over.
Terms and conditions: Interest is calculated on the basis of the minimum monthly balance and paid monthly. Credit Union Auckland reserves the right to change the interest rate and the basis on which the interest is calculated.

Kids Cash Saver (S10)

Minimum deposit: Nil.
Timing of repayments: On demand.
Interest Rate: 3% per annum on any credit balance.
Terms and conditions: All Depositors for this account must be under 18. Interest is calculated on the basis of the minimum monthly balance and paid monthly. Credit Union Auckland reserves the right to change the interest rate and the basis on which the interest is calculated.

Notice of Withdrawal Accounts:

Loyalty Saver (S6)

Minimum deposit:	Nil.
Timing of repayments:	14 days' notice.
Interest Rate:	1.50% per annum on any balance to \$4,999.99, and 2.50% per annum on any balance \$5,000 and over.
Terms and conditions:	Interest is calculated on the basis of the minimum monthly balance and paid monthly. Credit Union Auckland reserves the right to change the interest rate and the basis on which the interest is calculated.

Special Share Accounts:

Christmas Saver (S7)

Minimum deposit:	Nil.
Timing of repayments:	15 November through to 31 January of any year.
Interest Rate:	4.00% per annum on any credit balance.
Terms and conditions:	Interest is calculated on the basis of the minimum monthly balance and paid monthly. Credit Union Auckland reserves the right to change the interest rate and the basis on which the interest is calculated.

Minimum Shareholding Account (S9)

Minimum deposit:	\$10.00.
Timing of repayments:	On closure of account.
Interest Rate:	Nil, on any balance.
Terms and conditions:	All Depositors must have at least a minimum balance of \$10.00 in this account to be a depositor with (and thereby a member of) Credit Union Auckland.

Term Share Accounts:

Minimum deposit:	\$500.00.
Timing of repayments:	On maturity in 3 to 60 months depending on term selected.
Interest Rate:	Interest rate is variable depending on date of investment. Interest rates can rise and fall without notice and the interest rate for each term is available on application.
Terms and conditions:	Term Account for 60 months is available for minimum shareholding of \$10,000.
Reinvestment:	If a Depositor has given instructions for any money held in a Share account to be automatically reinvested at the end of the term of the Deposit, the reinvestment money will earn the interest return applicable at the time of reinvestment to the Share account nominated. Credit Union Auckland will not be required to give a Depositor notice of the reinvestment of their money, unless Credit Union Auckland has received notice in writing from the Depositor that notice of reinvestment is required.
Early repayment:	The policy of Credit Union Auckland is to not make repayments prior to maturity. In the event of financial hardship or extraordinary circumstances, written application may be made to Credit Union Auckland, who may exercise its discretion to repay the funds in whole or in part. In such cases the interest payable will be subject to adjustment in accordance with the terms of the share account.

1.3 Service fees associated with all accounts

You can find more information about fees and charges applicable to all accounts here:

<https://nzcuackland.co.nz/>