

TERM DEPOSIT – TERMS & CONDITIONS

Terms and Conditions that apply to Finance Corporation Limited (FinCorp) Term Deposits

1. Term Deposit Definition

A Term Deposit is an investment product that earns a fixed rate of interest for a fixed term. By investing in a Term Deposit, you agree to invest your money for a fixed period.

FinCorp offers "Standard" Term Deposits which generally cover common investment terms, features and benefits and the applicable interest rates. FinCorp may also offer "Special" Term Deposits, being investments that may include advertised variations such as a non-standard interest rate, term or other feature or benefit.

2. Applying for an Investment

To invest, you must either be an existing customer of FinCorp or first comply with our account opening requirements to become a customer, including but not limited to, compliance with the Anti-Money Laundering and Counter Terrorist Financing Act 2015.

A *Term Deposit Application Form* (TDAF) can be lodged at any FinCorp branch or at our Head Office.

3. Term Deposit Establishment

3.1 Minimum and Maximum Investment Amounts

The minimum principal investment for a Term Deposit is K5,000.

The maximum amount for a Term Deposit, either solely or jointly with any other person, in one or more investments at any one time is K30,000,000. For an investment advertised as a "Special", the minimum and maximum amounts may differ. FinCorp may approve variations to the minimum and maximum amounts from time to time at FinCorp's discretion.

3.2 Term Deposit Interest Rates

Interest rates vary depending on:

- a) The term of the investment, and
- b) The amount of the investment.

An *Interest Rates Sheet* which displays FinCorp's "Standard" interest rates and terms is available at all FinCorp branches or at our Head Office.

3.3 Terms

You can invest in a Term Deposit for a term of between 30 days and 2 years (24 months). Additional terms for Term Deposits may be included on FinCorp's *Interest Rates Sheet*. Other non-standard terms relating to "Specials" may be advertised from time to time.

3.4 Deposit to Establish a Term Deposit

You can establish a Term Deposit in any manner agreed with us, including:

- a) Direct credit into FinCorp's nominated bank account, or
- b) Cash deposited into FinCorp's nominated Bank account noting that FinCorp will not accept cash directly at FinCorp Branches or Head Office.

The date a deposit is received, and the Term Deposit confirmed by FinCorp, is the Investment Date.

3.5 Maturity Instructions

The completed Term Deposit Instruction Form (TDIF) must include your payment instructions upon maturity of your Term Deposit.

3.6 Deposit Confirmation

FinCorp will issue a **Term Deposit Certificate** as a record of your investment. A replacement *Term Deposit Certificate* may be issued for misplaced certificates. FinCorp will require your identification prior to issuance of a duplicate certificate. A replacement certificate fee of K20 may apply.

4. Interest

4.1 Rate

We will pay interest at the rate agreed with you as at the Investment Date. The agreed Term Deposit interest rate is fixed for the term of the investment.

4.2 Interest Calculation Method

Interest is calculated based on the annual interest rate for the number of days in the term or as agreed with you.

4.3 Interest Payments

Interest is paid upon maturity. Options for the distribution or reinvestment of interest are detailed under Section 5 *Maturity Options*.

5. Maturity Options

Upon maturity your investment will be processed in the following ways:

- a) Reinvest the principal together with the interest earned into a new Term Deposit; or
- b) Reinvest the principal amount into a new Term Deposit but have the interest paid into your nominated PNG bank account; or
- c) Authorise the Term Deposit principal together with the interest to be paid into your nominated PNG bank account.

For any payments required at maturity, FinCorp requires you to provide any changes to instructions and associated details e.g. your PNG bank account, at least 1 business day prior to your Term Deposit maturing.

In the absence of prior instructions, FinCorp will automatically reinvest your Term Deposit as an at call cash management account at the prevailing interest rate applicable on the date of maturity.

5.1 Other Maturity Options

At maturity if you intend to reinvest into a new Term Deposit, you may also:

- a) Add additional funds to the existing Term Deposit,
- b) Change the term of the investment,
- c) Change the interest payout instructions,
- d) Withdraw part of the investment subject to the remaining balance meeting FinCorp's minimum requirement.



6. Term Deposit Table

Investment	Minimum Term	Minimum Investment	Interest Frequency Options	Interest Calculation Method	Interest Payment Options
Term Deposit (Standard)	30 days	K5,000	On maturity	Interest is calculated based on the annual interest rate and the number of days in the term.	Paid to your nominated bank account in PNG or invested together with the principal amount into a new Term Deposit.
Term Deposit (Special)	As specified in the conditions of the Special	As specified in the conditions of the Special	As specified in the conditions of the Special	As above, or options specified in the conditions of the Special.	As above, or options specified in the conditions of the Special.

7. Changes

7.1 Terms and Conditions

We will not change the Terms and Conditions of your Term Deposit unless:

- a) We allow you to withdraw all or part of your Term Deposit before the maturity date,
- b) We end your Term Deposit before the maturity in circumstances described under Section 10 **Right to End Term Deposit**,
- c) You and we both agree.

7.2 Joint Depositors

Where two or more persons are joint depositors, they shall be regarded as joint tenants and on the death of a joint depositor, the survivor(s) will be the only person(s) recognised by FinCorp as having any interest in the Term Deposit.

7.3 Transferability

A Term Deposit is in general not transferable. However, in the event of any person who is not a joint depositor becoming entitled to a Term Deposit e.g. as a consequence of the death of a depositor, that person may, upon producing such evidence as is reasonable to prove their legal entitlement (e.g. probate), either become the registered depositor or act to provide appropriate instructions in relation to the Term Deposit.

7.4 Personal Details

Changes to relevant personal information e.g. contact phone numbers, postal address, e-mail address etc, should be advised to FinCorp in writing. FinCorp may require evidence to support any changes as appropriate e.g. a Marriage Certificate to support a name change.

8. Early Withdrawals

It is at our sole discretion whether we agree to you making an early withdrawal (full or part) from your Term Deposit prior to the maturity date.

A written request is required at least 5 business days prior to the intended Term Deposit withdrawal date. If we agree to your request, we will adjust the returns on your Term Deposit as described under Section 9 **Early Withdrawal Penalties**.



9. Early Withdrawals Penalties

If we agree to an early withdrawal from a Term Deposit, we will apply a reduced interest rate to the amount that is withdrawn early. The reduced interest rate will be half the interest rate agreed with you as at the Investment Date. In addition, we will charge a K100 administration fee per early withdrawal.

If a Term Deposit is fully withdrawn within 30 days of the Investment Date, then we will pay no interest as well as charging the administration fee.

10. Right to End Terms Deposit

We may end your Term Deposit before its maturity date in the following circumstances:

- a) If we allow a partial Term Deposit withdrawal and the remaining principal amount is less than the Term Deposit minimum,
- b) If we exercise our rights to combine your accounts or to set-off amounts you may have deposited with us against amounts you owe us and the remaining principal amount is less than the Term Deposit minimum,
- c) If we have reasonable grounds to do so, including if we consider you may be using or obtaining an account, service, or money illegally, acting fraudulently or unlawfully, or behaving improperly, or
- d) If we reasonably consider that by allowing the Term Deposit to continue, we may breach a court order or other legal requirements.

If we end your Term Deposit before its maturity date, we will adjust the interest rate on your Term Deposit as described under Section 9 *Early Withdrawal Penalties*.

11. Right to Withhold Payment

We may withhold payment of your Term Deposit interest earned after the maturity date if we:

- a) Hold your Term Deposit as collateral for a loan,
- b) Have reasonable grounds to do so, including if there is a claim affecting your Term Deposit, or
- c) Are required to do so by law.

