

Large Deposit Guarantee Scheme Terms and Conditions

notice. It is your responsibility to ensure that there are sufficient funds in your nominated account and to advise ADCU of any changes to the nominated account to enable the Guarantee Fee to be paid.

Any Guarantee Fee that cannot be debited to an account remains due and payable by you and is a debt you owe to ADCU. We may recover this debt in a court of competent jurisdiction. In addition you indemnify us for all and any costs, including legal fees on a solicitor/client basis, which we incur in recovering the debt from you.

Should you subsequently wish to reinstate the LDG, you will be required to complete a new LDG Application form.

Liability

ADCU will not provide advice on the term of, or value of eligible deposits to be included under, your LDG.

Alterations to these Terms and Conditions

From time to time, the Government may alter the terms and conditions applicable to the Guarantee Scheme. Where these alterations affect your LDG, ADCU will communicate these changes to you in writing or by press advertisement (as appropriate).

ADCU may also amend these terms and conditions by giving you written notice or by press advertisement.

Miscellaneous

Other terms and conditions, including those implied by law, apply. To the extent of any inconsistency, these Terms and Conditions shall prevail to the extent permitted by law.

You should read these Terms and Conditions and all relevant information provided to you and ask ADCU about any issues that concern you. Further information regarding the Guarantee Scheme, including the making of claims is available from the Government website at www.guaranteescheme.gov.au.

In these Terms and Conditions:

- a reference to any legislation or regulation or to a provision of any legislation or regulation, includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it; and
- a reference to “you” includes your successors, executors and assigns.

Website and Online Banking
www.adcu.com.au

All Enquires & 24 Hour Phone Banking

1300 13 23 28
1300 13 ADCU

Email
service@adcu.com.au

Australia Wide Branch Network



Australian Defence Credit Union Limited
ABN 48 087 649 741 AFSL No. 237988
PO Box H151 Australia Square NSW 1215

Effective 11 December 2008



Australian Defence Credit Union Ltd
ABN 48 087 649 741 AFSL 237 988

The Deposit Guarantee Scheme

Under the Australian Government's Deposit Guarantee Scheme ("Guarantee Scheme")

- Deposits of up to and including A\$1 million are guaranteed by the Government at no charge, and
- From 28 November 2008, a fee will apply to obtain the benefit of the guarantee for the balance of deposits above A\$1 million ("Large Deposit Guarantee" or "LDG").

The period that the guarantee applies for is set by legislation and can be changed at any time by Parliament.

Variation to ADCU product terms and conditions

These Terms and Conditions apply to customers who choose to opt in to obtain the benefit of the Large Deposit Guarantee.

Application of the Large Deposit Guarantee

The LDG applies to:

- eligible ADCU deposit accounts (refer to www.adcu.com.au for a listing of savings/investment products);
- held by you (including your share of any joint accounts);
- where the moneys held in relation to each of the eligible ADCU deposit accounts, in aggregate, exceed AUD\$1 million ("Large Deposits") per customer.

Obtaining the Large Deposit Guarantee

It is your choice whether you wish to obtain the LDG or not. If you wish to opt in to the LDG, you must complete the LDG Application Form. The Application requires you to advise ADCU of the deposits that you hold with ADCU that you want to be covered by the LDG.

It is your responsibility to decide which large deposits you want to be covered by the LDG. You must also decide the period that you want the LDG to apply.

The period of the LDG cannot exceed the term specified by the Government for the Guarantee Scheme. The Guarantee Scheme may be extended or abridged as the Government and Parliament decide from time to time.

The LDG for your eligible deposits will commence when we receive a correctly completed LDG Application Form. ADCU will call you within 3 business days to confirm receipt of your LDG Application and will issue a written confirmation of your LDG Guarantee within 14 days.

Amending your Large Deposit Guarantee

You may:

- change the nominated accounts under your LDG;
- change the selected period of your LDG; or
- change the nominated account to be debited any fees,

at any time by completing another LDG Application Form. The changes you request will come into effect once ADCU is in receipt of the correctly completed LDG Application Form. ADCU will send to you confirmation within 14 days setting out the amended details of your LDG. It is your responsibility to ensure that the details contained in the confirmation are accurate and notify ADCU if any further alterations are required.

Fee

The Government charges ADCU a fee to include its eligible deposits within the coverage of the Guarantee Scheme. If you opt into the Guarantee Scheme we will pass that cost onto you. ADCU does not charge any additional fee to include your eligible deposits in the Guarantee Scheme. You will be required to pay to ADCU the amount of the fee that ADCU pays to the Government (the **Guarantee Fee**). The current fee rate is 1.50% (per annum) of the amount covered by the LDG. The fee will be debited from your ADCU account nominated in the LDG Application Form on the first day of each calendar month.

The Guarantee Fee is payable, and will be debited from your nominated account, in Australian dollars.

The Guarantee Fee is calculated as follows:

The value of eligible deposits nominated by you to be covered under the Guarantee Scheme x the applicable ADI Fee Schedule rate x the number of calendar days in the month for which you are covered under your Guarantee / 365 days.

ADCU may amend the fees associated with customers obtaining the benefit of the LDG after providing you with written notice or by press advertisement.

If or when the Government terminates the Guarantee Scheme or your nominated period ends for the LDG or you terminate the LDG with respect to your eligible deposits (refer to the section headed "Termination or your LDG" below), ADCU will pro-rata the Guarantee Fee to be charged for the calendar month.

Notification

By completing an LDG Application Form and submitting it to ADCU, you agree to ADCU charging the Guarantee fee in accordance with these Terms and Conditions.

Statements

You are responsible for reviewing your statement for the nominated account for the fee to be debited to you. You must notify us immediately if:

- the fee charged does not appear to be correct;
- you wish to amend the level of cover or term of cover; or
- you wish to nominate a new ADCU account from which the Guarantee Fee is to be debited.

At the beginning of the new financial year, we will supply you with a statement summarising the Guarantee Fees you have paid in the previous financial year. It is your responsibility to obtain your own tax advice about the payment of the Guarantee Fee.

Termination of your Guarantee

ADCU will automatically terminate your LDG once the selected term of your LDG (as detailed in the confirmation) has expired. ADCU will issue a statement confirming cancellation.

You can at any point instruct ADCU to terminate your LDG before the end of your selected term by providing ADCU with another LDG Application form. Termination will be effective immediately after receipt of a correctly completed LDG Application form by ADCU and a statement will be issued within 14 days confirming your cancellation and evidencing the pro-rata Guarantee Fee to be charged for the calendar month.

Your LDG will automatically terminate at the expiration of the term specified by the Government for the Guarantee Scheme (as may be extended or abridged by the Government from time to time). Upon termination a statement will be issued by ADCU confirming termination and evidencing the pro-rata Guarantee Fee to be charged for the calendar month.

Non-payment of Guarantee Fee: If ADCU is unable for any reason to debit the Guarantee Fee from your nominated ADCU account after 2 attempts, ADCU will terminate the LDG by giving you 7 days written