

THE DAMMERS SUPERANNUATION FUND

TRUSTEE RESOLUTION - GOVERNING RULES

NOTED that since the fund's governing rules were last amended, superannuation law has changed so as to:

- expand the range of professionals eligible to audit the fund;
- require the trustee to transfer to the ATO a lost member's account that is less than \$200 or has been inactive for five years;
- update pension standards including conditions for commuting a pension to a lump sum;
- permit eligible funds to roll over capital and revenue losses under a fund merger;
- keep the government co-contribution at its current level of up to \$1,000;
- increase restrictions for limited recourse borrowings involving guarantees, onlending, multiple assets and replacement assets;
- allow employers to make superannuation guarantee payments to Medicare Australia, which will act as a clearing house;
- include Farm Family Support Scheme payments as eligible income support payments for early release of superannuation on severe financial hardship grounds;
- reduce minimum payment amounts for account-based pensions for the 2010/11 financial year; and
- provide transitional relief, for 2004/05 to 2010/11, to deduct premiums for total and permanent disability insurance cover.

RESOLVED that:

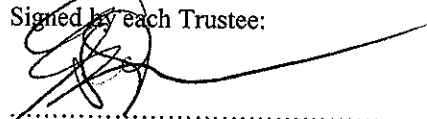
1. to ensure that the fund's governing rules are consistent with these changes the Trustee replaces the current Rules with **SUPERRULES2011**© prepared by SuperGeneration (a copy of which is attached to this resolution or which the Trustee has reviewed);
2. this resolution does not amend any provision of the governing rules that provides for the payment of a defined benefit pension currently payable from the fund; and
3. for clause 2 the terms "defined benefit pension" and "governing rules" have the same meanings as in the Superannuation Industry (Supervision) Regulations.

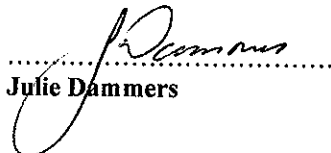
NOTED that **SUPERRULES2011**© also introduce changes that:

- align the Trustee's power to accept contributions with a recent ATO ruling; and
- include a provision aimed at minimising any excess contributions tax issues that arise.

Date: 31 / 5 / 2011

Signed by each Trustee:


.....
Arnold Victor Samuel Dammers


.....
Julie Dammers



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SUPERRULES2011©

1 INTERPRETATION

Unless the contrary intention appears:

- A reference to the Deed or the Rules or any other document includes any variation or replacement.
- A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.
- The singular includes the plural and vice versa.
- A power to appoint includes a power to vary or cancel the appointment.
- When the word **including** introduces a list of items, it does not exclude a reference to other items of the same class.
- A reference to a person includes a firm, a body corporate, an unincorporated association or any authority.

Account Balance means the aggregate balance of all Member Accounts of a Member other than the Non-Vested Member Account, plus any proportion of that account that the Trustee determines (or if the individual Trustees or the corporate Trustee's directors do not agree on a proportion, the whole of that account).

Binding Death Benefit Nomination means a written notice that:

- directs the Trustee to pay the whole or part of a benefit payable on the Member's death to one or more Dependants or the legal personal representative in specific proportions; and
- may include instructions as to the manner of payment (eg lump sum or pension).

Child in relation to a person includes:

- (a) an adopted child, a stepchild or an ex-nuptial child of the person; and
- (b) a child of the person's Spouse; and

- (c) a child of the person within the meaning of the Family Law Act 1975.

Co-contribution Act means the Superannuation (Government Co-contribution for Low Income Earners) Act.

Constitutional Corporation has the same meaning as in Government Requirements.

Deed means the deed establishing the Fund.

Dependant of a Member means:

- (a) a Spouse;
- (b) a Child;
- (c) any other person the Trustee believes is, or was at the date of death, dependent on the Member or otherwise meets the definition of dependant under Government Requirements.

First Home Saver's Account has the same meaning as in the First Home Saver's Account Act.

Fund means the superannuation fund constituted by the Deed and the Rules.

Government Requirements means any requirements under laws relating to superannuation funds:

- (a) imposed on the Trustee; or
- (b) that the Fund must satisfy to qualify for the most favourable taxation treatment available to superannuation funds.

Member means anyone whom the Trustee has admitted to membership and who is still entitled to benefits from the Fund.

Member Account means an account kept for a Member under rule 8.7.

Non-Member Spouse has the same meaning as in Government Requirements.

Non-Vested Member Account means a Member Account kept to record amounts mentioned in rule 8.7(a) and (b) that are

not the Member's "minimum benefits" as defined in Government Requirements.

Permanent Incapacity means ill-health (whether physical or mental), where the Trustee is reasonably satisfied (and two legally qualified medical practitioners have certified) that the Member is unlikely, because of the ill-health, ever again to engage in gainful employment for which the Member is reasonably qualified by education, training or experience.

Rules means these rules.

Shortfall Component has the same meaning as in the Superannuation Guarantee (Administration) Act.

SIS Regulation means Superannuation Industry (Supervision) Regulation.

Spouse in relation to a person includes:

- (a) a man or woman with whom the person is in a relationship registered under a law prescribed for the purposes of section 22B of the Acts Interpretation Act 1901; and
- (b) another person who, although not legally married to the person, lives with the person on a genuine domestic basis in a relationship as a couple.

Tax includes any duty or government impost.

Temporary Incapacity means ill-health (whether physical or mental) that caused the Member to cease to be gainfully employed but does not constitute Permanent Incapacity.

Terminal Medical Condition means:

- (a) two registered medical practitioners have certified, jointly or separately, that the Member suffers from an illness, or has incurred an injury, that is likely to result in the Member's death within 12 months after the date of the certification;

- (b) at least one of the practitioners is a specialist practicing in an area related to the illness or injury; and
- (c) for each of the certificates, the certification period has not ended.

Trustee means the Trustee for the time being under rule 7.

2 MEMBERSHIP

Admission

- 2.1 Anyone may apply to the Trustee for admission as a Member or for the admission of a person for whom the applicant intends to contribute.
- 2.2 The Trustee may reject an application.
- 2.3 Before admitting a person as a Member the Trustee must ensure that the Trustee structure of the Fund meets Government Requirements and may require the person:
 - (a) to be examined by a registered medical practitioner approved by the Trustee; or
 - (b) to give the Trustee any document or information it considers relevant to the administration of the Fund; or
 - (c) to enter into a written agreement with the Trustee, imposing special conditions in respect of the applicant's membership; or
 - (d) any combination of (a), (b) and (c).
- 2.4 If the Trustee admits a person as a Member, membership commences only when the Trustee has approved the application and either:
 - (a) the person has become a Trustee or (if the Trustee is a Constitutional Corporation) a director of the Trustee; or
 - (b) the Trustee has satisfied itself that when the membership commences, the Fund will meet the definition of self managed superannuation fund in Government Requirements.

Terms	Transfer out
2.5 Each Member is bound by the Deed and Rules.	3.2 The Trustee may transfer assets out of the Fund in respect of a Member (with or without the Member's consent) up to the Member's Account Balance. However, the transfer must comply with Government Requirements.
2.6 The Trustee is the Member's attorney to do anything the Trustee considers appropriate to administer the Fund.	
Non-Member Spouse	
2.7 Subject to rule 2.4 the Trustee may admit a Non-Member Spouse as a Member if: <ul style="list-style-type: none"> (a) Government Requirements require the Trustee to create an interest in the Fund for the Non-Member Spouse; or (b) Government Requirements permit the Trustee to do so and the Trustee elects to do so. 	3.3 The Trustee is not responsible for the manner in which the transferee deals with the amount transferred.
2.8 The Trustee must do so in a manner that is consistent with Government Requirements.	3.4 If the Member's total Account Balance is transferred, the Member is no longer entitled to benefits from the Fund.
Membership ends	4 CONTRIBUTIONS Members
2.9 A Member's membership of the Fund ends when the Member is no longer entitled to benefits from the Fund and either: <ul style="list-style-type: none"> (a) the Member has resigned as a Trustee or a director of the Trustee; or (b) the Trustee has satisfied itself that when the membership ends, the Fund will meet the definition of self managed superannuation fund in Government Requirements. 	4.1 A Member may make contributions if the Trustee agrees.
3 TRANSFERS Transfer in	SGC shortfalls, Co-contributions and FHSA payments
3.1 The Trustee may: <ul style="list-style-type: none"> (a) accept a transfer of assets to the Fund in respect of a Member; and (b) provide benefits in respect of the Member on terms that the Trustee agrees with the Member and in a manner that complies with Government Requirements.	4.2 The Trustee may accept a Shortfall Component or a payment under the Co-contribution Act or from a First Home Saver's Account transferred to the Fund for a Member and must treat it as a contribution for the Member.
	Employers and others
	4.3 The Trustee may: <ul style="list-style-type: none"> (a) accept contributions for a Member from any other person; (b) at its discretion, refuse to accept all or part of a contribution.
	4.4 The Trustee must not accept contributions contrary to Government Requirements. However, if it does and if Government Requirements permit, the Trustee: <ul style="list-style-type: none"> (a) must repay the contributions to the contributor; but (b) may first make deductions for any liabilities or expenses incurred (and provisions for liabilities and expenses) in relation to the contributions.

Splitting of contributions

- 4.5 A Member may apply to the Trustee to transfer to the Account of the Member's Spouse some or all of the Member's Account Balance representing contributions made by, for, or on behalf of the Member. The application may include a request to transfer the relevant amount out of the Fund in respect of the Member's Spouse.
- 4.6 If the Trustee agrees to make the transfer, it must do so within 90 days after receiving the request, but only if the application complies with Government Requirements.

Form of contributions

- 4.7 A contribution may be made in cash, by the transfer to the Trustee or its custodian of a beneficial interest in property, by increasing the value of the Fund or by reducing the liabilities of the Fund.

Limit on contributions

- 4.8 If any part of a purported contribution in respect of a Member would be either an "excess concessional contribution" or an "excess non-concessional contribution" under the Income Tax Assessment Act, then:
- the Trustee must not accept that part; and
 - that part is not included in the Fund's assets regardless of whether or not it has been mingled with those assets.

5 BENEFITS - ENTITLEMENT

Rule 5 sets out the circumstances in which a benefit becomes payable from the Fund. Rule 6 deals with when and how the benefit is actually paid.

Request - age 65

- 5.1 If a Member (who has not otherwise become entitled to a benefit under the Rules) requests a benefit at or after age 65, the Member becomes entitled to a benefit equal to the Member's Account Balance.

Death benefits

- 5.2 A Member may give the Trustee a Binding Death Benefit Nomination.
- 5.3 The Trustee may refuse to accept any Binding Death Benefit Nomination without giving any reason. When the Trustee accepts a Binding Death Benefit Nomination, any previous Binding Death Benefit Nomination from the Member is taken to have been revoked.
- 5.4 If a Member dies the Trustee must pay a benefit equal to the Member's Account Balance.
- 5.5 If, in relation to any part of the benefit:
- the Trustee accepted a Binding Death Benefit Nomination;
 - it has not been revoked; and
 - it can be followed under Government Requirements
- then the Trustee must follow the Binding Death Benefit Nomination in relation to that part of the benefit.
- 5.6 If in relation to any part of the benefit:
- the Trustee does not hold a current Binding Death Benefit Nomination; or
 - the relevant nomination cannot be followed for any reason
- the Trustee must pay that part of the benefit to any or all of the Member's Dependants and legal personal representative in the proportions that the Trustee decides.
- 5.7 If rule 5.6 applies and there is no Dependant or legal personal representative then, if Government Requirements permit, the Trustee may pay that part of the benefit to any other people in proportions the Trustee decides.
- 5.8 Any benefit nomination not expressed to be binding on the Trustee is given for information only and does not affect the Trustee's discretion in distributing the benefit.
- 5.9 Subject to the instructions in a Binding Death Benefit Nomination as to the manner of payment, the Trustee may pay any part of the benefit as a lump sum or as

a pension or in any other form as it considers appropriate including the settlement of a trust for the benefit of any Dependant.

- 5.10 No pension is payable to a person under rule 5 until the person is a Member. However, the Trustee (and not the payee) may determine which provisions of rule 6 apply.

Terminal Medical Condition

- 5.11 If a Member requests a benefit while a Terminal Medical Condition exists in relation to the Member, then the Member becomes entitled to a benefit equal to the Member's Account Balance.

Retirement or leaving employment

- 5.12 If a Member (who has not otherwise become entitled to a benefit under the Rules):
- (a) leaves any business, trade, profession, vocation, calling, occupation or employment because of Permanent or Temporary Incapacity; or
 - (b) retires or retired (before or after joining the Fund) from any business, trade, profession, vocation, calling, occupation or employment; or
 - (c) ceases any employment (at any time and for any reason except death) and the employer has contributed to the Fund for the Member; or
 - (d) having reached age 60, ceases any arrangement under which the Member was employed or self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment; or
 - (e) leaves Australia in circumstances where Government Requirements permit the Trustee to pay a benefit
- the Member becomes entitled to a benefit equal to the Member's Account Balance.

Request – Transition to Retirement Pensions, rollovers, Spouse benefits, temporary residents etc

- 5.13 If a Member requests payment of a benefit, the Trustee must pay the benefit to the extent that the payment complies with Government Requirements.

Financial incapacity

- 5.14 If the Trustee believes a person entitled to a benefit cannot manage the person's financial affairs, the Trustee may pay the benefit to another person to be used for the first person's advantage. The Trustee is not responsible for the application of the benefit by the payee. However, the payment must comply with Government Requirements.

Hardship and compassionate grounds

- 5.15 The Trustee may at any time pay to a Member a benefit up to the Member's Account Balance if the payment complies with Government Requirements in relation to financial hardship or compassionate grounds.

Unclaimed Money and Lost Members

- 5.16 The Trustee must pay a benefit to the Commissioner of Taxation in respect of a Member as and when required under the Superannuation (Unclaimed Money and Lost Members) Act.

Excessive benefits

- 5.17 If the Trustee believes that:
- (a) a Member's benefit will be excessive for the purposes of the Income Tax Assessment Act; or
 - (b) payment of a benefit will result in the Trustee or an employer contravening a law relating to corporations
- the Trustee may, if Government Requirements permit:
- (i) reduce the contributions payable for the Member; or
 - (ii) reduce the benefit to the extent necessary to avoid (a) or (b) and transfer the amount of the

- reduction to the Fund's reserves;
or
(iii) apply a combination of (i) and (ii)
as it considers appropriate.
However, the Trustee need not investigate
whether (a) or (b) applies to a benefit.

No assignments

- 5.18 The Trustee must not recognise any
assignment or charge of a benefit (or any
other interest in the Fund) that is contrary
to Government Requirements.

Interest on benefits

- 5.19 The Trustee may credit or debit interest to
a benefit paid after the date it becomes
payable.

Deductions for Tax

- 5.20 The Trustee must comply with
Government Requirements regarding
deductions of Tax from benefits and other
payments from the Fund.

Trustee's discharge

- 5.21 The Trustee's only obligation in respect
of a benefit is to pay it in good faith to or
on behalf of a person the Trustee believes
is entitled to the benefit. Otherwise, the
Trustee is completely discharged by that
payment.

Forfeited benefits

- 5.22 A Member forfeits the part of a benefit
not attributable to Member contributions
if:
(a) the Member purports to assign,
alienate or charge; or
(b) any other event occurs that results
in another person becoming
entitled to
all or part of the benefit. However, this
rule has no effect to the extent that it is
inconsistent with Government
Requirements or the Bankruptcy Act.
- 5.23 The Trustee must, if Government
Requirements permit, apply a forfeited
benefit for the Member and the Member's
Dependants in proportions that the
Trustee decides.

Splitting of benefits

- 5.24 The Trustee must reduce a Member's
Account Balance or the amount of any
pension payment to the Member if:
(a) Government Requirements
relating to Non Member Spouses
require the Trustee to do so; or
(b) those Government Requirements
permit the Trustee to do so and
the Trustee elects to do so.
- 5.25 If the Trustee makes a reduction under
rule 5.24, the Trustee must apply the
amount of the reduction (in the manner
required or permitted by, and adjusted as
required by, Government Requirements)
for the benefit of the relevant Non-
Member Spouse.
- 5.26 To the extent that Government
Requirements allow the Trustee any
discretion in any of the matters mentioned
in rule 5.24 or 5.25, the Trustee may
exercise that discretion as it sees fit
without regard to the interests of the Non-
Member Spouse.
- 5.27 The Trustee may charge fees in respect of
those matters to the extent permitted
under Government Requirements.

Vesting directions

- 5.28 A Member entitled to a benefit may give
the Trustee a written direction to hold the
Member's interest in the Fund upon trust
for the Member absolutely. The direction
may be expressed to be operative upon
service of the notice or upon the
Member's death.
- 5.29 Immediately the direction becomes
operative, the Member (or the Member's
legal personal representative) is
absolutely entitled to a proportionate
interest in each asset of any asset portfolio
to which the Member's Member Accounts
are allocated and each asset of the Fund
not allocated to an asset portfolio. The
proportionate interest is the share that the
Trustee determines to be equitable after
considering the interests of all Members.

6 BENEFITS - PAYMENT

Rule 5 sets out the circumstances in which a benefit becomes payable from the Fund. Rule 6 deals with when and how the benefit is actually paid. A pension is not payable to anyone (including a reversionary beneficiary) until the person is a Member. The deed or resolution implementing this version of the Rules has preserved the application of previous versions insofar as they deal with the payment of pensions that commenced before this version.

- 6.1 If the Trustee is not a Constitutional Corporation, then the Fund's primary purpose is to provide old-age pensions and the Trustee must pay benefits due to a Member as pensions except to the extent that the Member requests otherwise.

Account based pensions

- 6.2 The Trustee must pay all or part of a benefit as an account based pension if the Member requests.
- 6.3 The Trustee must pay the pension from a Member Account of the Member on terms that the Trustee and Member agree as to the level and frequency of payment. However, the level of the pension must be within the minimum and maximum levels (if any) prescribed by Government Requirements for such a pension and the Trustee must pay the pension at least annually.
- 6.4 Unless Government Requirements permit:
- (a) the pension entitlement must not be transferred or used as security for a borrowing; and
 - (b) after the pension commences the capital supporting it must not be added to by way of contribution or a rollover of a superannuation benefit.
- 6.5 The Member may elect to commute all or part of the pension by notifying the Trustee in writing.
- 6.6 The Trustee must comply with the Member's election if it approves the election and the election complies with

Government Requirements (including Government Requirements in relation to the minimum level of pension for the financial year when the commutation takes place).

- 6.7 If the Member dies while entitled to the pension, the Trustee may either pay a benefit under rules 5.4 to 5.10 or continue the pension under rule 6.19.
- 6.8 The pension commences when the Trustee and Member agree (but no later than required by Government Requirements) and ends when the balance of the relevant Member Account is nil.
- 6.9 If the pension reverts or is commuted, the reversionary component or commuted amount must not be greater than the benefit that was payable before the reversion or commutation or the amount permitted under Government Requirements.
- 6.10 The pension must not be used as security for a borrowing or transferred except to a reversionary beneficiary on the death of the Member or of another reversionary beneficiary.
- 6.11 The Trustee must continue to keep the relevant Member Account and must debit pension payments and commutations to the Member Account.

Market linked pensions

- 6.12 The Trustee must pay all or part of a benefit as a market linked pension if the Member requests and the pension is purchased with a rollover superannuation benefit from the commutation of:
- (a) an annuity provided under a contract that meets SIS Regulation 1.05(2), (9) or (10); or
 - (b) a pension provided under rules that meet SIS Regulation 1.06(2), (7) or (8); or
 - (c) a pension provided under terms and conditions that meet Retirement Savings Accounts Regulation 1.07(3A).

6.13 On receipt of the request, the Trustee must pay from a Member Account of the Member a pension for the term set out in SIS Regulation 1.06(8).

6.14 The level of the pension and any commutations must be determined in the manner prescribed by Government Requirements for a market linked pension and the Trustee must pay the pension at least annually.

6.15 The pension has no residual capital value.

6.16 The pension must not be used as security for a borrowing or transferred except to a reversionary beneficiary on the death of the Member or of another reversionary beneficiary.

6.17 The Trustee must continue to keep the relevant Member Account and must debit pension payments and commutations to that Member Account.

Transition to retirement pensions

6.18 If the Trustee and Member agree that:

- (a) an account based pension is also a "non-commutable allocated pension" or a "transition to retirement income stream"; or
- (b) a market linked pension is also a "non commutable pension"

then the Trustee must not pay any part of the benefit unless the Trustee is satisfied that the payment is consistent with Government Requirements in relation to such a pension.

Reversionary pensions

6.19 Unless inconsistent with Government Requirements or the terms of the relevant pension, a Member who requests a pension may nominate one or more of the Member's Dependants as reversionary beneficiaries (either successive or concurrent) in relation to the pension. If reversionary beneficiaries are nominated as concurrent, the request must nominate the respective portions of the pension that revert to them. If no reversionary beneficiary is nominated then on the Member's death, the Trustee may nevertheless continue paying the relevant

pension to any or all of the Member's Dependants and legal personal representative in proportions the Trustee decides (unless inconsistent with Government Requirements or rule 5.5).

Lump sum

6.20 If a person entitled to a benefit requests, the Trustee may pay the benefit as a lump sum.

Rollover or annuity

6.21 A person entitled to a benefit may direct the Trustee to:

- (a) pay all or part of the benefit to another fund; or
- (b) apply all or part of the benefit to purchase an annuity in the name of the person or, if the person is a Member, in the name of the Member or one or more of the Member's Dependants.

6.22 The Trustee must comply with the direction if the payment complies with Government Requirements.

Compulsory rollover

6.23 The Trustee may, if Government Requirements permit, pay all or part of a benefit to another fund without the consent of the person entitled to the benefit.

Benefits in specie

6.24 If a person entitled to a benefit requests, the Trustee may pay all or part of the benefit by transferring assets to the person or the person's nominee. The transfer must comply with Government Requirements.

Deferral, preservation and flagging

6.25 If a person entitled to a benefit requests, the Trustee may defer payment of all or part of the benefit. The deferral must comply with Government Requirements. If the Trustee believes that the payment of any part of a Member's benefit will contravene the Family Law Act, the Trustee must not pay that part.

- 6.26 If Government Requirements require part of a benefit to be preserved, the Trustee must:
- (a) keep that part in the Fund until Government Requirements permit it to be paid; or
 - (b) with the Member's written consent (if required by Government Requirements) pay that part to another fund that the Trustee believes will comply with Government Requirements regarding preservation of benefits.

- 6.27 If part of a benefit is kept in the Fund and the Member dies before it is paid, the Trustee must pay it under rules 5.4 to 5.10.

Unclaimed benefits

- 6.28 The Trustee must comply with Government Requirements as to unclaimed benefits and the transfer of benefits to other funds.

Types of benefit

- 6.29 If a Member requests, the Trustee may pay a benefit as one or more pensions or lump sums under rule 6. However, the manner of payment must be consistent with Government Requirements and the Trustee must establish one or more separate Member Accounts as the source of each type of benefit in respect of the Member.

7 TRUSTEE

Nature and number

- 7.1 The Trustee must be either a sole Constitutional Corporation or (if Government Requirements permit) one or more individuals.

Retirement and removal

- 7.2 A Trustee may retire if the Trustee gives prior written notice to the Members (or their legal personal representatives).
- 7.3 A Trustee must retire when the Members or Government Requirements so require.

- 7.4 The Members may remove a Trustee from office by written notice.
- 7.5 An outgoing Trustee must vest all the Fund's property in the continuing or new Trustee or its custodian.

Appointment

- 7.6 The Members (or their legal personal representatives) may make a written appointment of an additional or replacement Trustee. The appointment may be prospective or retrospective but must comply with Government Requirements.

Vacancy

- 7.7 The Trustee must ensure that any vacancy in the individual Trustees or on the corporate Trustee's board of directors is filled as and when required by Government Requirements.

Powers

- 7.8 The Trustee may do anything it considers appropriate to administer the Fund and to comply with Government Requirements. However, the Trustee must administer the Fund in a manner consistent with Government Requirements.

- 7.9 In dealing with Members, the Trustee may treat any communication as given by a Member if it purports to have been given by or on behalf of the Member.

Delegation

- 7.10 The Trustee may delegate any of its powers, duties and discretions to anyone if the delegation complies with Government Requirements.

Administrators and investment managers

- 7.11 In particular, the Trustee may appoint anyone to administer the Fund or to manage the Fund's investments or to perform both functions. However, the appointment must be written and must comply with Government Requirements.

Notices

- 8.5 Any written communication by or on behalf of the Trustee relating to the Fund is taken to be given to a person if it is:
- (a) handed to the person; or
 - (b) delivered to the person's address last known to the Trustee; or
 - (c) posted by ordinary post from within Australia to the person's address last known to the Trustee.
- In the case of posting, the communication is taken to have been received on the second business day after the day it is posted.

Records

- 8.6 The Trustee must keep records for the Fund as and when required by Government Requirements.

Member Accounts

- 8.7 The Trustee must keep one or more Member Accounts for each Member to record:
- (a) contributions and other amounts received for the Member (including, subject to rules 8.18 and 8.22, proceeds of insurance policies);
 - (b) earnings or losses in respect of those amounts and amounts paid in respect of the Member; and
 - (c) a fair proportion of the Fund's Tax and expenses (including insurance premiums) and provisions for Tax and expenses.

Asset portfolios

- 8.8 The Trustee may maintain separate asset portfolios to keep particular assets of the Fund.
- 8.9 To establish an asset portfolio, the Trustee must name it and specify the assets to be kept in it.
- 8.10 A Member may:
- (a) elect the asset portfolios to which (and the proportions in which) the Trustee allocates Member Account balances and future

contributions for the Member; and
 (b) elect to switch asset portfolios, or proportions, or both.

- 8.11 The Trustee must comply with the Member's election if:
- (a) the Trustee approves the election; and
 - (b) the allocation or switch complies with Government Requirements.

Fund expenses

- 8.12 The Trustee must pay from the Fund all Tax and expenses relating to the Fund unless another person pays them. If another person pays Fund Tax or expenses the Trustee must, if the person requires, reimburse the person from the Fund unless Government Requirements do not permit reimbursement.

Investment return

- 8.13 After each 30 June, the Trustee must determine the return on the investments for each asset portfolio (or if there are none, for the Fund) and must ensure that the return is credited or debited from time to time to Member Accounts and reserves in a way that is fair and reasonable as between:
- (a) all Members; and
 - (b) the various kinds of benefits of each Member.
- 8.14 Whenever it considers appropriate, the Trustee may determine the investment return to be applied to a Member's Member Accounts, as at the date when a benefit or transfer becomes payable from them, for the period since the Fund's establishment or since the last 30 June (if later).
- 8.15 The Trustee may apply investment return to Member Accounts on the basis of daily, monthly or average balances or on any other basis the Trustee determines to be fair and reasonable.

- 8.16 When determining investment return the Trustee must take into account:
- (a) the realised and unrealised earnings or losses of asset portfolios (or if there are none, the Fund), including realised and unrealised capital gains or losses;
 - (b) expenses and Tax not debited to Member Accounts;
 - (c) the level of the Fund's reserve accounts; and
 - (d) the appropriateness of averaging earnings, losses and expenses over several years.

- 8.17 The Trustee must not distribute investment return in a way that takes any of the Fund's reserve accounts into debit.

Reserves

- 8.18 The Trustee may set up one or more reserve accounts to record earnings or losses of the Fund that are not recorded in Member Accounts, amounts no longer required to pay benefits for Members and any insurance proceeds that the Trustee decides not to credit to a Member Account.

- 8.19 The Trustee may use amounts held in the Fund's reserve accounts for any purposes including:
- (a) averaging earnings, losses and expenses over several years;
 - (b) replacing contributions otherwise payable to the Fund; and
 - (c) providing additional benefits.
- However, the Trustee may apply those amounts only as and when the Members approve and Government Requirements permit.

Audit

- 8.20 The Trustee must appoint an auditor (who meets Government Requirements) to audit the Fund's accounts and records and to give the Trustee a written report each year when Government Requirements so require.

Inquiries and complaints

- 8.21 If Government Requirements so require, the Trustee must take reasonable steps to ensure that arrangements are in force under which:
- (a) any person entitled to a benefit from the Fund may inquire into, or complain about, the operation or management of the Fund in relation to that person; and
 - (b) the inquiry or complaint will be considered and properly dealt with within 90 days after it is made.

Insurance proceeds

- 8.22 Despite rule 8.7 the Trustee may credit proceeds of insurance policies to the Fund's reserves.

9 INVESTMENT AND BORROWING

Powers

- 9.1 The Trustee may invest the Fund assets in any manner, as if it were investing its own property.

Limited recourse borrowing

- 9.2 The Trustee may borrow to acquire or replace assets (other than an asset that the Trustee is prohibited by Government Requirements from acquiring). For that purpose, the Trustee has the following powers:
- (a) To borrow money from any person for the purpose of:
 - acquiring a single asset;
 - repairing or maintaining an asset being acquired with borrowed money; or
 - refinancing such a borrowing upon terms that the Trustee deems fit.
 - (b) To give or to authorise the giving of security by mortgage, charge (whether fixed or floating) over the asset.
 - (c) To open any account with any financial institution, to operate the account and to draw, make, accept, endorse, discount, issue or otherwise deal with any promissory note, bill of exchange,

bill of lading, cheque or other negotiable or transferable instrument.

- (d) To delegate (in writing) the exercise of all or any of the powers or discretionary authorities conferred on the Trustee and execute any powers of attorney or other instruments necessary for that purpose.
- (e) Generally to exercise or concur in exercising all the powers and discretions contained in the Deed or Rules or otherwise by law conferred even if any Trustee or director or shareholder of a Trustee has or may have a direct or personal interest in the mode or result of exercising the power or discretion or may benefit either directly or indirectly as a result of the exercise of the power or discretion and even if the Trustee for the time being is the sole Trustee.

Custodian

- 9.3 The Trustee may appoint a person to perform custodial functions in relation to any of the Fund's assets on terms the Trustee considers appropriate, if the appointment complies with Government Requirements.

Restrictions

- 9.4 The Trustee must comply with Government Requirements when investing the Fund's assets.
- 9.5 The Trustee must comply with Government Requirements in relation to:
 - (a) making loans; and
 - (b) borrowing.
- 9.6 The Trustee may charge the Fund's assets only if Government Requirements permit.

10 AMENDMENT

Power

- 10.1 The Trustee may by deed or written resolution amend, delete or replace the Deed or Rules including rule 10. An amendment may be retrospective.

Restrictions

- 10.2 An amendment may not alter a beneficiary's right or claim to an accrued benefit adversely to the beneficiary or reduce the amount of that benefit unless Government Requirements permit.
- 10.3 An amendment may not permit an individual to be appointed Trustee unless Government Requirements permit.

Notice

- 10.4 If Government Requirements so require, the Trustee must notify Members of an amendment. However, the amendment is effective even if the Trustee fails to notify Members.

11 WINDING UP

- 11.1 The Trustee may wind up the Fund.
- 11.2 The Trustee must wind up the Fund if the Members direct it to do so.

Notice

- 11.3 If the Fund is to be wound up, the Trustee must as soon as practicable notify each Member in writing. However, if the Trustee fails to notify any Member, the winding up is still effective.
- 11.4 As from the date of the Trustee's notice to Members, the Trustee must take reasonable steps to recover contributions then due, but must stop accepting other contributions.

Winding up procedure

- 11.5 The Trustee must determine investment return for each asset portfolio (or if there are none, for the Fund) to be applied to Member Accounts as at the date of the notice to Members. The Trustee must then apply the Fund assets towards:
- (a) satisfying actual and contingent liabilities (except benefits); then
 - (b) providing pro rata for each Member in respect of the benefits then payable for the Member or, if a benefit is not then payable, a benefit equal to the Member's Account Balance; then
 - (c) increasing those benefits with the consent of the Members.
- 11.6 The Trustee must comply with rules 5.4 to 5.10 and 6 regarding benefits payable for Members on winding up.

12 FUND GUARDIAN

- 12.1 The Members may appoint a Guardian of the Fund. The appointment terminates only if the Members revoke it or if the Guardian dies, resigns or becomes incapable of managing financial affairs. The Guardian may appoint a successor Guardian to take office in any of those events.
- 12.2 An appointment of a Guardian must be in writing.
- 12.3 If there is a Guardian then despite anything else in the Deed or Rules:
- (a) in acting as trustee of the Fund, the Trustee must comply with any direction of the Guardian;
 - (b) rules 7.3, 7.4, 7.6 and 11.2 have no effect; and
 - (c) the Guardian may replace the Trustee if the replacement Trustee meets Government Requirements; and
 - (d) the Members may not dismiss the Trustee or the replacement trustee.