

Bare Trust Deed

Prepared by:

hunt & hunt

Gateway
1 Macquarie Place
Sydney NSW 2000

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Bare Trust Deed

This DEED is made on the Date of this Deed as described in the Schedule.

Parties

Between

The person or persons, entity or entities named and described in the Schedule as the Bare Trustee ('the Bare Trustee')

And

The person or persons, entity or entities named and described in the Schedule as Fund Trustee ('the Fund Trustee')

Recitals

The Bare Trustee has acquired or intends to acquire the Investment described in Section 5 of the Schedule ('the Investment') as bare trustee (such trust now referred to as 'the Trust') for the Fund Trustee as trustee of the Self-Managed Superannuation Fund described in Section 2 of the Schedule ('the Fund') and in accordance with the terms of this Deed.

Provisions:

1. The Trust is established and will take effect upon execution of this Deed.
2. All monies required for the purchase of the Investment will be provided by the Fund Trustee and the Bare Trustee will at all times, hold the Investment in trust for the Fund Trustee.
3. The Fund Trustee has the beneficial interest in the Investment and in all the earnings, profits or gains accrued or to accrue in respect of the Investment at all times;
4. The Bare Trustee or the Bare Trustee's successor will effect the transfer of the Investment to the Fund Trustee for nil consideration as and when directed by the Fund Trustee following the making of one or more payments by the Fund Trustee after acquiring the beneficial interest in the Investment in accordance with the *Superannuation Industry (Supervision) Act 1993*.
5. The Bare Trustee has been authorised by the Fund Trustee to complete any documents giving effect to any purchase, sale and registration of transfer of the Investment as instructed by the Fund Trustee.
6. All dealings with the Investment including the exercise and performance of all the rights duties and powers relating to the Investment will be exercised by the Bare Trustee only as directed by the Fund Trustee.
7. The Bare Trustee will grant a mortgage or charge over the Investment if requested by the Fund Trustee and not otherwise.

Schedule

1. Date of this Deed: 22 / 11 / 2013
2. Fund TC & JA McMahon Superannuation Fund
3. Bare Trustee: TCJA Super Nominees Pty Ltd ACN 166 737 453
4. Fund Trustee: TCJA Superannuation Pty Ltd ACN 166 737 266
5. Investment: 5/a CYPRESS CR. CABARITA BEACH
Please print details of Investment
2488 NSW

Execution

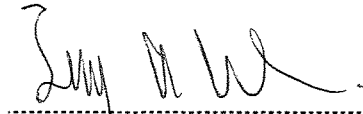
Executed as a Deed

EXECUTED by
**TCJA Superannuation Pty Ltd ACN 166
737 266**

in accordance with section 127 of the
Corporations Act 2001 by its Directors or
Director and/ or Secretary:

TERENCE CONWAY McMAHON

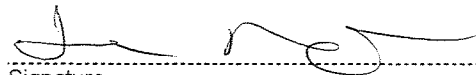
Please print name of Director/ Sole Director*



Signature

JANE ANNE McMAHON

Please print name of Director/ Secretary*
* Delete as appropriate



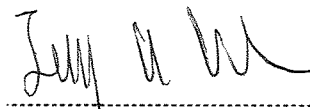
Signature

EXECUTED by
**TCJA Super Nominees Pty Ltd ACN 166
737 453**

in accordance with section 127 of the
Corporations Act 2001 by its Directors or
Director and/ or Secretary:

TERENCE CONWAY McMAHON

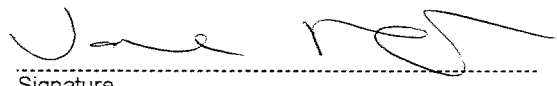
Please print name of Director/ Sole Director*



Signature

JANE ANNE McMAHON

Please print name of Director/ Secretary*
* Delete as appropriate



Signature

Trustee Consent

Appointment and declaration of Trustee

TC & JA McMahon Superannuation Fund

TCJA Superannuation Pty Ltd ACN 166 737 266 hereby consents to the appointment to act as Trustee of the Fund and to be bound by the Fund's trust deed ('Trust Deed') and all of the Rules and the Act as defined in the Trust Deed and to ensure that:

1. the Fund continues to be a Complying Superannuation Fund as defined in the Trust Deed; and
2. the Fund is continuously maintained as a self-managed superannuation fund.

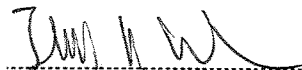
The Trustee declares that:


- (a) to the best of its knowledge, all of the directors of the company as Trustee are members of the Fund unless specifically exempted under the Trust Deed or the Act;
- (b) to the best of its knowledge, no director of the company as Trustee is a disqualified person as that term is defined under the Trust Deed or the Act;
- (c) it is not insolvent; and
- (d) no administrator, receiver, manager, liquidator or provisional liquidator has been appointed to the Trustee, nor has any application been made to wind up the Trustee.

EXECUTED by
TCJA Superannuation Pty Ltd
ACN 166 737 266
in accordance with section 127 of the
Corporations Act 2001 by the Directors or
Director and/ or Secretary:

TERENCE CONWAY McMAHON
Please print name of Director/ ~~Sole Director~~*

JANE ANNE McMAHON
Please print name of Director/ Secretary*
* Delete as appropriate


Signature


Signature

20 / 11 / 2013
Date

6. Further Execution

Each of the parties to this Deed hereby covenants and agrees to execute, complete, deliver, make and do all such other assurances, documents, instruments, notices and acts as may be necessary or required to give effect to the terms of this Deed.

7. Ultra Vires Provisions

No provision of this Deed will to the extent that they will conflict with, are repugnant to or are not permitted by the provisions of the Act be able or be allowed to take effect.

8. Alteration of Rights or Benefits

Nothing in this Deed shall be construed in such a way as to:

- (a) alter or vary the objects of the Fund;
- (b) reduce, alter or vary the entitlements of any Member to payments from the Fund; or
- (c) conflict with or offend the provisions of the Act.

9. Replacement and Rule Amendment Negated

This Deed shall not take effect to the extent that:

- (a) any one or more of the provisions of this Deed are not able, allowed or required to take effect pursuant to the provision of the Act; and
- (b) the provision is not capable of amendment to enable or allow this Deed to take effect.

Schedule

Date of this Deed: 20 / 11 / 2013

Fund Name: TC & JA McMahon Superannuation Fund

Creation Date: 15 June 2009

State: QLD

Retiring Trustee: Jane Anne McMahon
Terence Conway McMahon

New Trustee: TCJA Superannuation Pty Ltd
ACN 166 737 266

Member: Jane Anne McMahon
Terence Conway McMahon

Amending Authority: 25

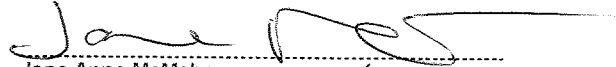
Replacement Provision: 5 & 6

Amending Provision: By replacing Rules 1 to 29 with the replacement rules in this Deed specified as 'Annexure A'.

Execution

EXECUTED as a Deed.

**SIGNED, SEALED and DELIVERED by
Jane Anne McMahon**

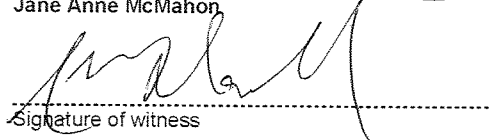


Jane Anne McMahon

in the presence of:

CHARMAINE McDONALD

Please print name of witness



Signature of witness

**SIGNED, SEALED and DELIVERED by
Terence Conway McMahon**

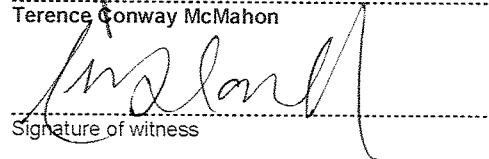


Terence Conway McMahon

in the presence of:

CHARMAINE McDONALD

Please print name of witness



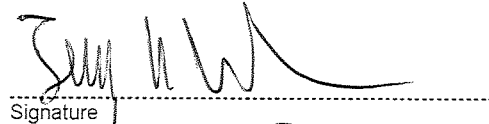
Signature of witness

**EXECUTED by
TCJA Superannuation Pty Ltd
ACN 166 737 266**

in accordance with section 127 of the
Corporations Act 2001 by the Directors or
Director and/ or Secretary:

TERENCE CONWAY McMAHON

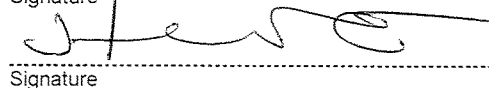
Please print name of Director/ ~~Sole Director~~*



Signature

JANE ANNE McMAHON

Please print name of Director/ ~~Secretary~~*
* Delete as appropriate



Signature

Minutes of trustee meeting

Replacement and Rule Amendment Deed

TC & JA McMahon Superannuation Fund

Attended by all parties as themselves or as a director of an entity as described in the Schedule of the Replacement and Rule Amendment Deed.

Held at: 31 Birkalla Street, Bulimba QLD 4171

Date: 20 / 11 / 2013

Time: 10:00

Present: Jane Anne McMahon
Terence Conway McMahon

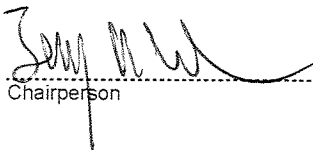
Chairperson: TERENCE CONWAY McMAHON
was appointed Chairperson of the meeting.

Quorum: The Chairperson noted that a quorum was present at the meeting to pass the proposed resolution.

Trustee resolutions: It was resolved to adopt the amendments to the Trust Deed as contained in the Deed. The Replacement and Rule Amendment has been effected by the execution of the Deed.

Meeting closed: There being no further business, the meeting was declared closed.

Confirmed as a true and correct record.


Chairperson

TC & JA McMahon Superannuation Fund

Replacement and Rule Amendment Deed

Prepared by:

hunt & hunt

Gateway
1 Macquarie Place
Sydney NSW 2000

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Replacement and Rule Amendment Deed

This Deed is made on the date specified in the Schedule.

Parties

The person, persons or entity named and described as the Retiring Trustee in the Schedule ('the Retiring Trustee')

The person, persons or entity named and described as the New Trustee in the Schedule ('the New Trustee')

The person or persons named and described as a Member in the Schedule ('the Member')

Background

- A. The fund ('Fund') came into existence by the execution of the Trust Deed on the Creation Date specified in the Schedule of this Deed;
- B. The consent of the Members is required to amend the Trust Deed and the parties desire to amend it pursuant to the powers contained in it;
- C. The Retiring Trustee wishes to retire as Trustee of the Fund and the New Trustee has consented to the appointment as Trustee of the Fund;
- D. By virtue of the provisions of the Trust Deed specified in the Schedule ('the Replacement Provision') the replacement of Trustee is effected; and
- E. The parties agree to give effect to the said amendments on the execution of this Deed.

Agreed terms as follows:

1. Definitions and Interpretations

1.1. Definitions

Any terms or phrases not defined in this Deed shall have the same meaning as that contained in the Trust Deed.

1.2. Interpretation

In this Deed unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) a reference to one gender includes a reference to all other genders;
- (c) representations agreements covenants obligations or warranties, by more than one person shall include those persons jointly and each of them severally;
- (d) person means and includes natural person, firm or corporation; and
- (e) a reference to an item is a reference to an item in the Schedule.

2. Replacement and Acceptance

2.1 Replacement of Trustee

Pursuant to the powers conferred by the Replacement Provision, the New Trustee is appointed to act as trustee of the Fund and the Retiring Trustee hereby retires as trustee of the Fund with effect from the date of this Deed.

2.2 Acceptance of New Trustee

The New Trustee accepts the appointment to act as trustee of the Fund and agrees to be bound by all the provisions of the Trust Deed.

3. Amendment of Trust Deed

With the consent of the Members (evidenced by their execution hereof) the New Trustee pursuant to the power and authority conferred by the Amending Authority hereby amends the Trust Deed by adopting the Amending Provisions in lieu of its current Rules.

4. Confirmation and Ratification

The parties hereby confirm and ratify that all requirements of the Trust Deed have been complied with and all notices given, meetings held and resolutions passed entitling the parties here to execute this Deed.

5. Governing Law

This Deed shall be governed by and construed by reference to the law of the State or Territory where the Trustee resides.

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1. Definitions

In this Deed the following words or expressions have the meaning thereafter ascribed to them:

Act	The <i>SIS Act 1993</i> , the <i>Tax Act</i> , the <i>Corporations Act 2001 (Cth)</i> , the <i>Family Law Act 1975 (Part VIII B)</i> , the <i>Social Security Act 1991</i> , the <i>Veterans' Entitlements Act 1986</i> , any successor acts and all regulations made pursuant to the foregoing acts.
Ancillary Purposes	Those purposes as defined in section 62 of the <i>SIS Act</i> including the purpose of providing such benefits as the Regulator approves in writing.
Application Form	An application form provided by the Trustees for prospective members to complete and submit to the Trustees.
Associate	Has the meaning given by the <i>Act</i> .
Auditor	An auditor who is an Approved Auditor as defined in section 10(1) of the <i>SIS Act</i> or any successor <i>Act</i> or otherwise determined by the Regulator.
Asset	Means any asset that the Trustees hold for the purposes of the Fund.
Benefit	An entitlement payable or distributable by the Fund which may include a Pension or lump sum payment or transfer of an Asset.
Benefit Arrangement	Means any fund or arrangement established to receive superannuation contributions or amounts arising from such contributions. For example, it includes a superannuation fund, approved deposit fund, retirement savings account and the Superannuation Holding Accounts Special Account established under the <i>Small Superannuation Accounts Act 1995 (Cth)</i> .
Beneficiary	Includes Members and any person entitled at the relevant time to receive a payment from the Fund in respect of a Member and any other person who is a Beneficiary for the purposes of the <i>Act</i> .
Binding Death Benefit Nomination	A direction given to the Trustees by a Member in accordance with and subject to Rule 19 in such form and manner as the Trustees may from time to time specify which is a binding direction for the purposes of the <i>Act</i> as to payment of the Member's Death Benefit in the event of the Member's death.
Child	Includes an adopted child, a step child, an ex-nuptial child, a child of the Spouse of the Member and a child of the Member within the meaning of the <i>Family Law Act 1975 (Cth)</i> .
Complying Superannuation Fund	A Self Managed Superannuation Fund which is compliant with Section 42A of the <i>SIS Act</i> .

Constitutional Corporation	A body corporate which is a trading or non-trading entity or financial corporation which is formed within the meaning of paragraph 51(xx) of the <i>Constitution of the Commonwealth of Australia</i> and to include a company incorporated under the provisions of the <i>Corporations Act 2001</i> .
Contributions	Amounts paid or property transferred to the Trustees for the benefit of a Member or Members.
Core Purposes	Those purposes as defined in section 62 of the <i>SIS Act</i> .
Death Benefit	Means a benefit payable on a Member's death.
Deed	The deed establishing the Fund as amended from time to time.
Dependant	Includes a person who is the Spouse or Child of the Member or any other person with whom the Member has an Interdependency Relationship.
Earnings	Includes any income received and accrued, realised and unrealised gains and any other amount the Trustees believe should form part of the earnings.
Eligible Rollover Fund	A fund defined by regulation 10.01 of the SIS Regulations as an eligible rollover fund.
Employer	A person who engages an "employee" or "employees" for the purposes of section 17A of the <i>SIS Act</i> .
Excess Contributions Tax	Any tax imposed by reason of the Superannuation (<i>Excess Concessional Contributions Tax</i>) Act 2007 or the Superannuation (<i>Excess Non- Concessional Contributions Tax</i>) Act 2006 or successor legislation.
Financial Year	A year ended 30 June or that period of twelve months adopted by the Trustees as the Fund's financial year.
Fund	Means the fund referred to in the Schedule and established by this Deed.
Gainful Employment	That activity in which a person is engaged for gain or reward in any business, trade, profession, vocation, calling or occupation or if the Act prescribes a different meaning.
Interdependency Relationship	Has the meaning given in the Act.
Legal Personal Representative (LPR)	The executor of the will or administrator of the estate of a deceased Member, the Trustee of the estate of a Member under a legal disability or a person who holds an enduring power of attorney granted by a Member.
lump sum	Includes an Asset, in the context of payment of benefits but not in circumstances of severe financial hardship or on compassionate grounds or to a former temporary resident under <i>SIS Regulations</i> 6.20A or 6.20B.

Manager	The person or entity appointed by the Trustees to manage the Fund.
Market Value	<p>The amount a willing buyer of an asset could reasonably be expected to pay to acquire the asset from a willing seller if the following assumptions were made:</p> <p>(a) that the buyer and the seller dealt with each other at arm's length in relation to the sale;</p> <p>(b) the sale occurred after proper marketing of the asset; and</p> <p>the buyer and seller acted knowledgeably and prudently in relation to the sale.</p>
Member	Any person accepted by the Trustees as a member of the Fund and who has not ceased to be a Member and includes a person in receipt of a pension from the Fund.
Member's Account	An account established and maintained by the Trustees on behalf of a Member in accordance with Rule 17.
Member's Accumulation Account	A Member's Account established by the Trustees, to accumulate the investments and earnings of the Member.
Member's Pension Account	A Member's Account established by the Trustees from which the payment of a Pension will be debited.
Non-Binding Death Benefit Nomination	A nomination given to the Trustees by a Member in such form and manner as the Trustees may from time to time specify the direction of which the Trustees can but are not bound to follow in the event of the Member's death.
Old age pensions	Has the meaning given by the Act.
Payment Split	Has the meaning given to that term in Part VIII B of the <i>Family Law Act 1975</i> (Cth).
Pension	Means a benefit taken to be a pension payable by the Fund in accordance with the <i>SIS Act</i> .
Pension Dependants	Those entitled recipients specified in reg 6.21 (2A) and (2B) of the SIS Regulations.
Permanent Incapacity	In relation to a Member means ill health (whether physical or mental) where the Trustees are reasonably satisfied that the Member is unlikely, because of the ill health, to engage in Gainful Employment for which the Member is reasonably qualified by education, training or experience.
Policy	Means an insurance policy arranged by the Trustees in accordance with Rule 24.
Product Disclosure Statement (PDS)	A statement which provides a description of the features and benefits of the Fund.

Preserved Benefits	Means any part of an amount held in the Fund in respect of the Member that the Act requires to be retained in the Fund or another complying Benefit Arrangement until the Member has retired from the work force and attained the age specified by the Act, or until such other circumstances as the Act permits.
Regulated Superannuation Fund	A superannuation fund that is regulated as defined within section 19 of the <i>SIS Act</i> .
Regulator	The Commissioner of Taxation or any person or entity appointed to regulate the Fund as defined in section 10(1) of the <i>SIS Act</i> .
Relative	Has the meaning given by s17A(9) of the <i>SIS Act</i> .
Reserve Account	Means the Account referred to in Rule 23.
Rules	Means such one or more rules of the Fund.
Self Managed Superannuation Fund	A fund as defined in section 17A of the <i>SIS Act</i> .
<i>SIS Act</i>	The <i>Superannuation Industry (Supervision) Act 1993</i> (Cth).
<i>SIS Regulations</i>	The <i>Superannuation Industry (Supervision) Regulations 1994</i>
Splittable Contributions	An amount that has the meaning for the purposes of Part 6 of the <i>SIS Regulations</i> .
Spouse	In relation to a person includes: <ul style="list-style-type: none"> (a) another person who is legally married to the person; (b) another person who although not legally married to the person, lives with the person on a genuine domestic basis; and (c) another person (whether of the same sex or a different sex) with whom the person is or was in a relationship that was registered under a law of a State or a Territory prescribed for the purposes of Section 2E of the <i>Acts Interpretation Act 1901</i> (Cth) as a kind of relationship prescribed for the purposes of that section.
Superannuation Entity	<ul style="list-style-type: none"> (a) a Regulated Superannuation Fund, or (b) an approved deposit fund, or (c) retirement savings account; or (d) eligible rollover fund <p>or any other arrangement which the Trustees determined should be treated for the purposes of the Fund as a Superannuation Entity.</p>

Superannuation Interest	In relation to a Member means an interest in the Fund or such other interest as defined in section 995-1(1) of the Tax Act as determined by the Trustees with reference to section 307-200 of the Tax Act and relevant Regulations.
Superannuation Law	<ul style="list-style-type: none"> (a) the SIS Act (b) the Tax Act; (c) the Family Law Legislation; (d) the <i>Corporations Act 2001</i> (Cth); (e) the <i>Bankruptcy Act 1966</i> (Cth); (f) the <i>Anti-Money Laundering and Counter-Terrorist Financing Act 2006</i> (Cth); (g) any replacement or additional Commonwealth or State law; and (h) any other present, future or proposed legal requirements with which the Trustees: <ul style="list-style-type: none"> (1) are legally obliged to comply; or (2) must comply to obtain the maximum Tax concessions available to the Fund.
Tax	Includes all actual or anticipated tax, Surcharge, levy or impost on income, capital gains and superannuation contributions, stamp, financial institutions, registration and other duties, bank accounts debits tax, goods and services tax and other taxes, levies, imposts, deductions and charges together with interest, fines and penalties (if any) and charges, fees or other amounts made or payable in respect of them
Tax Act	Either or both of the <i>Income Tax Assessment Act 1936</i> and the <i>Income Tax Assessment Act 1997</i> (as the case may be including any replacement, modification or supplement to those Acts).
Taxable Component	Has the meaning given by section 995-1(1) of the <i>Tax Act</i> .
Temporary Incapacity	In relation to a Member, who has ceased to be gainfully employed (including a Member who has ceased temporarily to receive any gain or reward under a continuing arrangement for the Member to be gainfully employed) means ill-health (whether physical or mental) that caused the Member to cease to be gainfully employed but does not constitute Permanent Incapacity)
Termination Date	The date on which the Fund terminates.
Trustee	A person or company that has been appointed a trustee of the Fund. Where there is more than one trustee it refers to each trustee for the time being of the Fund. The expression also includes replacement or additional trustees.

2. Purpose of the fund

- 2.1. The Trustees must ensure that the Fund is maintained for one or more of the Core Purposes or for one or more of the Core Purposes and for one or more of the Ancillary Purposes permitted under the *S/S Act* and for no other purpose.
- 2.2. If the Trustee is not a company the sole or primary purpose of the Fund is the provision of old age pensions.
- 2.3. The Trustees must cause the Fund at all times to be a Regulated Superannuation Fund.

3. Trustees

Who may be a Trustee?

- 3.1. A Trustee may be a natural person or a company.
- 3.2.
 - (a) An individual may only be a Trustee if the individual is a Member or a LPR of a Member or a parent or guardian of a Member who is under a legal disability because of age and does not have a LPR.
 - (b) A company may only be a Trustee if all the directors of the company are Members.
- 3.3. Notwithstanding the above rules the LPR of a Member may be:
 - (a) a director of the Trustee in place of the Member during any period when:
 - (1) the Member is under a legal disability; or
 - (2) the LPR has an enduring power of attorney in respect of that Member; or
 - (b) an alternate director of the Trustee where that Member is also a director of the Trustee but the alternate director may only act as director when the Member is not performing his/her duties and powers as a director.
- 3.4. Notwithstanding the above rules if there is only one person who is a Member then:
 - (a) that Member or a LPR of that Member or a parent or guardian of that Member who is under a legal disability because of age and does not have a LPR and one other natural person who is a Relative of the Member or is a person who is not an Employer of the Member may be the Trustee; and
 - (b) a company may be the Trustee the sole director of which is the Member or a LPR of the Member or the company may have two directors one of which is the Member or the LPR of the Member and another person who is a Relative of the Member or is a person who is not an Employer of the Member.
- 3.5. A member cannot be appointed as Trustee:
 - (a) if they have a legal disability but a LPR of that Member can be appointed as a Trustee on their behalf;
 - (b) if they are under a legal disability because of age but a parent or guardian of that Member can be appointed as a Trustee on their behalf provided the Member does not have a LPR.

- 3.6. A Regulator may appoint a person or company as Trustee.
- 3.7. A Trustee will comply with all requirements under the *Act* in relation to their appointment.

Who may not be a Trustee?

- 3.8. A person cannot be a Trustee if that person is a disqualified person under the *S/S Act*.
- 3.9. A body corporate cannot be a Trustee if that body corporate is a disqualified person under the *S/S Act*:
- (a) the company knows, or has reasonable grounds to suspect, that a director is a disqualified person under the *S/S Act* and the disqualification has not been waived or revoked;
 - (b) an administrator or provisional liquidator has been appointed;
 - (c) a receiver, or a receiver and manager has been appointed over the property beneficially owned by the company; and
 - (d) the company has begun to be wound up.
- 3.10. If a Member of the Fund is a person who is under a legal disability because of age and does not have a LPR and a parent or guardian of that Member is a Trustee in place of the Member, then the Trustee of the Fund cannot be a body corporate.

4. Compliance with superannuation law

4.1. The provisions of this clause 4 override any other provisions of this Deed

The Trustees must comply with the requirements of the Superannuation Law and are fully empowered (without being obliged) to comply with any provision or standard of the Superannuation Law which is not a requirement.

4.2. Power to comply with the Superannuation Law

- (a) The Trustees may:
 - (1) do anything that the Trustees are required to do or that the Trustees consider necessary, expedient or desirable to comply with any requirement of the Superannuation Law (including expending monies of the Fund); and
 - (2) refrain from doing anything (including, without limitation, delaying or refusing any request or transaction in connection with a Beneficiary's interest in the Fund) that would result in a breach of, or the Trustees breaching, a requirement of the Superannuation Law.
- (b) The Trustees may rely on anything (including any statutory presumptions available to it) in the Superannuation Law, to the extent that the Trustees are entitled to do so in their capacity as trustee of the Fund.
- (c) The Trustees are entitled to be indemnified out of the assets of the Fund for any Liabilities that the Trustees properly incur pursuant to this clause.

4.3. Deemed compliance

The Trustees are deemed to comply with the Superannuation Law and this Deed if the Regulator:

- (a) is satisfied that the Trustees have complied with the Superannuation Law;
- (b) determines that the Fund will be treated as if it had complied with the Superannuation Law; or
- (c) has advised the Trustees that it will not take action against the Trustees or the Fund in respect of a failure to comply with the Superannuation Law.

4.4. Conflict with the Superannuation Law

- (a) To the extent that any provision, or part of a provision, of this Deed conflicts with the Superannuation Law or is invalid for any other reason whatsoever:
 - (1) that provision, or part, must be read down, changed, construed or severed to avoid such conflict or invalidity; and
 - (2) to the extent that such conflict or invalidity cannot be avoided, the provision or part of the Superannuation Law shall prevail to the extent of the conflict or invalidity only and the provision, or part, will be of no effect and will not affect the remainder of this Deed.
- (b) If a provision of this Deed would otherwise be void under the Superannuation Law because it:
 - (1) subjects the Trustees to direction by another person; or
 - (2) permits a person to exercise a discretion without the consent of the Trustees;

other than in the circumstances permitted by the Superannuation Law, the Trustee's consent is required for the giving of the direction or the exercise of the discretion.

5. Trustee appointment

5.1. Upon establishment of the Fund a person is appointed as Trustee provided that the person:

- (a) has agreed to their appointment as Trustee by execution of the Deed;
 - (1) has consented in writing to become a Member or is a LPR on behalf of a person and has consented in writing to that person becoming a Member or is a parent or guardian of a Member who is under a legal disability because of age and does not have a LPR and has consented in writing to that person becoming a Member; and
 - (2) if the Fund has only one Member, is a Relative of the Member or is a person who is not an Employer of the Member;
- (b) has read and understood the PDS and agrees to be bound by the Deed and the Rules of the Fund; and
- (c) is not a disqualified person under the *S/S Act*.

- 5.2. Upon establishment of the Fund a company is appointed as Trustee provided that the:
- (a) the company and its directors have agreed to its appointment as Trustee by execution of the Deed;
 - (b) all directors have consented to become Members or they are the LPR of a person and have agreed in writing to that person becoming a Member;
 - (c) if the Fund has only one Member and two directors, the director that is not a Member is a Relative of the Member or is a person who is not an Employer of the Member;
 - (d) the company and its directors have read and understood the PDS and agree to be bound by the Rules of the Fund; and
 - (e) the company or its directors are not a disqualified company or person under the *SIS Act*.
- 5.3. Subject to the provisions of these Rules and in particular Rule 3.11, where the Trustees accept a person as a Member that person or a parent or guardian of that person who is under a legal disability because of age and does not have a LPR or a LPR of that person is appointed as a Trustee unless that person or a LPR of that person becomes a director of a company which is the Trustee.
- 5.4. On retirement of a Trustee one of the following is appointed Trustee in place of the Trustee who has retired (provided the person or company is not already a Trustee):
- (a) if the retiring Trustee is a person, another person who is a Member or a LPR of that Member or a parent or guardian of that Member who is under a legal disability because of age and does not have a LPR or a company of which that Member or LPR of that member is a director; and
 - (b) if the retiring Trustee is a company, a company all the directors of which are Members or are the LPR's of Members, or all the persons who are Members or in place of a Member the LPR of that Member or a parent or guardian of that Member who is under a legal disability because of age and does not have a LPR.

6. Trustee removal

- 6.1. A Trustee will hold office until:
- (a) the Trustee retires in accordance with this Rule
 - (b) being a Constitutional Corporation, it goes into liquidation or has a receiver appointed or enters into administration;
 - (c) the Trustee is removed, or ceases to be eligible to act as Trustee under the *Act*; or
 - (d) being a natural person, the Trustee dies
- 6.2. A Trustee may retire at any time.
- 6.3. If the Fund has only one Member, a person who is not a Member and who is a Trustee may retire as a Trustee provided that another person who is a Relative of the Member or is a person who is not an employer of the Member is appointed as a Trustee.

- 6.4. A company may retire as a Trustee provided:
- (a) all the directors of that company are appointed as Trustees; or
 - (b) another company is appointed as a Trustee where all directors of the resigning company are also directors of the company being appointed as Trustee.
- 6.5. A Trustee may retire as Trustee of the Fund so long as a new Trustee has first been appointed as a Trustee of the Fund.
- 6.6. Trustee Retirement
- (a) If all Trustees, who are natural persons retire, a company may be appointed the sole Trustee of the Fund in their place, provided the directors of that company are the Members or a LPR in place of a Member;
 - (b) Where 2 or more Trustees were originally appointed it is not obligatory (unless required to satisfy the conditions in s17A of the SIS Act) to fill up the original number of Trustees on the retirement of a Trustee. In these circumstances a retiring Trustee, provided that, if in order to vest any part of the Fund Assets in the continuing Trustees alone, it is necessary that it should be duly transferred, the retiring Trustee shall not be discharged in respect of that part until it is duly transferred.
- 6.7. A person or company is removed as Trustee:
- (a) if a Member is the Trustee, when that person ceases to be a Member;
 - (b) if a Member is the Trustee, when that person is incapable of acting as Trustee unless a LPR of the Member is appointed as Trustee in place of the Member;
 - (c) if the Trustee is a company, on the date four months from the time one or all directors of the company cease to be Members or the LPRs of the Members;
 - (d) on the date the Trustee is prohibited from being a Trustee under the Rules or the *Act*;
 - (e) if the continued appointment of the Trustee will result in the Fund losing its status as a Complying Superannuation Fund; and
 - (f) when the Member is no longer under a legal disability because of age where the person is Trustee as parent or guardian of and in place of that Member.

7. Trustee remuneration and indemnification

- 7.1. No Trustee of the Fund will receive any salary or remuneration from the Fund for acting as Trustee.
- 7.2. The Trustees and, where the Trustee is a corporation, its directors and officers are entitled, to the maximum extent permitted by the *Act*, and by law, to be indemnified from the Fund against all liabilities incurred by each of them in connection with execution, attempted execution, or in respect of non-execution of the Trustee's powers and discretions under this Deed.
- 7.3. Subject to the *Act*, the Trustee and its directors and officers may recover from the Fund amounts necessary:
- (a) to meet the indemnities referred to in Rule 7.2; and

- (b) to meet all liabilities whatsoever in connection with the Fund and the exercise of their powers and duties under or in connection with this Deed.

To this end, to the maximum extent permitted by the *Act*, the Trustee and its directors and officers have, and may exercise, a lien over the Fund.

- 7.4. If liabilities are incurred by a Trustee or former Trustee in the management, administration, maintenance, or operation of the Fund, then the Trustee may apply the assets of the Fund in indemnification of itself or a former Trustee provided all actions performed by the Trustee or the former Trustee in respect of which indemnification is sought were honest or the required degree of care and diligence was exercised.

8. Trustee meetings

8.1.

- (a) The Trustees may meet as and when required to make decisions in performance of their obligations as Trustees of the Fund under the provisions of this Deed, the Rules or the *Act*. Reasonable notice of such meetings is required in the manner set out in clause 8.2.
- (b) The Trustees may adjourn and regulate their meetings as they see fit.
- (c) If there is more than one Trustee, the Trustee must meet if Members, whose account balances combined equal or exceed fifty percent of the Fund's cumulative account balance, serve notice of meeting on the Trustee requiring the Trustee to make a decision regarding an issue relating to the Fund, its administration or management. 14 days notice of such meetings is required in the manner set out in clause 8.2.

- 8.2. Written notice of meetings must be given to each Trustee at their last nominated mail, facsimile or email address stating the:

- (a) place, date and time for the meeting; and
- (b) the general reason for the meeting.

- 8.3. If a Trustee is able to attend the meeting through a communication link established by telephone, audio or audio-visual communication or other approved device, all proceedings will be valid and effective as if that person were physically present.

- 8.4. At any meeting of Trustees a quorum will be formed with the presence of those Trustees who represent Members, the balance of whose Member's Accounts in aggregation exceeds one half of the aggregated amount of all Member's Account balances.

8.5.

- (a) The Trustees will determine by majority approval at the first meeting of Trustees one of the following as the method by which Trustees will be entitled to cast votes at all meetings of Trustees:
 - (1) each Trustee being entitled to cast the number of votes nearest to the number of whole dollars of that Member's Account the Trustee represents and any amounts in Reserve that an actuary has determined might be transferred to the Member's Account to pay a Pension, but no less than one vote each; or

- (2) each Trustee being entitled to cast one vote each.
 - (b) If the Trustees fail to make a determination in accordance with clause 8.5(a), clause 8.5(a)(2) will apply.
 - (c) If clause 8.5(a)(2) applies and there is a deadlock in making any Trustee decision, the deadlock shall be resolved by weighting each Trustee's votes nearest to the number of whole dollars of that Member's Account the Trustee represents and any amounts in Reserve that an actuary has determined might be transferred to the Member's Account to pay a Pension, but no less than one vote each
- 8.6. A resolution will be passed by a majority of votes of those who are present at the meeting and who are entitled to vote.
- 8.7. A person may appoint, in writing, another person to act as that person's proxy at any Trustee meeting.
- 8.8. If a written resolution has been signed by all persons entitled to attend a Trustee meeting, the resolution in the terms stated will be deemed as passed at the time and date which the document was last signed by any such person. More than one identical written resolution, each of which has been signed by one or more persons, will constitute one document.

9. Trustee records and registers

The Trustee must create and keep such records and registers of the Fund and decisions made as are required by this Deed and the *Act*.

10. Trustee powers

- 10.1. In addition to those powers, authorities and discretions conferred on the Trustees by this Deed, the Rules, the Superannuation Law or the *Act*, the Trustee will have the following additional powers:

Act notwithstanding personal interest: generally to exercise or concur in exercising all the foregoing powers and discretions contained in this Deed or otherwise by law conferred notwithstanding that any person being a Trustee or any person being a director or shareholder of a Trustee or any person being a relative of a Trustee or any person being a relative of a director or shareholder of a Trustee hereof (being a company) has or may have a direct or personal interest (whether as trustee or any other settlement or in his/her personal capacity or a shareholder or director or as a relative of the Trustee or relative of a director or shareholder of a Trustee or member or partner of any company or partnership or as a unit holder in any Unit Trust or beneficiary of any Discretionary Trust or otherwise howsoever) in the mode or result of exercising such power or discretion or may benefit either directly or indirectly as a result of the exercise of any such power or discretion and notwithstanding that the Trustee for the time being is the sole Trustee, but provided that this power may only be exercised in the circumstances permitted by the *SIS Act* and the *SIS Regulations*.

Assets: to sell, call in, convert into money, grant options or rights to purchase, mortgage, charge, sub-charge, or otherwise deal with or dispose of or transfer any item or asset comprising the whole or part of the Fund;

Assurance Policies: to effect or acquire policies of life assurance of any kind on the life of any Member or in respect of sickness, disability or accident to any Member, to pay premiums, transfer, surrender, change the place of and deal with the policies in any way whatsoever, to purchase or enter into insurance or investment bonds whether or not the bonds are linked to a policy over the life of any person;

Bank accounts: to establish and close a bank account with any bank or financial institution in the name of the Trustees as Trustee for the Fund;

Borrow: to borrow as permitted by the *Act* to any percentage of the valuation of the security provided, as approved by the Trustee so long as it is in accordance with the investment strategy;

Choses in action: to acquire choses in action including debts and obligations of all kinds for value or by way of gift or at a discount or at a premium and to assign, release, vary relinquish or otherwise deal with the choses in action in any way on terms and conditions as the Trustees see fit;

Corporate Securities: in reference to any entity in which the Trustees hold shares, stocks, debentures, options, convertible notes or is otherwise interested or concerned ("securities"), may exercise the following powers in addition to those conferred by law:

- (a) pay calls on securities or to permit securities to be forfeited and sold;
- (b) purchase securities and to take up securities of a new issue;
- (c) attend meetings personally or by proxy, attorney or representative and vote at the discretion of the Trustees;
- (d) sell securities at such price and upon such terms with or without security as the Trustee decides;
- (e) agree to any arrangement relating to the sale, transfer or exchange of any securities, or modifying any rights, privileges or interests in relation to the securities, to agree to any scheme or arrangement for the increase or reduction of the value or amounts of any shares or stock or of the capital of any company in which any securities form the whole or any part of the Fund, or by which any such securities are substituted or given in exchange, either wholly or partly for other securities, whether in the same company or not, for any such purpose to deposit, surrender or exchange any scrip or documents of title relating to the securities and generally to manage and deal with any securities as if the Trustee owned them beneficially; and
- (f) agree in respect of a winding up with the liquidator of a company or any member of such company or any other person, in all things as the Trustee will decide, for the division or partition in kind or specie of the assets or property of whatsoever nature of the company and to accept any of the assets and property in payment or satisfaction of any interest of the Trustee in the company with power to pay any moneys by way of equality of division or partition;

Custodian: the appointment of a custodian to hold the legal title of any asset which has been acquired or is to be acquired by the Trustees on such terms as the Trustees think fit;

Debt: if the Trustees believe that funds are required to be set aside to cover any liability or debt, to meet that liability or debt from the assets of the Fund, provided the Trustees are permitted by Superannuation Law;

Delegation: the Trustees may delegate to any one or more persons, firms or companies on such terms as the Trustees may think fit any of the authorities, powers and discretions conferred upon the Trustees. Without limiting this general power the Trustees may:

- (a) appoint from time to time any one or more persons, firms or companies as the Trustees may think fit to act as Manager, custodian or investment manager subject to such conditions as the Trustees may from time to time determine;
- (b) delegate to and confer upon the Manager, custodian or investment manager such authorities, power or discretions, including the Trustees' power of delegation, as the Trustees may think fit;
- (c) pay out of the Fund to any Manager, custodian, investment manager or other delegate such remuneration for its services as the Trustees consider proper; and
- (d) remove from time to time any Manager, custodian or investment manager.

Expenses: to pay expenses from the assets, Reserves or income of the Fund, including:

- (a) Management expenses: including all costs, charges and expenses relating to management of the Fund, which may include acquiring the services of specialists or administrators;
- (b) General expenses: including all costs, charges and expenses in connection with any real or personal property, which may include insurance premiums, rates, taxes, rent, repairs and any other expense the Trustees may consider necessary;

Franchises: to acquire, sell or otherwise deal with franchises, franchise agreements, licences and related dealings;

Futures contracts and options: provided the Trustees maintain a risk management strategy, to engage brokers or commission agents, vary and determine terms of any such engagement directly or through a broker or agent in any market in any part of the world to:

- (a) buy, sell, open, close-out or otherwise deal in futures contracts of all kinds;
- (b) enter into, vary, exercise, abandon or sell any put or call option or rights;
- (c) place bids, make offers, hedge and effect orders including buy, sell, straddle, switch and stop-loss order;
- (d) tender and take delivery of commodities and currencies which are the subject of any futures contract or option; and
- (e) otherwise do and perform all things to operate on, utilise or deal with facilities of any stock or futures exchange.

Gifts: to receive property by gift or by distribution under a will or under the provisions of any other trust or otherwise from any person as an addition to the Fund, whether subject to liabilities or not and to hold these gifts according to the Rules and to administer such additions under these provisions;

Incidental Powers: to do all such other things as may be incidental to the exercise of the powers, rights, discretions otherwise provided by the Deed, the Rules or by law;

Indemnities: to give indemnities to or on behalf of any person that the Trustees think fit.

Intellectual property: to apply for, purchase or otherwise acquire and to sell intellectual property (including patents, patent rights, copyrights, trade marks, designs, formulas, licenses, concessions, know-how and the like), conferring any exclusive or non-exclusive or limited right to use intellectual property rights as well as develop or grant licenses in respect of intellectual property rights or information so acquired;

To Let: to lease, rent and let property owned by the Fund or held by the Trustees pursuant to the provisions of these Rules upon terms and conditions as the Trustees may decide, to accept surrenders from and to make arrangements with a lessee or tenant as the Trustees may consider appropriate;

Lease: to rent premises, to acquire the interest of any lessee in any lease, purchase, hire, take on lease, grant leases, sub-leases, tenancies or rights of any nature to any real estate, motor vehicles, computer hardware and software, fixtures and fittings, furniture, utensils, plant and equipment and other personal property of any description;

Legal proceedings: to institute, join in and defend proceedings at law or by way of mediation or arbitration and to proceed to the final end and determination of, or to compromise the same and to compromise and settle any such dispute or proceedings for such consideration and upon the terms and conditions as the Trustees may decide;

Lend: may lend and advance moneys as permitted by the *Act*;

Licences: may acquire, sell or transfer any licence or permit which the Trustees sees fit to engage or facilitate any business which the Trustees are permitted to under these Rules or the *Act*;

Power of attorney: in the exercise of all or any of the powers herein confirmed upon the Trustees to appoint an attorney and to execute any power of attorney or such other instrument that the Trustees consider necessary for the exercise of those powers, provided it is permitted at law;

Property: to maintain and preserve in good condition any:

- (a) real property: and to acquire, dispose of, exchange, strata title, subdivide, mortgage, sub-mortgage, lease, sub-lease, grant, release or vary any right or easement or otherwise deal with any interest in real property;
- (b) personal property: and to acquire, dispose of, exchange, hire, lease, mortgage or otherwise deal with any interest in personal property;

Raise Financial Accommodation: the fund may raise money in any lawful manner including by drawing, endorsing, accepting or otherwise dealing in any bill of exchange or other negotiable instrument where permitted by the *Act*. Any money raised by the Trustee will form part of the Fund;

Release of powers: by irrevocable deed to renounce and release any power conferred on the Trustees under the Rules in respect of the whole or any part of the Fund or the income or any part thereof;

Specialists: to employ or engage and pay from the Fund, agents or professionals including such managers, agents, self managed superannuation fund advisers, solicitors, barristers, auditors, accountants, brokers, surveyors or other persons to transact any business or to do any act required to be done in connection with the administration and management of the Fund, to act upon the opinion or advice of these agents or professionals without being responsible for any loss or damage occasioned by so acting;

Subdivision of Property: to partition or to subdivide any property or interest in property which may be subject to these trusts and to pay moneys by way of equality or partition;

Trustee's power to deal with itself: notwithstanding any rule or law or equity to the contrary, and provided the in-house assets rules are complied with:

- (a) to acquire, as property of the Fund, the legal and beneficial interest in real or personal property which is, at the date of acquisition, the absolute property of the Trustee provided that any property so acquired is acquired for a consideration not greater than the current Market Value of the property and upon such acquisition the beneficial interest in the property will be held by the Trustee according to the Rules;
- (b) to dispose of any beneficial interest in property of the Fund to itself;
- (c) to lease to the Fund any real or personal property the legal and beneficial interest in which is at the date of such acquisition the absolute property of the Trustee; and
- (d) to lease any property of the Fund to itself;

Unit trust interests: to acquire units or sub-units of any fixed or flexible unit trust whether by way of application or purchase or by way of settlement by the Trustee in the establishment of such unit trust and to exercise all rights and perform all obligations and receive all distributions as a holder of any units in such a trust.

- 10.2. These powers will be in addition to any other powers, authorities and discretions vested in the Trustee by another provision of the Deed, the Rules, or by Superannuation Law.
- 10.3. These powers will not be limited by, or be construed so as to be limited by any other powers, authorities and discretions otherwise provided by the Deed, the Rules, or by Superannuation Law.
- 10.4. In exercising these powers the Trustees must ensure at all times that the Fund remains a Complying Superannuation Fund.
- 10.5. A Trustee who is a natural person may be a director of any company in which any moneys forming part of the Fund are from time to time invested and may receive remuneration attached to such office without being liable to account for it unless that appointment would compromise or affect the Fund's status as a Complying Superannuation Fund.
- 10.6. Subject to the terms of these Rules the Trustees may exercise or concur in exercising all powers and discretions given under this Deed or by law, notwithstanding that it or any person who is a director or shareholder of the Trustee has or may have a direct or indirect interest in the result of exercising such powers or discretion or may benefit either directly or indirectly as a result of the exercise of any such power or discretion and notwithstanding that the Trustee at the time is the sole Trustee.

11. The trustees may borrow as permitted by the act

- 11.1. In general circumstances and unless permitted by the *Act* and the Rules, the Trustees must not:
 - (a) borrow money;

- (b) maintain an existing borrowing of money;
- (c) recognise, or in anyway encourage or sanction, a charge over, or in relation to a Member's Benefits; and
- (d) give a charge over, or in relation to, an asset of the Fund.

11.2. The Trustees may borrow funds if permitted by the *Act* provided:

- (a) the asset is held in trust and the Fund will hold a beneficial interest in the asset;
- (b) the Fund may acquire legal and beneficial ownership of the asset; and
- (c) the rights of the lender against the Fund for default on the borrowing are limited to the rights relating only to the asset acquired with the borrowed funds.

12. Assets

12.1. The Trustees must not acquire an asset from a Member or an Associate of a Member unless that asset is an allowable acquisition under the *Act* and acquired at Market Value.

12.2. Except if required for the purposes of limited recourse borrowing arrangements permitted under these Rules and the *S/S Act*, the money or assets of the Fund must be held in the Trustees' names and must be held separately from any money or assets held by the Trustees personally, or that are money or assets, as the case may be, of a standard employer, standard employer sponsor, or an associate of a standard employer sponsor, of the Fund or any other person unless otherwise allowed by the *SIS Act*.

13. Trustee may receive gifts or distributions

A gift or distribution made to the Fund may be accepted and allocated to Earnings, a Reserve or a Member's Account or applied for any purpose as the Trustees determine including the payment of a Pension to a Member or Pension Dependant in the event of the Member's death, provided the status of the Fund as a Complying Superannuation Fund is not affected or compromised.

14. Members

14.1. The Trustees have absolute discretion as to who is admitted as a Member provided:

- (a) that person or that person's LPR or that person's parent or guardian (where that person is under a legal disability because of age and does not have a LPR) has provided the Trustees with an Application Form and has read and agreed to be bound by the Deed and Rules of the Fund;
- (b) the admittance of that person as a Member would not affect or compromise the Fund's status as a Complying Superannuation Fund; and
- (c) the person or LPR of the person applying will accept the appointment as Trustee or director of a company that is the Trustee and is not a disqualified person; or
- (d) a parent or guardian of that person, where that person is under a legal disability because of age and does not have a LPR, will accept the appointment as Trustee and is not a disqualified person.

- 14.2. The Trustees must admit any person as a Member where that person will be paid a Pension from the Fund.
- 14.3. If the Fund is a sole member Fund, the Member may give written notice to the Trustees stating that no other Member will be admitted to the Fund.
- 14.4. If a Member transfers a property to the Fund, the Member may give written notice to the Trustees stating that the property is to be held specifically for that Member with no other Member to obtain an interest in that property. The Trustees may decline to accept that transfer or may accept that transfer on terms and conditions at the discretion of the Trustees and any expenses of the Fund attributable to that property will be payable from the Member's Account.
- 14.5. A parent or guardian of a Member who is a Trustee of the Fund in place of that Member (because that Member is under a legal disability because of age and does not have a LPR), may exercise on behalf of that Member any rights or functions which that Member could exercise under the Rules (except those referred to in Rule 19.2) provided such exercise is permitted by the *Act* and will not affect or compromise the Fund's status as a Complying Superannuation Fund.

15. Members application

- 15.1. The Trustees will not admit any person as a Member of the Fund unless that person has submitted an Application Form. The Trustees are not required to admit a person who the Trustees do not believe has read or understood the Rules or the Deed or who has not agreed to be bound by the Deed and Rules of the Fund.
- 15.2. Upon death of a Member, any person who may be entitled to receive a Pension Benefit and does not wish to become a Member, or if the Trustees decides not to admit that person as a Member, then the Trustees must transfer the amount that would have funded the Pension to another Benefit Arrangement. The transfer of any amount must be in accordance with Rule 29. Once the Trustees have received all relevant documentation, including the Application Form and any other documentation the Trustees may require, the Trustees may in its absolute discretion admit or refuse to admit that person as a Member of the Fund.
- 15.3. The terms and conditions applicable to a Member's membership of the Fund, including the contributions and benefits payable to or in respect of the Member, may be varied by written agreement between the Trustees and the Member.
- 15.4. As soon as practicable after the admission of a person as a Member of the Fund the Trustees will give to that Member any information required by the *Act*.

16. Termination of membership

- 16.1. The Trustees have absolute discretion to expel any Member of the Fund. That if a Member ceases to be a Member of the Fund, he or she must retire as a Trustee of the Fund or a director of a corporate trustee of the Fund.
- 16.2. The Trustees must give notice to the Member of the member's expulsion from the Fund. Where a Member is expelled from or ceases to be a Member of the Fund the balance of the Member's account must be transferred to a Benefit Arrangement in accordance with Rule 29 or as nominated by the Member within 60 days of the date of the Trustee's Member expulsion notice and if a nomination is not made within that period, to an Eligible Rollover Fund at the discretion of the Trustee.

- 16.3. Unless prohibited by the *Act*, a Member will be deemed to have ceased to be a Member on the first to occur of the following:
- (a) when the Member is no longer entitled to receive Benefits from the Fund;
 - (b) when the Trustees determine that the Member should no longer be a Member;
 - (c) on the death of the Member, or if the Trustees decide otherwise, no later than the time any LPR of the Member ceases to act as Trustee or director of the Trustee company;
 - (d) no later than the earliest of either:
 - (1) four months from the date a Member became ineligible to be a Trustee or to be a director of a company which is a Trustee unless a LPR of that Member is appointed a Trustee; or
 - (2) the date just before a Member became ineligible to be a Trustee or to be a director of a company which is a Trustee unless a LPR of that Member is appointed as a Trustee.

17. Member's account

- 17.1. A record of all Contributions, Earnings, amounts allocated to or from any Fund reserves, Benefits paid and all other amounts credited or debited to a Member's Account must be kept by the Trustees on behalf of the Members.
- 17.2. The Trustees may keep more than one account for a Member, which may include more than one Member's Accumulation Account and more than one Pension account.
- 17.3. A record of the tax free and Taxable Components of a Member's Account must be kept by the Trustees.
- 17.4. The Trustees will, subject to any restrictions imposed by the *Act*, add to a Member's Account the following received on behalf of the Member or attributable to the Member's Account:
- (a) Contributions received; and
 - (b) Earnings; and
 - (c) Splittable Contributions; and
 - (d) Payment Split; and
 - (e) Reserves; and
 - (f) the proceeds of any Policy; and
 - (g) any other amount which the Trustees with the consent of the Member determine will be credited to the Member's Account.
- 17.5. The Trustees will subject to any restrictions imposed by the *Act* deduct from a Member's Account the following:
- (a) any costs or fees and any other liabilities attributed to it;
 - (b) Losses of the Fund;

- (c) Benefit payments paid to that Member or persons entitled to receive them or transferred to another Benefit Arrangement;
- (d) Tax payable;
- (e) Excess Contributions Tax liability;
- (f) Splittable Contributions;
- (g) Payment Split; and
- (h) Any other amount including an amount to be transferred to a Reserve Account which the Trustees with the consent of the Member, determine will be debited to the Member's Account.

18. Contributions

18.1. The Trustees may accept any Contributions made on behalf of a Member or a Spouse of a Member by any person, entity or government body so long as the acceptance by the Fund of that contribution:

- (a) will not compromise or affect the Fund's status as a Complying Superannuation Fund; or
- (b) is permitted by the *Act*.

18.2. The Trustees are required to comply with the provisions of the *Act* concerning any Excess Contributions Tax imposed on a Member.

18.3. The Trustees, at the request of a Member, will allot, transfer or rollover, within the period required by the *Act*, of all or part of a Member's Account to another Superannuation Entity or another Member's Account, if

- (a) the Trustees are satisfied that any such action will not compromise or affect the Fund's status as a Complying Superannuation Fund, or
- (b) the Trustees are required by order or agreement under the provisions of the *Family Law Act 1975* to perform such an action.

18.4. The Trustees will not transfer or rollover a Member's Account to a Superannuation Entity or another Member's Account if prohibited by the *Act*, if it will cause a breach of the minimum benefit provisions of Division 5.3 of the SIS Regulations or if it will compromise or affect the Fund's status as a Complying Superannuation Fund.

18.5. The Trustees have absolute discretion as to whether the transfer will be in the form of cash or assets, with or without conditions.

18.6. The Trustees have absolute discretion and may accept transfers or rollovers from another Superannuation Entity, whether conditionally or not, provided it does not breach the *Act* or compromise or affect the Fund's status as a Complying Superannuation Fund.

19. Estate planning

19.1. Non-binding Death Benefit Nominations

- (a) A Member may provide a written Non-Binding Death Benefit Nomination to the Trustees, by which the Trustees may, in their discretion, provide benefits to the beneficiaries listed in that nomination. Subject to the *Act*, the Trustees must accept a Non-Binding Death Benefit Nomination, but it is not binding on the Trustees.

- (b) A Member or the LPR of the Member may confirm, amend or revoke the nomination previously given to the Trustees.
- (c) A Member or the LPR of the Member may give direction to the Trustees to act in a particular way upon the Member's death or incapacity, but the Trustees are not obligated to follow such instructions.
- (d) The Trustees must not comply with any nomination or direction that would compromise or affect the Fund's status as a Complying Superannuation Fund.

19.2. Binding Death Benefit Nominations

- (a) Trustees should provide a Member with information that it believes the Member needs for the purposes of submitting a Binding Death Benefit Nomination.
- (b) A Member may provide a written Binding Death Benefit Nomination, by which the Trustees are bound to provide Benefits to the beneficiaries listed in and in accordance with that nomination, provided the nomination is valid and binding at the date of death of the Member.
- (c) Subject to the *Act*, the Trustees must accept a Binding Death Benefit Nomination and will be bound by it, subject to Pension terms and conditions incorporated as a Rule under Rule 20.7.
- (d) A Member may confirm, amend or revoke the nomination by written notice given to the Trustees.
- (e) The Trustees must not comply with any nomination or direction that would compromise or affect the Fund's status as a Complying Superannuation Fund.
- (f) A Binding Death Benefit Nomination and any revocation or amendment to it must:
 - (1) be in writing;
 - (2) require that all Benefits would be payable to one or more of a LPR or a Dependant of the Member; and
 - (3) be signed by the Member in the presence of more than one person:
 - (A) each of whom has turned 18 years of age; and
 - (B) neither of whom is a person mentioned in the Binding Death Benefit Nomination.
- (g) If proceedings, for dissolution of a Member's marriage to a spouse, under the *Family Law Act 1975* or some similar foreign legislation have commenced, then any nomination which states that the Benefit is to be paid to that spouse of the Member will be deemed to be revoked.
- (h) A Binding Death Benefit Nomination will have an indefinite term unless the Member has stipulated otherwise or the nomination is revoked by written notice to the Trustees.

19.3. Death Benefit Request

- (a) A Member or the Legal Personal Representative of the Member may provide the Trustee with a notice in writing requesting the Trustee to establish a Death Benefit Rule that requires the Trustee to pay Benefits in the event of the death of the Member in a manner and form that the Member or the Legal Personal Representative of the Member so chooses; including whether the Benefit is to be a Lump Sum Benefit, a Pension Benefit or combination of both.
- (b) The Trustee may accept or reject any notice referred to at Rule 19.3 (a) and must reject if the Trustee holds a Binding Death Benefit Nomination from that Member. If the Trustee accepts the notice, the Trustee shall be bound to act in accordance with that Death Benefit Rule that would be established as a consequence of accepting the notice.
- (c) A Member, or the Legal Personal Representative of the Member, may provide the Trustee with a notice in writing requesting the Trustee to delete or amend a Death Benefit Rule that was previously established at the request of the Member and, if amended, the Trustee shall act in accordance with that amended Death Benefit Rule.
- (d) The Trustee shall not accept any notice referred to at Rule 19.3 (a) or (c) if that would cause the Fund to become a Non-Complying Self Managed Superannuation Fund.

20. Benefits

20.1. A Member or any other person permitted to receive a Member's Benefit by the *Act*, may be entitled to receive one or more of:

- (a) a lump sum Benefit;
- (b) a Pension Benefit;
- (c) a Temporary Incapacity Benefit;
- (d) a Permanent Incapacity Benefit; and
- (e) such other Benefit including the proceeds of any Policy that may be permitted to be paid to a Member under the *Act*, including in situations of Severe Financial Hardship or on Compassionate Grounds, as the Trustees might determine;

provided that the payment of any such Benefit would not breach the minimum Benefit provisions of Division 5.3 of the SIS Regulations or compromise or affect the Fund's status as a Complying Superannuation Fund or be in breach of the *Act*.

20.2. A Benefit will be payable to a Member, Dependant of a Member, LPR of a Member or to some other person provided it is required to be paid by the Rules or the *Act*.

20.3. A Member or the LPR of a Member may request that a lump sum Benefit be paid, and the Trustees at their discretion may pay the Benefit provided it is permitted by the *Act* and will not compromise or affect the Fund's status as a Complying Superannuation Fund.

20.4. A Trustee may pay a lump sum Benefit to a Member that will not exceed the balance of that Member's Accumulation Account although, in addition, the Trustee at its discretion may pay the whole or part of any Reserves to the Member.

Pension Benefit

- 20.5. Where a Member or a Member's LPR requests that the Trustees pay a Pension to a Member or after the Member's death, to their Pension Dependant, the Trustees may do so provided it is permitted by the *Act*, and provided the payment will not compromise or affect the Fund's status as a Complying Superannuation Fund.
- 20.6. Any Pension must be paid in accordance with these Rules and comply with the standards for the provision of Pensions of the SIS Regulations (which are deemed incorporated in these Rules).
- 20.7. A Trustee must notify a Member in writing of any Pension it will pay to the Member and the notification will outline the terms or conditions of the Pension which will be deemed to be a Rule unless payment of the Pension would affect or compromise the Fund's status as a Complying Superannuation Fund.
- 20.8. Subject to the Rules and the *Act*, the Trustees in their sole discretion may utilise any amount standing in the Member's Account, a Member's Pension Account or a reserve to provide a Pension to a Member, or if permitted by the *Act*, their Dependants, a LPR of a Member, or any other person.

Incapacity

- 20.9. The Member is to advise the Trustees of incapacity:
- (a) if a Member becomes incapacitated that Member or their LPR will advise the Trustees as soon as practicable. The Trustees may request the Member submit to any reasonable medical examinations, as it sees fit;
 - (b) upon receipt of any documentation required by the Trustees regarding a Member's incapacity, the Trustees at their sole discretion will determine whether or not the Member suffers Temporarily Incapacity or Permanent Incapacity.

Temporary Incapacity

- 20.10. If the Trustees are reasonably satisfied that a Member suffers Temporary Incapacity, it may choose to pay a Benefit in the manner and for no more than the amount permitted by the *Act* to the Member from the time of that Temporary Incapacity to the earlier of:
- (a) the date the Member is re-instated in similar employment the Member was previously engaged in prior to suffering the Temporary Incapacity;
 - (b) the date on which the Trustees believe the Member commenced to suffer Permanent Incapacity;
 - (c) the date of death of the Member; or
 - (d) such other time permitted under the *Act*.
- 20.11. The Trustees, in their sole discretion, may deduct an amount from a Reserve Account or any of the Member's accounts to pay the Temporary Incapacity Benefit.

Permanent Incapacity

- 20.12. If the Trustees are reasonably satisfied that a Member suffers Permanent Incapacity the Trustees may pay all or part of any of a Member's Accounts to the Member, or if permitted by the *Act*, to a Dependant or Pension Dependant or LPR of the Member whether as a lump sum or a Pension or a combination of both, in its absolute discretion.

- 20.13. The Trustees in their sole discretion may allocate any amount from any Reserve Account held in the Fund to pay the Benefit on the Member's Permanent Incapacity.

Death of a Member

- 20.14. On the death of a Member:
- (a) if the member was a Trustee or a director of the corporate Trustee, the Member's LPR will be appointed as a replacement Trustee or a director of the corporate Trustee until the date Benefits payable on the death of the Member commence to be payable provided that the LPR is eligible to act as Trustee and has consented to act as Trustee; and
 - (b) the Trustees may transfer or continue to pay any Pension previously payable to a Member to such Pension Dependants of the Member as are permitted by the *Act* to receive the Pension.

Payment of a Death Benefit

- 20.15. In the event of a Member's death, the Trustees at their sole discretion, but subject to Rule 20.17, will pay a Death Benefit to any one or more of the Member's Dependants or the Member's LPR or another person as permitted by the *Act*.
- 20.16. If the Trustees hold a Non-Binding Death Benefit Nomination by the deceased Member, the Trustees in their sole discretion may choose but is not obliged to pay such Benefits to persons nominated in that Non-Binding Death Benefit Nomination, provided the payment is permitted by the *Act*.
- 20.17. If the Trustees hold a Binding Death Benefit Nomination by the deceased Member the Trustees must pay such Benefits in the manner and form as requested in that Binding Death Benefit Nomination provided the payment is permitted by the *Act*.
- 20.18. Provided it is permitted by the *Act*, the Trustees may pay additional amounts to the deceased Member's Dependants or LPR including from a Reserve Account but these amounts would not form part of the deceased Member's Benefit.

Conversion of a Lump Sum Benefit into a Pension

- 20.19. Should a Member, or a deceased Member's LPR or a deceased Member's Dependants so request, the Trustees in their sole discretion may convert any lump sum Benefit payable to or in respect of a Member either in whole or in part to a Pension payable to the Member, or the deceased Member's Pension Dependants as permitted by the *Act*.
- 20.20. A Member or a deceased Member's LPR or a deceased Member's Dependants must notify the Trustees of the Pension required and the Trustees are to use the Member's lump sum Benefit to fund any Pension.

Commutation of a Pension

- 20.21. By written request of a Member or in the event of a Member's death, the Member's Pension Dependants and provided it is permitted by the *Act*, the Trustees, in their absolute discretion, may commute the whole or any part of any Pension payable to the Member in accordance with the Rules below.
- 20.22. Any amount resulting from the commutation may be applied by the Trustees:
- (a) to pay a lump sum Benefit to a Member, or in the event of the death of the Member, to any one or more of the Member's Pension Dependants; or

(b) to be allocated into the Member's Accumulation Account.

20.23. The Trustees will determine any possible Tax consequences or commutation limits prior to commuting a Pension. The Trustees must also notify the Member, Dependants or LPR of the Member of this information.

21. Investments

Investment strategy

21.1. The Trustees must formulate, review regularly and give effect to an investment strategy that has regard to the whole of the Fund, including but not limited to the following:

- (a) the risk and liquidity involved in making, holding and realising and likely return from the Fund's investments having regard to the Funds objectives and expected cash flow requirements;
- (b) the composition of the Fund's investments as a whole including the extent to which they are diverse or involve exposure of the Fund to risk from inadequate diversification;
- (c) the liquidity of the Fund's investments in view of its expected cash flow requirements;
- (d) the ability of the Fund to discharge its existing and prospective liabilities;
- (e) the needs of Members considering their age, income level and retirement needs: and
- (f) whether the Trustees of the Fund should hold a contract of insurance that provides insurance cover for one or more Members of the Fund.

21.2. The investment strategy could consist of one or more strategy for the whole of the Fund or separate strategies for various parts of the Fund.

21.3. The investment strategy should identify the investment objectives and provide detail of the investment methods the Fund may adopt to implement the strategy.

21.4. The Trustees will review this strategy annually and can amend the strategy at any time deemed appropriate. The Trustees must advise all Members affected by written notice of all details outlined in any amendment.

21.5. Should a Member request to view the Fund's investment strategy the Trustees will comply with this request by the Member.

21.6. The Trustees must also set an investment strategy for one or more reserves of the Fund. Any such investment strategy must be based upon the prudential management of assets of the reserve or such other requirements as laid down in the *Act*.

21.7. The Trustees in their sole discretion may act on the advice of an adviser or a specialist in documenting the Fund's investment strategy so long as the Trustee believes the adviser has adequate credentials to provide such advice.

The Trustee must invest the assets of the Fund

21.8. The Trustees must invest the assets of the Fund in accordance with the Fund's investment strategy.

A Member can request the Trustee to invest their account separately or jointly

- 21.9. A Member or the LPR of the Member may request the Trustees to invest all or part of the amount standing to the credit in the Member's Account separately from other investments held in the Fund however it is in the Trustees sole discretion to accept, subject to conditions, or reject the request from the Member.

Authorised investments

- 21.10. The Trustees may invest the assets of the Fund as if it were the absolute and beneficial owner of those assets and will exercise such diligence and prudence that an ordinary person would exercise in conducting their own affairs.
- 21.11. The Trustees may invest in investments both within and outside Australia. The Trustees have the power to apply or invest any moneys required to be invested either alone or in partnership or co-ownership with any other person or persons.
- 21.12. The Trustees may invest in:
- (a) **Authorised investments:** in any one or more investments as sanctioned by law in any State or Territory of Australia relating to the investment of trust moneys;
 - (b) **Real and Personal property:** in the acquisition of real or personal property or any interest in it including intellectual property rights or privileges in Australia or any other country;
 - (c) **Shares:** in the acquisition of fully or partly paid shares including redeemable, preference or redeemable preference shares, stock debentures, debenture stock bonds, units, securities or obligations or any interest, with or without deferred, restricted, qualified or special rights relating thereto and whether or not there is or is not a liability in respect of any such shares, units, securities or interests, of or in any public proprietary or no liability company, association, firm, mutual fund or unit trust wherever incorporated or formed, whether carrying on business in Australia or in any other country, or in giving any guarantee or otherwise becoming a proprietor of a company limited by guarantee;
 - (d) **Option and rights:** in the acquisition of options, entitlements or rights to any of the securities mentioned in paragraph (c) of this sub-clause;
 - (e) **Deposit:** on fixed deposit or at-call with any bank, savings bank, building society, company, corporation or firm wherever incorporated or situated and wherever carrying on business;
 - (f) **Insurance:** in the acquisition of any policy of assurance or insurance of any kind whatsoever and wherever made;
 - (g) **Loans:** in making loans to any person or company, except to Members or a relative of a Member;
 - (h) **Precious objects:** in the purchase of gold, silver, works of art, coins, stamps, furniture, ornaments, precious objects, jewellery and antiques, or any other similar objects;
 - (i) **Commodity contracts:** in the acquisition of foreign currencies, hedging contracts, commodity contracts and also options or futures contracts of any other kind quoted on a recognised stock exchange;

- (j) **Permanent building society:** in the lodgement of moneys with a permanent building society wherever situated, by taking up shares in or depositing funds with;
- (k) **Deferred property:** in the acquisition of any reversionary or deferred property or rights of any description;

Investment manager

- 21.13.** The Trustees may in writing appoint a person (not disqualified from acting as such) as investment manager of the Fund assets for such periods and subject to such conditions as the Trustees may from time to time determine, except the investment manager may not be exempted from or have limited liability for negligence.
- 21.14.** The Trustees:
- (a) may delegate to and confer upon that investment manager such powers, discretions and authorities relating to the investments, sale, getting in and disposal of the Fund assets as the Trustee may think fit;
 - (b) will have power, as an expense of the Fund, to pay out of the Fund assets to that investment manager such remuneration for its services as the Trustees considers proper; and
 - (c) will have power to remove that investment manager.
- 21.15.** No investment manager appointed by the Trustees will be entitled to take any part in the proceedings or deliberations of the Trustees.
- 21.16.** No delegation of powers and discretions and authorities under this clause, however, will be made in the breach of any of the provisions of the *Act* and in particular must be in accordance with s102 of the *SIS Act*.

Trustee not bound to act personally

- 21.17.** The Trustees are not bound in any case to act personally but are at liberty to employ any person to act as manager, lawyer, accountant, clerk, contractor, workman, or employee or any agent to transact any business. The Trustees may determine the remuneration to be paid and allowed for those services.

Trustee to appoint Auditor

- 21.18.** On establishment of the Fund and in every year of income of the Fund, the Trustees must appoint an Auditor to audit the Fund who must give the Trustees a report in the form required by the *Act*.

22. Operation and administration

Fund Compliance

- 22.1.** If Trustees are aware or notified by the Auditor, an adviser to the Fund or the Regulator of the Fund that it may lose its status as a Complying Superannuation Fund the Trustees must:
- (a) liaise with the Auditor, adviser or Regulator to implement a compliance plan to ensure the Fund's status as a Complying Superannuation Fund will be maintained;
 - (b) notify all Members of any action required under the compliance plan; and

- (c) take any such action as required under the compliance plan within a reasonable time frame and before the lodgement of the Fund's next regulatory return.

Fund Insolvency

- 22.2. If the Trustees are notified by the Auditor or the Fund's actuary or become aware the Fund is or may become insolvent, the Trustees must:
 - (a) liaise with the actuary or Auditor to determine a solvency plan to ensure the Fund's solvency, including but not limited to reducing any Members' Accounts or Members' Benefits;
 - (b) notify Members of any action required under the solvency plan; and
 - (c) take such action as is required under the solvency plan prior to the lodgement of the Fund's next regulatory return.

Earnings

- 22.3. The Trustees will determine the amount of the Fund's Earnings for all or part of a Financial Year.
- 22.4. The Trustees have sole discretion as to where to allocate Earnings including allocating Earnings to a Member's Accumulation Account, a Member's Pension Account, or a reserve and using Earnings to pay a Benefit or expense of the Fund or any tax imposed upon the Fund.

Taxation

- 22.5. The Trustees must pay all Tax properly assessed to the Trustees.
- 22.6. The Trustees may in their sole discretion deduct from a Member's Account Tax paid or payable by the Trustees:
 - (a) as a consequence of the receipt by the Trustees of a Contribution for the Benefit of a Member,
 - (b) payable on any income which may be added to a Member's Account, and
 - (c) any Tax which the Trustee believes may be payable as a consequence of a payment given to a Member.
- 22.7. The Trustees may in their discretion deduct from any account, including a Reserve Account, Tax paid or payable by the Trustees provided that any such deduction will not affect or compromise the Fund's status as a Complying Superannuation Fund.
- 22.8. If the Trustees receive a refund of Tax the Trustees may allocate the refund to any Member's Account or a Reserve Account as the Trustees sees fit provided that this would not affect or compromise the Fund's status as a Complying Superannuation Fund.

Annual Accounts

- 22.9. The Trustees must keep annual accounting records as required by the *Act*.
- 22.10. Accounting records are to be kept in such form and supported by any documentation as to enable them to be properly audited.

- 22.11. The Trustees must in a reasonable time frame after the end of each Financial Year:
- (a) organize a statement of the Fund's financial position recording all assets and liabilities at the end of that preceding Financial Year;
 - (b) organize an operating statement recording any profit derived or loss incurred by the Fund for that preceding Financial Year (or part year if the Fund was not in existence for a full year); coordinate for these statements and all accounting records of the Fund to be audited by an approved Auditor;
 - (c) arrange for all tax returns and other statements required to be lodged pursuant to the *Act* by the Fund to be lodged as required; and
 - (d) prepare any Member and other statements and reports as required by the *Act*.
- 22.12. When preparing accounts and statements, an asset of the Fund must be valued at its market value.
- 22.13. The Trustees must keep accounts and statements for a minimum period of 5 years after the end of the Financial Year to which they relate.

23. Reserves

- 23.1. The Trustees may maintain reserves for specific purposes and applications and may add, deduct and allocate amounts to those Reserve Accounts as it considers appropriate.
- 23.2. The Trustees must formulate and implement a separate investment strategy for any reserve that is consistent with the Fund's investment strategy. Investments must be in accordance with the Fund's investment strategy and with the Trustee's ability to discharge liabilities, either actual or contingent, as and when they fall due.
- 23.3. No Member or any other person will have any entitlement to any amount in a Reserve Accounts.

24. Insurance

The Trustees may establish an insurance plan

- 24.1. The Trustees may establish and implement an insurance plan for the Benefit of the Fund to enable the Fund to make payments (including the payment of Benefits on a Member's death or disability) to a Member, a Member's Dependant or the LPR of a Member in the event of a Member's death, disablement, illness or otherwise as permitted by the *Act*.

Self Insurance

- 24.2. The Trustees can elect to self insure and may establish a Reserve:
- (a) to which such amounts as the Trustees might require will be added for the purpose of self insurance;
 - (b) from which the Trustees may pay amounts required to be paid as a consequence of the Trustees self insuring against an event; and
 - (c) from which amounts no longer required for the purpose of self insurance may be transferred to such other Reserve or to such Member's Account as the Trustees may determine.

The Trustees have discretion as to the application of any insurance proceeds

- 24.3. The Trustees have absolute discretion as to the application of any insurance proceeds received by the Fund and may allocate the insurance proceeds to any Member's Account or to Reserves held in the Fund.
- 24.4. No Member nor their LPR nor any other person has any interest in any insurance proceeds that might be received by the Fund.
- 24.5. If a Benefit would ordinarily include an insured component under a Policy (for example a benefit payable on the Member's death or disablement) but:
- (a) no amount is paid under that Policy; or
 - (b) the amount paid under the Policy is less than the amount that would ordinarily be payable;
- the amount payable to the Member may be adjusted accordingly.
- 24.6. This clause is:
- (a) for the protection of the Trustees and the Fund; and
 - (b) not to be taken as conferring any rights on Beneficiaries in respect of benefits additional to those conferred under other provisions of this Deed.

25. Changes

Amendment of the Deed or the Rules

- 25.1. The Trustees may in their absolute discretion amend vary or alter any provision of this Deed or the Rules (in whole or in part) by way of written resolution provided:
- (a) any change to the Deed will not affect or compromise the Fund's status as a Complying Superannuation Fund and is not in breach of the *Act*;
 - (b) the amendment does not reduce the amount of any Benefit accrued or accruing to a Member as at the date of amendment unless the Member or the LPR of the Member has in writing consented to any such amendment;
 - (c) the amendment does not amend the term of a Pension unless the Member or the LPR of the Member who accepted the term of the Pension has in writing consented to any such amendment;
 - (d) the amendment does not allow a person other than a Constitutional Corporation to be eligible for appointment as a Trustee unless the Rules provide and will continue to provide after the amendment is made that the Fund has as its sole or primary purpose the provision of old age pensions, and
 - (e) the amendment does not allow the sole or primary purpose of the Fund to be a purpose other than the provision of old age pensions unless the Rules provide and will continue to provide after the amendment is made that the Trustee must be a Constitutional Corporation.

26. Governing law

The law applicable to the Fund is the law of the State or Territory of the Commonwealth of Australia where the Trustee resides.

27. Status of the act

In every respect, these Rules are subject to the provisions of the *Act*. Any Rule, to the extent that it affects or compromises the Fund's status as a Complying Superannuation Fund, will not apply and will have no force or effect. If there is any inconsistency between the provisions of the *Act* and these Rules, the provisions of the *Act* will prevail. Provided there is no inconsistency between the provisions of these Rules and the *Act*, any authority or discretion given to the Trustee by the *Act* will be incorporated into these Rules as if it were a Rule.

28. Termination of the fund

28.1. The Fund will be terminated on the first to occur of the following:

- (a) the Trustees resolve that the Fund should be wound up and terminated;
- (b) the Fund must be wound up for any purposes under the *Act*;
- (c) the Fund ceases to have Members;
- (d) the Regulator requires that the Fund be wound up; or
- (e) the Trustees' office becomes vacant and no new Trustee is appointed within ninety (90) days.

28.2. The Trustees will on the Termination Date deal with the Fund in the following order:

- (a) dispose of any assets in the Fund in order to have sufficient cash with which to meet any debts and liabilities the Fund may have incurred. The Trustees have discretion to determine which of the Fund's assets are to be disposed;
- (b) pay out any outstanding debts and liabilities of the Fund;
- (c) pay out any Benefits due by the Fund to the Members. The Trustees retain sole discretion as to how these amounts will be paid;
- (d) transfer or rollover amounts standing to the credit of remaining Member's Accounts as if the Members had been expelled under rule 16.2; and
- (e) determine to whom any Benefits are to be paid including former Members, trusts that former Members were beneficiaries of, the LPR of former Members or any other person. The Trustees will retain sole discretion as to where and how those Benefits are to be paid and must ensure that the payment complies with the *Act*.

29. Transfers to and from other funds

29.1. Transfers from other Funds

Subject to the *Act*, the Trustees may accept into the Fund an amount or asset in respect of a Member or prospective Member that is transferred from another Benefit Arrangement.

29.2. Transfers to Other Funds

- (a) The Trustees may transfer the whole or part of any amount held in the Fund in respect of a Member to another Benefit Arrangement.

- (b) The Trustees may make such a transfer without the Member's consent where the *Act* permits (including to a Successor Fund or an Eligible Rollover Fund).
- (c) The Trustees may make such enquiries as it considers appropriate to satisfy itself that the Benefit Arrangement complies with the requirements of the *Act* (or in the case of a retirement savings account, the *Retirement Savings Account Act 1997 (Cth)*) and that any Preserved Benefits must continue to be preserved in accordance with the requirements of the *Act*.

A transfer of an amount under this clause 29 is a complete discharge to the Trustees in relation to any liability to the Member or any person claiming through the Member in relation to the amount transferred

30. Interpretation

30.1. In the Deed and the Rules unless the contrary intention appears or can be reasonably implied from the context:

- (a) The singular includes the plural and vice versa.
- (b) A reference to one gender includes a reference to all other genders.
- (c) Headings of clauses are included for the sake of convenience only and will not affect the interpretation of the clauses to which they relate.
- (d) References to any statute or statutory provision include that statute or statutory provision as amended, extended, consolidated or replaced by subsequent legislation and any orders, regulations, instruments or other subordinate legislation made under the relevant statute.
- (e) The words "including", "includes", "such as" and "for example" should be read as if followed by the words "without limitation".
- (f) The word person means and includes a natural person, a company, a firm or any other legal entity whether acting as a trustee or not.
- (g) A reference to 'interest', 'earnings' or 'investment returns' or such other similar term can refer to either positive or negative 'interest', 'earnings' or 'investment returns'.
- (h) If an expression is defined in the *Act*, but is not defined in this Deed, then that expression will have the meaning given to it in the *Act*.
- (i) The Deed will bind each party's legal personal representatives, successors and assigns.
- (j) When a party comprises two or more person the rights and obligations of such persons pursuant to this Deed will enure for the benefit of and bind all of them jointly and each of them severally.

Product Disclosure Statement

Fund Name: TC & JA McMahon Superannuation Fund

Trustee: TCJA Superannuation Pty Ltd
ACN 166 737 266

Trustee Phone Number: 0478 167991

Member: Jane Anne McMahon

Date of issue: 20 / 11 / 2013

This **Product Disclosure Statement** (PDS) is a summary of significant information and contains a number of references to important information (each of which forms part of the PDS). You should consider this information before making a decision about the Fund. The information provided in the PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

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1. ABOUT THE FUND

- 1.1** The Fund as a Regulated Superannuation Fund and a Complying Superannuation Fund under the *Superannuation Industry (Supervision) Act (1993)* (SIS Act) is eligible for concessional tax treatment under the Tax Act. The regulator of the Fund is the Australian Taxation Office.
- 1.2** The provisions of the Fund are set out in the Fund's Deed and Rules. The Fund will also comply with the standards set out in the SIS Act and SIS Regulations.
- 1.3** The Trustees issues this Product Disclosure Statement (PDS) to existing and prospective new Members (if any) of the Fund.
- 1.4** The purpose of this PDS is to provide persons interested in becoming Members of the Fund with relevant information about the provisions of the Fund.
- 1.5** The *Corporations Act 2001* and Regulations provides that Members who become members of the Fund when it is established, are to be given this PDS as soon as practicable but within 3 months of becoming a Member. Other Members are to be given the PDS at the time they join the Fund.
- 1.6** Terms and phrases used in this PDS are defined in the Rules of the Fund, which are part of the Fund Deed
- 1.7** The Fund must have fewer than 5 Members.
- 1.8** Members of the Fund or their legal personal representative (LPR) must be either trustees of the Fund or directors of a corporate trustee.
- 1.9** A Member cannot be the Employer of another Member, unless they are Relatives.
- 1.10** In the case of a sole or one member Fund, the Member (or LPR) may be the sole director of a corporate Trustee or there may be two directors who are the Member (or LPR) and another person who is not an employer of the Member unless they are the Relative of the Member. Where the Trustee is not a corporate Trustee, the Member (or LPR) and another person who is not an employer of the Member unless they are the Relative of the Member, must be the Trustees of the Fund.

2. HOW SUPER WORKS

- 2.1 Superannuation is a means of saving for retirement, which is, in part, compulsory. Most employees may choose the superannuation fund into which their employer will pay their superannuation guarantee contributions.
- 2.2 The primary purpose of a Fund, where the Trustees are persons, is to provide benefits in the form of old age pensions for its Members.
- 2.3 If the Trustee is a corporate trustee, benefits may be paid by lump sum payment when an appropriate condition of release has been met.
- 2.4 Contributions are made to the Fund on behalf of each Member and credited to the Member's Account. The Fund invests these contributions and amounts (e.g. earnings on investments) are credited to the Member's Account. Amounts (e.g. Fund expenses, tax and losses) are debited to Member's Account.
- 2.5 A Member's benefit is preserved in the Fund and cannot be received by the Member until such time as the Member satisfies a condition of release, such as retirement, death, permanent incapacity, attaining age 65. At that time, a Benefit representing the balance of the Member's Account and/or the proceeds of death or disability insurance taken out by the Fund, if any, may be payable to the Member. The Benefit may be in the form of a lump sum payment or Pension or both, depending on the Rules of the Fund and the provisions of the Act.
- 2.6 A Member and others, such as employers, the Government (by co-contributions), spouses, may make contributions to the Fund on behalf of a Member.
- 2.7 Members may apply to split contributions with their spouse.
- 2.8 There are limits to the amount of contributions that can be made, and there are tax implications should contributions exceed certain capped amounts.
- 2.9 There are two types of contributions: concessional and non-concessional.
- 2.10 In general, all concessional contributions are included in the assessable income of the Fund. They include employer contributions, salary sacrifice contributions, deductible contributions made by a Member, super guarantee amounts transferred to the Fund.
- 2.11 Concessional (or tax deductible) contributions made to the Fund on behalf of a Member are capped in the 2010-2011 to \$25,000.00 per annum. For Members who are 50 or over on 30 June in a financial year concessional contributions are capped to \$50,000.00 per annum until 30 June 2012. From 1 July 2012 concessional contributions will be capped at \$25,000.
- 2.12 Concessional contributions are taxed at 15% in the hands of the Fund. Concessional contributions in excess of the cap will be taxed in the hands of the Member for an additional 31.5%. That additional tax can be paid from the Member's entitlement in the Fund at the Member's request. Excess concessional contributions will be counted against the Member's non-concessional contributions cap, as set out below.
- 2.13 Members aged between 65 and under 75, who wish to contribute to the Fund, must satisfy the work test (currently 40 hours work in a consecutive 30 day period each financial year). The Fund cannot accept contributions from Members aged 75 or more (except those contributions an employer is required to make under an industrial award or agreement).
- 2.14 Non-concessional contributions are generally after tax contributions for which no tax deduction is claimed. For instance, they will include personal contributions made by a Member for which they do not claim a tax deduction.
- 2.15 Members can make non-concessional contributions when they are:
- (a) under 65 years of age, and may contribute up to \$150,000.00 per annum or \$450,000.00 over 3 years under a bring forward option; or
 - (b) between 65 years and under 75 years of age, and may contribute up to \$150,000.00 per annum (no averaging) provided the Member satisfies the work test.

- 2.16 Non-concessional contributions within the above limits will be tax free when contributed or withdrawn from the Fund. The earnings in the Fund on non-concessional contributions are taxed concessional at 15 per cent in the Fund.
- 2.17 Contributions made in excess of the non-concessional contributions cap are taxed at 46.50%.
- 2.18 As specific rules apply Members should seek professional advice when making such contributions to avoid adverse taxation consequences.

3. BENEFITS OF INVESTING WITH THE FUND

- 3.1 Benefits, based on the value of the Member's Account, are payable to Members as a lump sum payment or pension or both as permitted by the Rules of the Fund and the Act and when a condition of release is satisfied. Until a condition of release is satisfied a Member cannot obtain access to the Member's Benefit.
- 3.2 A Member is not compelled to withdraw benefits from the Fund and they may remain in the Fund indefinitely. A Member may elect to transfer their benefit from the Fund to a Superannuation Entity. If the Trustee expels a Member from the Fund, at the Trustee's discretion, the Member's benefit will be paid to the Superannuation Entity nominated by the Member, and if none is nominated, to an Eligible Rollover Fund chosen by the Trustee.
- 3.3 The value of the Member's Account is calculated based on contributions made for a Member, increases or decreases in the value of the Fund's investments and accrued income on contributions and investments less payment of taxes, Fund expenses and investment losses.

3.4 Retirement

On a Member's retirement (as defined by the SIS Regulations) or when turning 65 years, a Member will be entitled to payment of a Benefit calculated according to the value of the Member's Account.

Member benefits will be paid by the Trustees as permitted under SIS Act and Regulations in the form of a lump sum or a Pension or a combination of both.

3.5 Pension Benefits

The Trustee may permit a Member to elect to receive their lump sum Benefit in the form of an income stream called a Pension.

Pensions paid by the Fund after 1 July 2007 will be account based pensions.

A person can commence an account based pension in accordance with the rules that require:

- (a) the total payments made annually must be at least the amount calculated using the applicable percentage amount in the table below of the pension account balance. There is no maximum limit on the amount of annual payments that can be made.
- (b) an amount or percentage of the pension cannot be prescribed as being left over when the pension ceases;
- (c) the pension's capital value and the income from it cannot be used as security for borrowing;
- (d) the pension can be commuted;
- (e) the pension may be transferable to a Pension Dependant only on the death of the pensioner; and

- (f) the pension account balance cannot be increased by contributions or rollovers.

Age of member	Minimum % to be taken*	Minimum % to be taken – drawdown relief 11/12 & 12/13*
< 65	4	3
65 – 74	5	3.75
75 – 79	6	4.5
80 – 84	7	5.25
85 – 89	9	6.75
90 – 94	11	8.25
> 95	14	10.5

* Note these withdrawal factors are indicative only. Refer to pro-rating, rounding and other rules in the SIS regulations to determine precise minimum annual payments.

- 3.6 A Transition to Retirement Pension may be paid to a Member who has reached their preservation age, as set out below, but continues to work. This pension is an account based pension that must meet certain other requirements, as follows:

- (a) total pension payments in any year must be no greater than 10% of the account balance at the start of that year; and
- (b) the pension cannot be commuted and taken as a lump sum until the member meets a condition of release of retirement (as defined in the SIS Regulations), death, Permanent Incapacity or attaining age 65.

- 3.7 The preservation age depends on the date of birth of the Member as follows:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 30 June 1964	60

- 3.8 The Trustees may make available any other form of pension permitted by the Act.

- 3.9 When a Member wishes to commence a Pension, the Trustee will outline the terms and conditions of the proposed Pension which on acceptance by the Member will be incorporated as a Rule of the Fund.

3.10 Death Benefits

- 3.11 If a Member dies, a benefit is payable calculated according to the value of the Member's Account, and may include the proceeds of any relevant insurance policy taken out by the Trustees.

- 3.12 In the absence of a valid Binding Death Benefit Nomination, the benefit will be payable to one or more of the Member's Dependants or the Member's estate in proportions determined by the Trustees.

- 3.13 Members are able to notify the Trustees of one or more of the Member's Dependants or the Member's estate who they wish to be considered in the payment of the death benefit. Members can do so by providing the Trustees with a Non-Binding Death Benefit Nomination. The Trustees however are not bound by the wishes set out in this non binding nomination.

- 3.14 Alternatively, Members may give a Binding Death Benefit Nomination to the Trustees nominating one or more of the Member's Dependants or the Member's estate to whom the Trustees will pay benefits on the Member's death. The Binding Death Benefit Nomination is binding on the Trustees.

- 3.15 Both types of nominations can be updated at any time and should be revised if circumstances change – for example marriage or children.

- 3.16 Death benefits are tax free if paid as a lump sum to death benefit dependants (as defined by section 302.195 of the Income Tax Assessment Act 1997) of the Member. Tax is payable on lump sum

payments to persons who are not death benefit dependants. The taxed element of a taxable component of a lump sum benefit paid to a non death benefit dependant will be taxed at 15 per cent plus Medicare levy. The untaxed element of a taxable component of a lump sum benefit paid to a non death benefit dependant will be taxed at 30 per cent plus Medicare levy.

- 3.17 Some persons who may qualify to receive a death benefit as a Dependant may be liable for tax on the benefit if they do not fall within the definition of a death benefit dependant.
- 3.18 Only a Pension Dependant can apply to receive a death benefit as a pension, but the taxation treatment will depend on the age of the deceased Member and the Pension Dependant and whether the pension is paid from an element taxed or untaxed in the fund. For a pension paid from an element taxed in the fund:
- (a) if the deceased Member was age 60 or over at the time of death, the pension payments to the Pension Dependant will be tax free;
 - (b) if the deceased Member was under age 60 at the time of death, the pension will be taxed at the Pension Dependant's marginal tax rate and, if the Pension Dependant has reached their preservation age, is eligible for a tax offset equal to 15% of the taxed element of the taxable component. If (or when) the Pension Dependant is aged 60 and over, the pension payment will be tax free.
- 3.19 The tax treatment of death benefits paid as pensions or lump sum payments will depend on whether the recipient is a death benefits dependant as defined in section 302.195 of the Tax Act.

3.20 **Permanent Incapacity Benefit**

A Member who suffers Permanent Incapacity may receive a benefit according to the value of the Member's Account, and may include the proceeds of any relevant insurance policy taken out by the Trustees.

3.21 **Temporary Incapacity Benefit**

In some cases an income stream benefit may be payable on a Member's Temporary Incapacity from the Member's Account or from the proceeds of an insurance policy if taken out by the Fund, to cover such an event.

3.22 **Severe Financial Hardship**

Members may apply for benefits to be paid on the basis of the Member's severe financial hardship in circumstances prescribed by the SIS Regulations.

3.23 **Compassionate Grounds**

A Member may apply to the Regulator for the release of benefits to the Member on compassionate grounds as set out in the SIS Regulations. A lump sum, not exceeding an amount determined by the Regulator will be paid to a Member if the Member satisfies the requirements of the SIS Regulations.

4. **RISKS OF SUPER**

- 4.1 The Trustees or directors of a Corporate Trustee, (and therefore the Members because they are the Trustees or directors) have full responsibility for the management and administration of the Fund.
- 4.2 This includes the significant function to invest contributions made to the Fund on behalf of Members. The Trustees are required to formulate an investment strategy to meet the Fund's investment objectives taking into account relevant circumstances, but they do not guarantee the performance of the Fund or any particular investment.
- 4.3 The performance of the Fund will depend on the success or otherwise of the investment strategy together with external factors, such as prevailing or changing economic conditions and future changes in superannuation law. The way in which the Fund performs, will affect the value of Benefits a Member will receive from the Fund.
- 4.4 All investments carry risk. Different investment strategies may carry different levels of risk depending on the assets that make up the strategy. There is no guarantee that investments will maintain their values and if the values decrease, this will reduce the value of the Member's Account. Assets with the highest long-term returns may also carry the highest level of short-term risk.

- 4.5 The level of risk for each Member will vary depending on their age, investment time frames, where other parts of the Member's wealth is invested and the Member's risk tolerance. The amount of a Member's future superannuation savings (including contributions and returns) may not be enough to provide adequately for the Member's retirement.
- 4.6 The Trustees may seek professional assistance in performing their management, administration and investment functions.
- 4.7 As control of the Fund rests with the Trustees, prospective Members should be aware that voting in Trustee meetings to make decisions regarding the administration, investment and management functions of the Fund is according to the method adopted for Trustees who are Members as set out in paragraph 5.4 below, or if the Trustee is a corporate Trustee, as discussed in paragraph 5.5 below.
- 4.8 Factors such as account labour standards, environmental, social or ethical matters are not taken into account in the selection, retention or realisation of investments.

5. HOW WE INVEST YOUR MONEY

- 5.1 Members of the Fund, or their LPR, must be either Trustees of the Fund or directors of a corporate Trustee of the Fund.
- 5.2 Trustees make decisions regarding the administration and management of the Fund, such as formulating, regularly reviewing and giving effect to the investment strategy and payment of Benefits to Members. Decisions will be made by Trustees at meetings.
- 5.3 The Trustees must comply with a number of strict duties and obligations specified in the SIS Act 1993 when making investment decisions. Failure to comply with the duties and obligations can result in the Trustees being subject to penalties and loss of complying status for the Fund.
- 5.4 Where the Trustees are persons, at the first Trustee meeting for the Fund the Trustees will decide whether
- (a) each Trustee at all meetings of Trustees will have the number of votes equivalent to the nearest dollar amount of the Member's Account balance of the Member they represent and certain amounts in Reserve, but no less than one vote each; or
 - (b) each Trustee at all meetings of Trustees will only be entitled to one vote each and only on a deadlock will a Trustee have the number of votes equivalent to the nearest dollar amount of the Member's Account balance of the Member they represent and certain amounts in Reserve.

If the Trustees do not make a decision between 5.3(a) and (b), 5.3(b) will apply to all meetings of Trustees.

- 5.5 If the Trustee is a company, the constitution of the company will determine the voting power of directors and legal advice should be sought by prospective Members regarding the company's constitution and the voting rights that will apply to Trustee's decisions as meetings.
- 5.6 Current investment strategies of the Fund are set out in Annexure 1 – "Investment strategies of the Fund".

6. FEES AND COSTS

- 6.1 The Trustee/s and the Director/s of the Corporate Trustee cannot charge the Fund fees for their services but can be reimbursed by the Fund for expenses incurred on behalf of the Fund in the management and administration of the Fund.
- 6.2 Fees and commissions may be paid by the Fund to the providers of financial products to the Fund where the Fund elects to invest in those financial products.
- 6.3 A fee may be paid by the Fund to a financial advisor if a financial advisor is consulted.
- 6.4 Any current fees payable in respect of the Fund are set out in Annexure 2 – Fees and Costs.

7. HOW SUPER IS TAXED

- 7.1** You must provide your correct tax file number when you join the Fund. If you do not do so, the Fund cannot accept contributions. Non tax file number contributions income attracts an additional tax of 31.5% and any contributions that are accepted by the Fund must be refunded to the Member.
- 7.2** The Fund will attract concessional taxation treatment provided it remains a Regulated Superannuation Fund and a Complying Superannuation Fund.
- 7.3** Tax is payable by the Fund on deductible or concessional contributions to the Fund and investment earnings of the Fund.
- 7.4** Taxation of contributions and Benefits is complex and it is recommended that professional advice from a taxation advisor is sought.
- 7.5** Benefits paid from a taxed source either as a lump sum or pension will be tax free when paid to Members who are 60 years of age or older.
- 7.6** Superannuation benefits paid from a taxed source to Members who are under 60 years of age are subject to tax as follows:
- (a) the exempt component will be paid tax free and comprises: the pre-July 83 component; the CGT exempt component; the post-June 1994 invalidity component; the concessional component and the non-concessional (post-tax) contributions;
 - (b) the taxable component comprises the current post-June 1983 component and the non qualifying component and is subject to varying rates of tax depending on the Member's age. If the Member is below their preservation age, the tax rate will be 20% plus Medicare levy on the whole amount. For Members of preservation age to age 59, from 2011/12 income year it will be paid tax free up to the low-rate cap amount of \$165,000.00 increasing to \$175,000.00 in 2012/13 income year and amounts above the cap will be taxed at 15 per cent plus Medicare levy;
 - (c) the taxable component of a Pension paid to a Member who is under 60 years of age but has reached their preservation age, is taxed as assessable income and the Member is entitled to a pension rebate or tax offset equal to 15% of the taxable component of the pension; and
 - (d) once the Member receiving the Pension turns 60, their pension will be tax free;
- 7.7** Tax offsets may be available on certain contributions made for a non working or low income Member by the Member's spouse. Tax deductions may also be available for contributions by self-employed persons or by an employer for its employees.

8. INSURANCE IN YOUR SUPER

As part of the investment strategy, the Trustees are required to consider whether they should hold a contract of insurance for one or more Members of the Fund. If the Trustees of the Fund elect to hold such a contract of insurance, the Trustees are required to give particulars set out in **Annexure 3** to the Members of the Fund.

9. HOW TO OPEN AN ACCOUNT AND ADDITIONAL INFORMATION

9.1 Becoming a Member

A person wishing to become a Member of the Fund must complete and submit an Application Form to the Trustees and must have read and agreed to be bound by the Fund's Deed and Rules.

9.2 Cooling off period

- (a) There is no cooling-off period applicable to membership in this Fund.
- (b) Members can cancel their membership at any time; however, once contributions have been made to the Fund, it must be preserved in the superannuation system until a condition of release is satisfied.

9.3 Dispute resolution

- (a) The Trustees are bound to act in accordance with the Fund Deed.
- (b) Self managed superannuation funds are specifically excluded from the jurisdiction of the Superannuation Complaints Tribunal. Legal advice should be sought if Members are dissatisfied with the Trustees' decisions.

9.4 Annual reporting

Each financial year, the Trustees will prepare the Fund's accounts and Members' statements disclosing financial and other information required under the SIS Act and Regulations.

EXECUTED by
Jane Anne McMahon



.....
Signature

20 / 11 / 2013
.....
Date

ANNEXURE 1 – Investment strategies of the Fund

1. Name of investment strategy:

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2. Description of investment strategy:

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3. Assets classes invested:

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4. Investment return objective:

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5. Minimum suggested time frame for holding the investment:

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6. The risk level of the investment strategy:

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ANNEXURE 2 – Fees & Costs

Type of Fees & Costs	
Fees when your money moves in or out of the Fund	Amount
Establishment fee	N/A
Contribution fee	N/A
Withdrawal fee	N/A
Termination fee	N/A
Management costs	
The fees and costs for managing the Fund	\$
Fees payable to financial advisors	
Advisor service fees	\$

[Note: If there are service fees, such as advisor service fees or acquired financial product fees, you may include a cross reference to the document that contains the information.]

The Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a superannuation or managed investment fee calculator to help you calculate the effect of fees and costs on account balances.

ANNEXURE 3 – Contract of Insurance

1. If the Trustees of the Fund elect to hold a contract of insurance, the Trustees are required to provide the following information to the Members of the Fund:
 - (a) describe, in the form of a summary, the main types of insurance cover that a person can acquire; and
 - (b) describe, in the form of a summary, how to apply for insurance cover; and
 - (c) include a statement to the effect that there are costs associated with insurance cover; and
 - (d) describe, in the form of a summary, who is responsible for paying the insurance costs and how they are calculated.

2. If the Trustees of the Fund offer insurance cover by default, the Trustees are required to provide the following information to the Members of the Fund:
 - (a) describe, in the form of a summary, the level and type of cover; and
 - (b) state:
 - (i) the actual cost of the cover in dollars, or the range of costs that would be payable depending on a person's circumstances; and
 - (ii) who is responsible for paying the costs; and
 - (c) state whether a person can:
 - (i) decline to acquire the cover; or
 - (ii) cancel the cover; and
 - (d) state how a person can decline to acquire the cover or cancel the cover; and
 - (e) state whether a person can change the person's insurance cover; and
 - (f) state how a person can change the person's insurance cover; and
 - (g) state, in the form of a warning, that, unless a person declines to acquire the default insurance cover or cancels it, the cost of the cover will be deducted from the person's account or from the person's contributions (as applicable); and
 - (h) include information about eligibility for, and the cancellation of, the insurance cover; and
 - (i) include information about any conditions and exclusions that are applicable to the insurance cover.

3. If the Trustees of the Fund do not offer insurance cover by default, but offers insurance cover as an option, the Trustees are required to provide the following information to the Members of the Fund:
 - (a) the level and type of insurance cover available;
 - (b) the actual cost of the cover in dollars, or the range of costs that would be payable depending on a person's circumstances;
 - (c) eligibility for, and the cancellation of, the insurance cover;

- (d) conditions and exclusions that are applicable to the insurance cover;
- (e) other significant matter in relation to insurance cover, for example:
 - (i) Information about how a person can apply for the insurance cover.
 - (ii) Information about how a person can subsequently change or cancel the insurance cover.

4. The Trustee of the Fund:

- (a) may provide information in paragraph 2(h) and (i) and paragraph 3 above; and
- (b) may provide additional information about insurance cover;

by applying, adopting or incorporating a matter in writing.

5. If information about:

- (a) eligibility for, or the cancellation of, the insurance cover; or
- (b) any conditions and exclusions that are applicable to the insurance cover;

is provided for in accordance with paragraph (4), the Trustees must include a warning to the effect that the matter may affect a person's entitlement to insurance cover and that the information should be read before deciding whether the insurance is appropriate.

6. If information about:

- (a) the level and type of optional insurance cover available; or
- (b) the actual cost of the optional insurance cover in dollars, or the range of costs that would be payable depending on a person's circumstances; or
- (c) any other significant matter in relation to insurance cover;

is provided for in accordance with paragraph 4, the Trustees must include a warning to the effect that the information should be read before deciding whether the insurance is appropriate.

Product Disclosure Statement

Fund Name: TC & JA McMahon Superannuation Fund

Trustee: TCJA Superannuation Pty Ltd
ACN 166 737 266

Trustee Phone Number:
0412 081 045

Member: Terence Conway McMahon

Date of issue: 20, 11, 2013

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- 1.10 In the case of a sole or one member Fund, the Member (or LPR) may be the sole director of a corporate Trustee or there may be two directors who are the Member (or LPR) and another person who is not an employer of the Member unless they are the Relative of the Member. Where the Trustee is not a corporate Trustee, the Member (or LPR) and another person who is not an employer of the Member unless they are the Relative of the Member, must be the Trustees of the Fund.

2. HOW SUPER WORKS

- 2.1 Superannuation is a means of saving for retirement, which is, in part, compulsory. Most employees may choose the superannuation fund into which their employer will pay their superannuation guarantee contributions.
- 2.2 The primary purpose of a Fund, where the Trustees are persons, is to provide benefits in the form of old age pensions for its Members.
- 2.3 If the Trustee is a corporate trustee, benefits may be paid by lump sum payment when an appropriate condition of release has been met.
- 2.4 Contributions are made to the Fund on behalf of each Member and credited to the Member's Account. The Fund invests these contributions and amounts (e.g. earnings on investments) are credited to the Member's Account. Amounts (e.g. Fund expenses, tax and losses) are debited to Member's Account.
- 2.5 A Member's benefit is preserved in the Fund and cannot be received by the Member until such time as the Member satisfies a condition of release, such as retirement, death, permanent incapacity, attaining age 65. At that time, a Benefit representing the balance of the Member's Account and/or the proceeds of death or disability insurance taken out by the Fund, if any, may be payable to the Member. The Benefit may be in the form of a lump sum payment or Pension or both, depending on the Rules of the Fund and the provisions of the Act.
- 2.6 A Member and others, such as employers, the Government (by co-contributions), spouses, may make contributions to the Fund on behalf of a Member.
- 2.7 Members may apply to split contributions with their spouse.
- 2.8 There are limits to the amount of contributions that can be made, and there are tax implications should contributions exceed certain capped amounts.
- 2.9 There are two types of contributions: concessional and non-concessional.
- 2.10 In general, all concessional contributions are included in the assessable income of the Fund. They include employer contributions, salary sacrifice contributions, deductible contributions made by a Member, super guarantee amounts transferred to the Fund.
- 2.11 Concessional (or tax deductible) contributions made to the Fund on behalf of a Member are capped in the 2010-2011 to \$25,000.00 per annum. For Members who are 50 or over on 30 June in a financial year concessional contributions are capped to \$50,000.00 per annum until 30 June 2012. From 1 July 2012 concessional contributions will be capped at \$25,000.
- 2.12 Concessional contributions are taxed at 15% in the hands of the Fund. Concessional contributions in excess of the cap will be taxed in the hands of the Member for an additional 31.5%. That additional tax can be paid from the Member's entitlement in the Fund at the Member's request. Excess concessional contributions will be counted against the Member's non-concessional contributions cap, as set out below.
- 2.13 Members aged between 65 and under 75, who wish to contribute to the Fund, must satisfy the work test (currently 40 hours work in a consecutive 30 day period each financial year). The Fund cannot accept contributions from Members aged 75 or more (except those contributions an employer is required to make under an industrial award or agreement).
- 2.14 Non-concessional contributions are generally after tax contributions for which no tax deduction is claimed. For instance, they will include personal contributions made by a Member for which they do not claim a tax deduction.
- 2.15 Members can make non-concessional contributions when they are:
- (a) under 65 years of age, and may contribute up to \$150,000.00 per annum or \$450,000.00 over 3 years under a bring forward option; or
 - (b) between 65 years and under 75 years of age, and may contribute up to \$150,000.00 per annum (no averaging) provided the Member satisfies the work test.

- 2.16** Non-concessional contributions within the above limits will be tax free when contributed or withdrawn from the Fund. The earnings in the Fund on non-concessional contributions are taxed concessional at 15 per cent in the Fund.
- 2.17** Contributions made in excess of the non-concessional contributions cap are taxed at 46.50%.
- 2.18** As specific rules apply Members should seek professional advice when making such contributions to avoid adverse taxation consequences.

3. BENEFITS OF INVESTING WITH THE FUND

- 3.1** Benefits, based on the value of the Member's Account, are payable to Members as a lump sum payment or pension or both as permitted by the Rules of the Fund and the Act and when a condition of release is satisfied. Until a condition of release is satisfied a Member cannot obtain access to the Member's Benefit.
- 3.2** A Member is not compelled to withdraw benefits from the Fund and they may remain in the Fund indefinitely. A Member may elect to transfer their benefit from the Fund to a Superannuation Entity. If the Trustee expels a Member from the Fund, at the Trustee's discretion, the Member's benefit will be paid to the Superannuation Entity nominated by the Member, and if none is nominated, to an Eligible Rollover Fund chosen by the Trustee.
- 3.3** The value of the Member's Account is calculated based on contributions made for a Member, increases or decreases in the value of the Fund's investments and accrued income on contributions and investments less payment of taxes, Fund expenses and investment losses.

3.4 Retirement

On a Member's retirement (as defined by the SIS Regulations) or when turning 65 years, a Member will be entitled to payment of a Benefit calculated according to the value of the Member's Account.

Member benefits will be paid by the Trustees as permitted under SIS Act and Regulations in the form of a lump sum or a Pension or a combination of both.

3.5 Pension Benefits

The Trustee may permit a Member to elect to receive their lump sum Benefit in the form of an income stream called a Pension.

Pensions paid by the Fund after 1 July 2007 will be account based pensions.

A person can commence an account based pension in accordance with the rules that require:

- (a) the total payments made annually must be at least the amount calculated using the applicable percentage amount in the table below of the pension account balance. There is no maximum limit on the amount of annual payments that can be made.
- (b) an amount or percentage of the pension cannot be prescribed as being left over when the pension ceases;
- (c) the pension's capital value and the income from it cannot be used as security for borrowing;
- (d) the pension can be commuted;
- (e) the pension may be transferable to a Pension Dependant only on the death of the pensioner; and

- (f) the pension account balance cannot be increased by contributions or rollovers.

Age of member	Minimum % to be taken*	Minimum % to be taken – drawdown relief 11/12 & 12/13*
< 65	4	3
65 – 74	5	3.75
75 – 79	6	4.5
80 – 84	7	5.25
85 – 89	9	6.75
90 – 94	11	8.25
> 95	14	10.5

* Note these withdrawal factors are indicative only. Refer to pro-rating, rounding and other rules in the SIS regulations to determine precise minimum annual payments.

- 3.6** A Transition to Retirement Pension may be paid to a Member who has reached their preservation age, as set out below, but continues to work. This pension is an account based pension that must meet certain other requirements, as follows:
- (a) total pension payments in any year must be no greater than 10% of the account balance at the start of that year; and
- (b) the pension cannot be commuted and taken as a lump sum until the member meets a condition of release of retirement (as defined in the SIS Regulations), death, Permanent Incapacity or attaining age 65.
- 3.7** The preservation age depends on the date of birth of the Member as follows:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 30 June 1964	60

- 3.8** The Trustees may make available any other form of pension permitted by the Act.
- 3.9** When a Member wishes to commence a Pension, the Trustee will outline the terms and conditions of the proposed Pension which on acceptance by the Member will be incorporated as a Rule of the Fund.
- 3.10** **Death Benefits**
- 3.11** If a Member dies, a benefit is payable calculated according to the value of the Member's Account, and may include the proceeds of any relevant insurance policy taken out by the Trustees.
- 3.12** In the absence of a valid Binding Death Benefit Nomination, the benefit will be payable to one or more of the Member's Dependants or the Member's estate in proportions determined by the Trustees.
- 3.13** Members are able to notify the Trustees of one or more of the Member's Dependants or the Member's estate who they wish to be considered in the payment of the death benefit. Members can do so by providing the Trustees with a Non-Binding Death Benefit Nomination. The Trustees however are not bound by the wishes set out in this non binding nomination.
- 3.14** Alternatively, Members may give a Binding Death Benefit Nomination to the Trustees nominating one or more of the Member's Dependants or the Member's estate to whom the Trustees will pay benefits on the Member's death. The Binding Death Benefit Nomination is binding on the Trustees.
- 3.15** Both types of nominations can be updated at any time and should be revised if circumstances change – for example marriage or children.
- 3.16** Death benefits are tax free if paid as a lump sum to death benefit dependants (as defined by section 302.195 of the Income Tax Assessment Act 1997) of the Member. Tax is payable on lump sum

payments to persons who are not death benefit dependants. The taxed element of a taxable component of a lump sum benefit paid to a non death benefit dependant will be taxed at 15 per cent plus Medicare levy. The untaxed element of a taxable component of a lump sum benefit paid to a non death benefit dependant will be taxed at 30 per cent plus Medicare levy.

- 3.17** Some persons who may qualify to receive a death benefit as a Dependant may be liable for tax on the benefit if they do not fall within the definition of a death benefit dependant.
- 3.18** Only a Pension Dependant can apply to receive a death benefit as a pension, but the taxation treatment will depend on the age of the deceased Member and the Pension Dependant and whether the pension is paid from an element taxed or untaxed in the fund. For a pension paid from an element taxed in the fund:
- (a) if the deceased Member was age 60 or over at the time of death, the pension payments to the Pension Dependant will be tax free;
 - (b) if the deceased Member was under age 60 at the time of death, the pension will be taxed at the Pension Dependant's marginal tax rate and, if the Pension Dependant has reached their preservation age, is eligible for a tax offset equal to 15% of the taxed element of the taxable component. If (or when) the Pension Dependant is aged 60 and over, the pension payment will be tax free.
- 3.19** The tax treatment of death benefits paid as pensions or lump sum payments will depend on whether the recipient is a death benefits dependant as defined in section 302.195 of the Tax Act.

3.20 Permanent Incapacity Benefit

A Member who suffers Permanent Incapacity may receive a benefit according to the value of the Member's Account, and may include the proceeds of any relevant insurance policy taken out by the Trustees.

3.21 Temporary Incapacity Benefit

In some cases an income stream benefit may be payable on a Member's Temporary Incapacity from the Member's Account or from the proceeds of an insurance policy if taken out by the Fund, to cover such an event.

3.22 Severe Financial Hardship

Members may apply for benefits to be paid on the basis of the Member's severe financial hardship in circumstances prescribed by the SIS Regulations.

3.23 Compassionate Grounds

A Member may apply to the Regulator for the release of benefits to the Member on compassionate grounds as set out in the SIS Regulations. A lump sum, not exceeding an amount determined by the Regulator will be paid to a Member if the Member satisfies the requirements of the SIS Regulations.

4. RISKS OF SUPER

- 4.1** The Trustees or directors of a Corporate Trustee, (and therefore the Members because they are the Trustees or directors) have full responsibility for the management and administration of the Fund.
- 4.2** This includes the significant function to invest contributions made to the Fund on behalf of Members. The Trustees are required to formulate an investment strategy to meet the Fund's investment objectives taking into account relevant circumstances, but they do not guarantee the performance of the Fund or any particular investment.
- 4.3** The performance of the Fund will depend on the success or otherwise of the investment strategy together with external factors, such as prevailing or changing economic conditions and future changes in superannuation law. The way in which the Fund performs, will affect the value of Benefits a Member will receive from the Fund.
- 4.4** All investments carry risk. Different investment strategies may carry different levels of risk depending on the assets that make up the strategy. There is no guarantee that investments will maintain their values and if the values decrease, this will reduce the value of the Member's Account. Assets with the highest long-term returns may also carry the highest level of short-term risk.

- 4.5 The level of risk for each Member will vary depending on their age, investment time frames, where other parts of the Member's wealth is invested and the Member's risk tolerance. The amount of a Member's future superannuation savings (including contributions and returns) may not be enough to provide adequately for the Member's retirement.
- 4.6 The Trustees may seek professional assistance in performing their management, administration and investment functions.
- 4.7 As control of the Fund rests with the Trustees, prospective Members should be aware that voting in Trustee meetings to make decisions regarding the administration, investment and management functions of the Fund is according to the method adopted for Trustees who are Members as set out in paragraph 5.4 below, or if the Trustee is a corporate Trustee, as discussed in paragraph 5.5 below.
- 4.8 Factors such as account labour standards, environmental, social or ethical matters are not taken into account in the selection, retention or realisation of investments.

5. HOW WE INVEST YOUR MONEY

- 5.1 Members of the Fund, or their LPR, must be either Trustees of the Fund or directors of a corporate Trustee of the Fund.
- 5.2 Trustees make decisions regarding the administration and management of the Fund, such as formulating, regularly reviewing and giving effect to the investment strategy and payment of Benefits to Members. Decisions will be made by Trustees at meetings.
- 5.3 The Trustees must comply with a number of strict duties and obligations specified in the SIS Act 1993 when making investment decisions. Failure to comply with the duties and obligations can result in the Trustees being subject to penalties and loss of complying status for the Fund.
- 5.4 Where the Trustees are persons, at the first Trustee meeting for the Fund the Trustees will decide whether
- (a) each Trustee at all meetings of Trustees will have the number of votes equivalent to the nearest dollar amount of the Member's Account balance of the Member they represent and certain amounts in Reserve, but no less than one vote each; or
 - (b) each Trustee at all meetings of Trustees will only be entitled to one vote each and only on a deadlock will a Trustee have the number of votes equivalent to the nearest dollar amount of the Member's Account balance of the Member they represent and certain amounts in Reserve.

If the Trustees do not make a decision between 5.3(a) and (b), 5.3(b) will apply to all meetings of Trustees.

- 5.5 If the Trustee is a company, the constitution of the company will determine the voting power of directors and legal advice should be sought by prospective Members regarding the company's constitution and the voting rights that will apply to Trustee's decisions as meetings.
- 5.6 Current investment strategies of the Fund are set out in Annexure 1 – "Investment strategies of the Fund".

6. FEES AND COSTS

- 6.1 The Trustee/s and the Director/s of the Corporate Trustee cannot charge the Fund fees for their services but can be reimbursed by the Fund for expenses incurred on behalf of the Fund in the management and administration of the Fund.
- 6.2 Fees and commissions may be paid by the Fund to the providers of financial products to the Fund where the Fund elects to invest in those financial products.
- 6.3 A fee may be paid by the Fund to a financial advisor if a financial advisor is consulted.
- 6.4 Any current fees payable in respect of the Fund are set out in Annexure 2 – Fees and Costs.

7. HOW SUPER IS TAXED

- 7.1** You must provide your correct tax file number when you join the Fund. If you do not do so, the Fund cannot accept contributions. Non tax file number contributions income attracts an additional tax of 31.5% and any contributions that are accepted by the Fund must be refunded to the Member.
- 7.2** The Fund will attract concessional taxation treatment provided it remains a Regulated Superannuation Fund and a Complying Superannuation Fund.
- 7.3** Tax is payable by the Fund on deductible or concessional contributions to the Fund and investment earnings of the Fund.
- 7.4** Taxation of contributions and Benefits is complex and it is recommended that professional advice from a taxation advisor is sought.
- 7.5** Benefits paid from a taxed source either as a lump sum or pension will be tax free when paid to Members who are 60 years of age or older.
- 7.6** Superannuation benefits paid from a taxed source to Members who are under 60 years of age are subject to tax as follows:
- (a) the exempt component will be paid tax free and comprises: the pre-July 83 component; the CGT exempt component; the post-June 1994 invalidity component; the concessional component and the non-concessional (post-tax) contributions;
 - (b) the taxable component comprises the current post-June 1983 component and the non qualifying component and is subject to varying rates of tax depending on the Member's age. If the Member is below their preservation age, the tax rate will be 20% plus Medicare levy on the whole amount. For Members of preservation age to age 59, from 2011/12 income year it will be paid tax free up to the low-rate cap amount of \$165,000.00 increasing to \$175,000.00 in 2012/13 income year and amounts above the cap will be taxed at 15 per cent plus Medicare levy;
 - (c) the taxable component of a Pension paid to a Member who is under 60 years of age but has reached their preservation age, is taxed as assessable income and the Member is entitled to a pension rebate or tax offset equal to 15% of the taxable component of the pension; and
 - (d) once the Member receiving the Pension turns 60, their pension will be tax free;
- 7.7** Tax offsets may be available on certain contributions made for a non working or low income Member by the Member's spouse. Tax deductions may also be available for contributions by self-employed persons or by an employer for its employees.

8. INSURANCE IN YOUR SUPER

As part of the investment strategy, the Trustees are required to consider whether they should hold a contract of insurance for one or more Members of the Fund. If the Trustees of the Fund elect to hold such a contract of insurance, the Trustees are required to give particulars set out in **Annexure 3** to the Members of the Fund.

9. HOW TO OPEN AN ACCOUNT AND ADDITIONAL INFORMATION

9.1 Becoming a Member

A person wishing to become a Member of the Fund must complete and submit an Application Form to the Trustees and must have read and agreed to be bound by the Fund's Deed and Rules.

9.2 Cooling off period

- (a) There is no cooling-off period applicable to membership in this Fund.
- (b) Members can cancel their membership at any time; however, once contributions have been made to the Fund, it must be preserved in the superannuation system until a condition of release is satisfied.

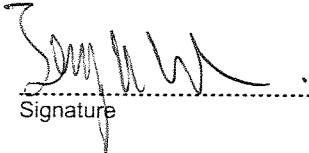
9.3 Dispute resolution

- (a) The Trustees are bound to act in accordance with the Fund Deed.
- (b) Self managed superannuation funds are specifically excluded from the jurisdiction of the Superannuation Complaints Tribunal. Legal advice should be sought if Members are dissatisfied with the Trustees' decisions.

9.4 Annual reporting

Each financial year, the Trustees will prepare the Fund's accounts and Members' statements disclosing financial and other information required under the SIS Act and Regulations.

EXECUTED by
Terence Conway McMahon



Signature

20, 11, 2013

Date

ANNEXURE 1 – Investment strategies of the Fund

1. Name of investment strategy:

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2. Description of investment strategy:

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3. Assets classes invested:

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4. Investment return objective:

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5. Minimum suggested time frame for holding the investment:

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6. The risk level of the investment strategy:

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.....

ANNEXURE 2 – Fees & Costs

Type of Fees & Costs	
Fees when your money moves in or out of the Fund	Amount
Establishment fee	N/A
Contribution fee	N/A
Withdrawal fee	N/A
Termination fee	N/A
Management costs	
The fees and costs for managing the Fund	\$
Fees payable to financial advisors	
Advisor service fees	\$

[Note: If there are service fees, such as advisor service fees or acquired financial product fees, you may include a cross reference to the document that contains the information.]

The Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a superannuation or managed investment fee calculator to help you calculate the effect of fees and costs on account balances.

ANNEXURE 3 – Contract of Insurance

1. If the Trustees of the Fund elect to hold a contract of insurance, the Trustees are required to provide the following information to the Members of the Fund:
 - (a) describe, in the form of a summary, the main types of insurance cover that a person can acquire; and
 - (b) describe, in the form of a summary, how to apply for insurance cover; and
 - (c) include a statement to the effect that there are costs associated with insurance cover; and
 - (d) describe, in the form of a summary, who is responsible for paying the insurance costs and how they are calculated.

2. If the Trustees of the Fund offer insurance cover by default, the Trustees are required to provide the following information to the Members of the Fund:
 - (a) describe, in the form of a summary, the level and type of cover; and
 - (b) state:
 - (i) the actual cost of the cover in dollars, or the range of costs that would be payable depending on a person's circumstances; and
 - (ii) who is responsible for paying the costs; and
 - (c) state whether a person can:
 - (i) decline to acquire the cover; or
 - (ii) cancel the cover; and
 - (d) state how a person can decline to acquire the cover or cancel the cover; and
 - (e) state whether a person can change the person's insurance cover; and
 - (f) state how a person can change the person's insurance cover; and
 - (g) state, in the form of a warning, that, unless a person declines to acquire the default insurance cover or cancels it, the cost of the cover will be deducted from the person's account or from the person's contributions (as applicable); and
 - (h) include information about eligibility for, and the cancellation of, the insurance cover; and
 - (i) include information about any conditions and exclusions that are applicable to the insurance cover.

3. If the Trustees of the Fund do not offer insurance cover by default, but offers insurance cover as an option, the Trustees are required to provide the following information to the Members of the Fund:
 - (a) the level and type of insurance cover available;
 - (b) the actual cost of the cover in dollars, or the range of costs that would be payable depending on a person's circumstances;
 - (c) eligibility for, and the cancellation of, the insurance cover;

- (d) conditions and exclusions that are applicable to the insurance cover;
- (e) other significant matter in relation to insurance cover, for example:
 - (i) Information about how a person can apply for the insurance cover.
 - (ii) Information about how a person can subsequently change or cancel the insurance cover.

4. The Trustee of the Fund:

- (a) may provide information in paragraph 2(h) and (i) and paragraph 3 above; and
 - (b) may provide additional information about insurance cover;
- by applying, adopting or incorporating a matter in writing.

5. If information about:

- (a) eligibility for, or the cancellation of, the insurance cover; or
- (b) any conditions and exclusions that are applicable to the insurance cover;

is provided for in accordance with paragraph (4), the Trustees must include a warning to the effect that the matter may affect a person's entitlement to insurance cover and that the information should be read before deciding whether the insurance is appropriate.

6. If information about:

- (a) the level and type of optional insurance cover available; or
- (b) the actual cost of the optional insurance cover in dollars, or the range of costs that would be payable depending on a person's circumstances; or
- (c) any other significant matter in relation to insurance cover;

is provided for in accordance with paragraph 4, the Trustees must include a warning to the effect that the information should be read before deciding whether the insurance is appropriate.

Binding Death Benefit Nomination ("Binding Nomination")

TC & JA McMahon Superannuation Fund

I, Jane Anne McMahon of as a Member of the Fund, hereby direct the Trustee to pay my benefits in the Fund on or after my death as follows:

Full name of nominated beneficiary	Relationship	Form of payment (lump sum or pension)*	% of benefits
LEGAL PERSONAL REPRESENTATIVE			100%
Total			100%

* failure to make a selection for form of payment or making an invalid selection for form of payment will not invalidate this Binding Nomination and the form of payment will be at the Trustee's discretion.

I understand that:

- This Binding Nomination revokes any previous Binding Nomination I have made;
- I can amend or revoke this Binding Nomination at any time by providing a new signed and dated Binding Nomination to the Trustee or providing written notice of the revocation to the Trustee;
- unless amended or withdrawn earlier, this Binding Nomination is binding on the Trustee for an indefinite term unless I have stipulated otherwise;
- this Binding Nomination is deemed invalid if completed incorrectly; and
- I have nominated persons who are "Dependants" and/or my Legal Personal Representative ("LPR") as outlined in the Fund's Rules. If the persons I have nominated are not my Dependants and/or LPR this Binding Nomination will not be valid and my Trustee will assume sole discretion for the payment of my Benefits following my death.

I acknowledge that I have received information from the Trustee that explains my rights to direct the Trustee to pay my Death Benefit in accordance with this Binding Nomination:



Signature

20/11/2013

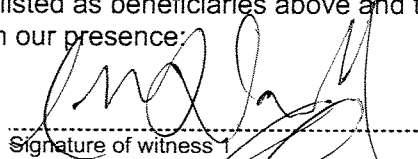
Date

Witness declaration

We declare that we are aged 18 years or older, not listed as beneficiaries above and that this Binding Nomination was executed by the member in our presence:


CHARMAINE McDONALD

Please print name of witness 1


Signature of witness 1

Chris McMahon

Please print name of witness 2


Signature of witness 2

Binding Death Benefit Nomination ("Binding Nomination")

TC & JA McMahon Superannuation Fund

I, Terence Conway McMahon of as a Member of the Fund, hereby direct the Trustee to pay my benefits in the Fund on or after my death as follows:

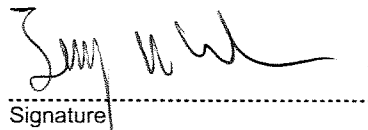
Full name of nominated beneficiary	Relationship	Form of payment (lump sum or pension)*	% of benefits
LEGAL PERSONAL REPRESENTATIVE			100%
Total			100%

* failure to make a selection for form of payment or making an invalid selection for form of payment will not invalidate this Binding Nomination and the form of payment will be at the Trustee's discretion.

I understand that:

- This Binding Nomination revokes any previous Binding Nomination I have made;
- I can amend or revoke this Binding Nomination at any time by providing a new signed and dated Binding Nomination to the Trustee or providing written notice of the revocation to the Trustee;
- unless amended or withdrawn earlier, this Binding Nomination is binding on the Trustee for an indefinite term unless I have stipulated otherwise;
- this Binding Nomination is deemed invalid if completed incorrectly; and
- I have nominated persons who are "Dependants" and/or my Legal Personal Representative ("LPR") as outlined in the Fund's Rules. If the persons I have nominated are not my Dependants and/or LPR this Binding Nomination will not be valid and my Trustee will assume sole discretion for the payment of my Benefits following my death.

I acknowledge that I have received information from the Trustee that explains my rights to direct the Trustee to pay my Death Benefit in accordance with this Binding Nomination:



Signature

20/11/2013

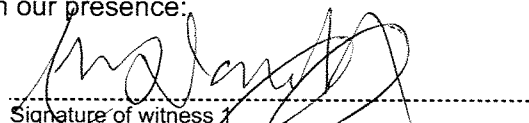
Date

Witness declaration

We declare that we are aged 18 years or older, not listed as beneficiaries above and that this Binding Nomination was executed by the member in our presence:

CHARMAINE McDONALD

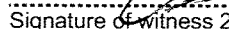
Please print name of witness 1



Signature of witness 1

Chris McMahon

Please print name of witness 2



Signature of witness 2

Non-Binding Death Benefit Nomination ("Non-Binding Nomination")

TC & JA McMahon Superannuation Fund

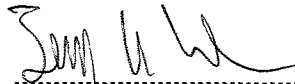
I, Terence Conway McMahon of as a Member of the Fund, hereby direct the Trustee to pay my benefits in the Fund on or after my death as follows:

Full name of nominated beneficiary	Relationship	Form of payment (lump sum or pension)	% of benefits
Total			100%

I understand that:

- **This Non-Binding Nomination is not-binding on the Trustee. The Trustee at its sole discretion may choose, but is not obliged, to pay my Benefits to the persons nominated in this Non-Binding Nomination;**
- This Non-Binding Nomination revokes any previous Non-Binding Nomination I have made;
- I can amend or revoke this Non-Binding Nomination at any time by providing a new signed and dated Non-Binding Nomination to the Trustee or providing written notice of the revocation to the Trustee;
- this Non-Binding Nomination will be disregarded by the Trustee if completed incorrectly; and
- I have nominated persons who are "Dependants" and/or my Legal Personal Representative ("LPR") as outlined in the Fund's Rules.

I acknowledge that I have received information from the Trustee that explains my rights to direct the Trustee to pay my Death Benefit in accordance with this Non-Binding Nomination:



Signature

20/11/2013

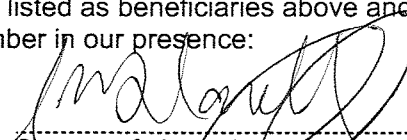
Date

Witness declaration*

We declare that we are aged 18 years or older, not listed as beneficiaries above and that this Non-Binding Nomination was executed by the member in our presence:

CHARMANCE McDONALD

Please print name of witness 1



Signature of witness 1

Chris McMahon

Please print name of witness 2



Signature of witness 2

* Witnesses are not required for non-binding nominations, but recommended to minimise fraud.

Non-Binding Death Benefit Nomination ("Non-Binding Nomination")

TC & JA McMahon Superannuation Fund

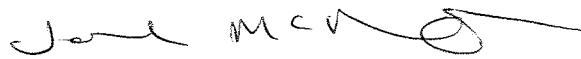
I, Jane Anne McMahon of as a Member of the Fund, hereby direct the Trustee to pay my benefits in the Fund on or after my death as follows:

Full name of nominated beneficiary	Relationship	Form of payment (lump sum or pension)	% of benefits
Total			100%

I understand that:

- **This Non-Binding Nomination is not-binding on the Trustee. The Trustee at its sole discretion may choose, but is not obliged, to pay my Benefits to the persons nominated in this Non-Binding Nomination;**
- This Non-Binding Nomination revokes any previous Non-Binding Nomination I have made;
- I can amend or revoke this Non-Binding Nomination at any time by providing a new signed and dated Non-Binding Nomination to the Trustee or providing written notice of the revocation to the Trustee;
- this Non-Binding Nomination will be disregarded by the Trustee if completed incorrectly; and
- I have nominated persons who are "Dependants" and/or my Legal Personal Representative ("LPR") as outlined in the Fund's Rules.

I acknowledge that I have received information from the Trustee that explains my rights to direct the Trustee to pay my Death Benefit in accordance with this Non-Binding Nomination:



Signature

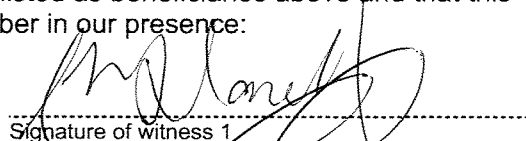
20/11/2013

Date

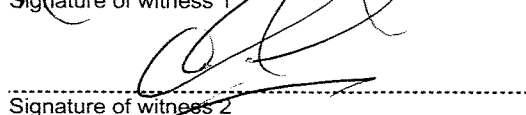
Witness declaration*

We declare that we are aged 18 years or older, not listed as beneficiaries above and that this Non-Binding Nomination was executed by the member in our presence:

CHARMAINE McDONALD
Please print name of witness 1


Signature of witness 1

Chris McMahon
Please print name of witness 2


Signature of witness 2

* Witnesses are not required for non-binding nominations, but recommended to minimise fraud.



20/11/2013

1294313

Bill Walker

Charter Group - Manly

39 East Esplanade

Manly NSW 2095

Dear Bill,

Limited Recourse Borrowing Arrangement for TC & JA McMahon Superannuation Fund -

Please find the following enclosed:

- Limited recourse borrowing arrangement guide
 - Guide to your SMSF limited recourse borrowing arrangement;
 - Sections 67(1) & 67(A) of the *Superannuation Industry Supervision (SIS) Act 1993*;
 - Limited recourse borrowing arrangement structures;
 - Investment strategy amendment for real estate or listed securities; and
 - Checklist of tasks to be completed.

- Documents for execution
 - Deed of loan, if the members are providing the finance. (please seek financial advice – neither Reckon Docs nor Hunt & Hunt provide this advice);
 - Minutes of Meeting of Bare Trustee – Transfer of Initial Funds for the Investment and Bare Trust Deed;
 - Minutes of Meeting of Bare Trustee – Financing and Security of the Investment;
 - Minutes of Meeting of Trustee of the Fund – Acquisition of the Investment & Bare Trust Deed;
 - Minutes of Meeting of Trustee of the Fund – Loan for Acquisition of the Investment; and
 - 3 copies of the bare trust deed (1 copy for electronic-DIY print orders).

Neither Reckon Docs nor Hunt & Hunt has provided any advice in respect to the enclosed documents or in respect of any other matter. Please note that corporation, taxation and superannuation laws are continually changing. These documents have been prepared on the basis of current rules and your instructions. Expert advice should be obtained if there is any doubt as significant penalties can be imposed for any breach. Accordingly, except to the extent required by law, both Reckon Docs and Hunt & Hunt disclaim liability however arising that does not relate to the mere provision of the enclosed documents.

Thank you for your business. Should you wish to discuss any matter regarding this order or have a general enquiry, please contact help desk on 1300 139 001.

With regards,
Reckon Docs

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Important information

All necessary documents in the package have been completed as far as possible.

Please note the following is **important information** relating to this structure. This information is provided as a guide only and should be verified with the office of state revenue in the State or Territory where the property being acquired is located, particularly as changes in practice and duties legislation may occur from time to time.

Purchasing the property (name on the contract) – the property being purchased by a super fund with the assistance of finance under a limited recourse borrowing arrangement must be purchased in the name of the Bare Trustee (pursuant to a Bare Trust Deed which specifically identifies the property to be purchased and in many States and Territories should be in place before the contract to purchase the property is entered into).

It is important that advice be obtained in the State/Territory where the property is being purchased to ensure that the timing of the execution of the bare trust deed complies with stamp duty requirements to ensure no more stamp duty than necessary is paid on the transaction and particularly to ensure that ad valorem stamp duty is not payable on the transfer of the property from the bare trustee to the trustee of the fund when the borrowings have been repaid.

The Bare Trustee's name should appear on the contract for purchase of the property as it will be the legal owner of the property until the last repayment is made when the property can be transferred from the Bare Trustee to the Fund Trustee.

Financing – the fund will be required to provide some money towards the purchase, particularly as commercial lenders will only lend about 65% of the purchase price. It is therefore important that approved finance be organised before a contract for purchased is entered into.

Bare Trustee – as this entity will be a bare trustee it will not perform any duties other than hold the legal title to the asset. Furthermore, this entity is NOT required to:

- **Bank account** – it is not necessary for the Bare Trustee to setup a bank account. It is best if the source of all monies required for the purchase of the property is to have come directly from the Vendor and/or the Fund; and
- **Tax returns** – the commission has granted an exemption to lodge tax returns for the trustees of certain defined trusts including 'Transparent Trusts' and 'Secured Purchase Trusts'. This means that no returns need to be lodged on behalf of the Bare Trustee;

Super fund – the Fund will maintain the property including collecting all rent, attending to maintenance and any other duties required. The Bare Trustee is not to perform any duties other than hold the legal title to the asset. If the Bare Trustee performs any of the above duties, the limited recourse borrowing arrangement will not be satisfied and there may be adverse stamp duty consequences.

Stamping of the Deed - upon execution of the Bare Trust Deed, this document will require stamping and lodgement at the Office of State Revenue; stamp duty varies in each State and Territory of Australia. Refer to Table 1.1 summarising duties payable across all States and Territories. Please be sure to include the following so that the Office of State Revenue acknowledges that this is a limited recourse borrowing arrangement:

- **Lender** – the Fund must be able to show loan documents or a letter from the lender setting out the loan arrangements with the super fund and the borrowed amount; and
- **Fund** – for that part of the purchase price that is not borrowed, it must be shown to have come from the Fund including evidence in the form of a bank transaction, bank statement or copies of cheques;

Table 1.1

State	Act	Duty payable [^]
ACT	Duties Act 1999 s.56	\$20
NSW	Duties Act 1997 s.55	\$50
NT	Stamp Duty Act 1978 s56BA, Schedule 1 item 1(7)	\$5
QLD*	Duties Act 2001 s.66 and s.123	\$Nil
SA	Stamp Duties Act 1923 s.71(13)	\$Nil
TAS	Duties Act 2001 s.39	\$20
VIC	Duties Act 2000 s.34	\$Nil
WA	Duties Act 2008 s.117 and Schedule 2, Division 3	\$20

[^] The table is merely a guide and duty payable is subject to change. To confirm any amounts, please contact the state revenues office in your respective state.

* We recommend that you obtain advice as to any stamp duty implications of using limited recourse borrowing arrangements to purchase property in QLD and in particular on the transfer back of such property from the Bare Trust to the Superannuation Fund Trustee.

Transfer of property after all monies repaid – Provided all other requirements are met, Table 1.2 below summarises duty payable across all States and Territories on the transfer of the property from the Bare Trustee to the Fund Trustee when all borrowed monies have been repaid.

Table 1.2

State	Act	Duty payable [^]
ACT	Duties Act 1999 s.56(1)(b)	\$20
NSW	Duties Act 1997 s.55(1)(b)	\$50
NT	Stamp Duty Act 1978 s.5(2) and Schedule 2 item 6(b)	\$Nil
QLD*	Duties Act 2001 s.66 and s.123	\$Nil
SA	Stamp Duties Act 1923 s.71(7a)	\$Nil
TAS	Duties Act 2001 s.39(1)(b)	\$20
VIC	Duties Act 2000 s.34(1)(b)	\$Nil
WA	Duties Act 2008 s.117(b) and Schedule 2, Division 3	\$20

[^] The table is merely a guide and duty payable is subject to change. To confirm any amounts, please contact the state revenues office in your respective state.

* We recommend that you obtain advice as to any stamp duty implications of using limited recourse borrowing arrangements to purchase property in QLD and in particular on the transfer back of such property from the Bare Trust to the Superannuation Fund Trustee.



Documents for execution

An index of pages requiring further completion and execution are summarised as follows:

Documents in order of package	Details to populate
<p>Deed of Loan</p> <p><i>Purpose</i> – this document is a loan agreement with details of the Lender, Borrower, Bare Trustee and the loan details.</p>	<p>Complete this document if the lender/ financier will be the member or a related party.</p> <p>Seek financial advice to complete this document. Neither Reckon Docs nor Hunt & Hunt provide advice in relation to the completion of this document.</p>
<p>Bare Trustee Minutes – Transfer of Initial Funds for the Investment and Bare Trust Deed</p> <p><i>Purpose</i> – this minute documents the meeting that took place with relation to the transfer of monies for the deposit and stamp duty (if applicable) and execution of the Bare Trust Deed.</p>	<ul style="list-style-type: none">• Amount – this includes any monies to pay a deposit, stamp duty, etc; and• Investment details – name/ description of Investment (e.g. property, asset, shares, etc.)
<p>Bare Trustee Minutes – Financing and Security of the Investment</p> <p><i>Purpose</i> – this minute documents the meeting that took place with relation to the engaging of a lender for the borrowing from the Bare Trustee's perspective.</p>	<ul style="list-style-type: none">• Date of Bare Trust Deed – date of execution of the Bare Trust Deed;• Lender details – name of lender;• Investment details – name/ description of Investment (e.g. property, asset, shares, etc.); and• Any other loan documents required by the lender (if applicable).

<p>Fund Trustee Minute – Acquisition of the Investment and Bare Trust Deed</p> <p><i>Purpose</i> – this minute documents the meeting that took place with relation to the limited recourse borrowing arrangement.</p>	<ul style="list-style-type: none"> • Investment details – name/ description of Investment (e.g. property, asset, shares, etc.); • Sum of – this should include the full amount required for the purchase of the property including deposit, stamp duty, fees, borrowed monies and remaining amount required from the fund for the purchase of the property; • Lender details – name of lender; and • Borrowed sum – the amount borrowed from the lender.
<p>Fund Trustee Minute – Loan for Acquisition of the Investment</p> <p><i>Purpose</i> – this minute documents the meeting that took place with relation to the engaging of a lender for the borrowing from the fund’s perspective.</p>	<ul style="list-style-type: none"> • Lender details – name of lender; • Investment details – name/ description of Investment (e.g. property, asset, shares, etc.); and • If applicable, any other loan documents required by the lender.
<p>Bare Trust Deed</p>	<ul style="list-style-type: none"> • Date of deed; and • Investment details – name/ description of Investment (e.g. property, asset, shares, etc.).

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Limited Recourse Borrowing Arrangement Guide

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Disclaimer

Reckon Docs Pty Ltd in providing this kit is not making any recommendations as to whether the acquisition of an investment under a limited recourse borrowing arrangement is or is not a suitable investment for any particular superannuation fund. Rather Trustees of superannuation funds should obtain independent financial advice as to whether the acquisition by the Fund of an investment under a limited recourse borrowing arrangement is an appropriate investment for that Fund.



Reckon

Limited Recourse Borrowing Arrangement Guide

Superannuation Funds can now Borrow

Until September 2007 the *Superannuation Industry (Supervision) Act 1993* ('the SIS Act') prevented Superannuation Funds from borrowing, except for some temporary purposes. However, in September 2007, legislation was passed by the Senate to allow borrowing by Superannuation Funds; and those rules apply to instalment warrant structures put in place before 7 July 2010. New rules introduced on 7 July 2010 are contained within section 67A of the SIS Act which is included in this guide. The relevant section is headed 'Exceptions – Limited recourse borrowing arrangements' and authorises any borrowings made by a Superannuation Fund provided that:

- the borrowed money is applied for the purposes of acquiring a single asset or collection of assets including:
 - expenses in connection with the borrowing or acquisition, or in maintaining or repairing it (but not improvement expenses); or
 - money applied to refinance a borrowing;
- the Fund Trustee is not prohibited from acquiring the asset;
- the asset is held on trust so that the Fund Trustee acquires the beneficial interest in the asset;
- the Fund Trustee has a right to acquire legal ownership of the asset;
- the rights of the lender or any other person against the Superannuation Fund for default on the borrowing, or on the sum of the borrowing and charges related to the borrowing, are limited to rights relating to the asset; and
- the asset is not subject to any other charge except under the limited recourse borrowing arrangement.

Effectively this means that any borrowing arrangement that is allowed under section 67(A) of the SIS Act must be done so on a limited recourse basis. Consequently the existing assets of the Fund may not be used as security regardless of the performance of the new investment.

How the legislation affects you

The new legislation means that you can structure borrowing through your Superannuation Fund so as to allow the Fund to acquire any asset that is permitted under the SIS Act.

If properly structured through a limited recourse borrowing arrangement, a Fund can borrow to acquire an asset. Examples of where a Fund might seek to borrow are:

- to allow the Fund to acquire an investment property;
- to allow the Fund to acquire a share portfolio; or
- to acquire units in a Unit Trust (for example a small group of persons might want to set up their own Unit Trust to acquire a substantial investment property).

Replacement of Assets

Section 67B of the SIS Act which also took effect from 7 July 2010 sets out the circumstances in which an asset under a limited recourse borrowing arrangement can be replaced. For instance, a share in a company (or collection of shares) can be replaced by a share in another company if the replacement occurs because of a takeover, merger, demerger or restructure of the first company (ss 67B(5)).

Prohibited Assets

The reference to assets which the Fund is prohibited from acquiring is a reference to section 66 of the SIS Act, which prohibits the Trustee or an investment manager of a regulated Superannuation Fund from intentionally acquiring an asset from a Member or from an associate of a Member, unless that asset is an 'excepted asset'; i.e. business real property and listed securities. Acquisitions must also be made at the present market value.

Beneficial Ownership

The Fund Trustee is not allowed to be the legal owner of the asset however it must be the beneficial owner of the asset. For that reason an entity must hold the asset on trust for the Fund Trustee, such as a separate Trustee Company (not the Corporate Trustee of the Fund).

Furthermore the trust must not be an "active trust" as there may be adverse capital gains tax consequences when the Fund Trustee calls for transfer of the legal title. The entity holding the asset will hold it as a Bare Nominee so, as a result, the asset must be managed by the Fund Trustee. For example if the asset is real estate the Fund Trustee must collect rent and attend to repairs.

Funding

The essence of the legislation is to allow Funds to make limited recourse borrowings.

There is no requirement as to who the lender might be but the most obvious arrangement is for a bank to lend directly to a Fund; some banks have been slow to recognise this new legislation. An alternative is for a Member to borrow from a bank and lend those borrowed monies to the Fund or for the Member to lend their own capital to the Fund.

As security, the Fund can only provide the asset itself and income generated from the asset. In some circumstances the Member may also be required to provide the lender with additional security, external to the Fund, as collateral over the borrowing but any right of a person to be indemnified by the Fund because of a personal guarantee given by that person in favour of the lender is limited to rights relating to the asset only.

Trustees of the Limited Recourse Borrowing Arrangement

The Bare Trustee should not be the Fund Trustee. It would be preferable if a Corporate Trustee Company was established due to the legal protections and limited liability structure this provides but the Members can also be Bare Trustees providing they are not the Trustees of the Fund.

Capital Gains Tax

The Trustee must be a 'Bare Trustee' in order to avoid capital gains tax and stamp duties on transfer of an asset from the Bare Trustee to the Fund Trustee. This means that the Bare Trustee must not provide any active services and need not even hold a bank account.

Negative Gearing

It is possible that any rent received by the Fund (when the underlying asset is real estate) will be insufficient to meet interest expenses incurred by the Fund. Any shortfall may be met by tax deductible contributions made to the Fund or by other Fund assets. The ability of the Fund to cater for any such shortfall should be addressed in the Investment Strategy.

Requirements & Considerations

- A Self-Managed Superannuation Fund ('the Fund').
- The Fund Trustee needs to possess the power to borrow under certain limited recourse arrangements to acquire a permitted asset.
- The investment strategy of the Fund needs to accommodate the limited recourse borrowing arrangement. An amendment to the Fund's Investment Strategy is included in this package.
- A Bare Trustee, which will acquire the asset and hold the legal title of the asset on trust for the Fund.

The Bare Trustee cannot be the Trustee of the Fund. The Bare Trustee may be an Individual or Individuals; however a Corporate entity is preferable given the legal protection it provides.

- A Contract in which the Bare Trustee enters to acquire the asset.

The Bare Trustee must be a "Bare Nominee" for the purposes of Capital Gains Tax, as discussed in this guide.

- The Fund is responsible for managing the asset; for example, if the asset is real estate then the Fund must collect the rent and manage all repairs.
- Capital raised by the Fund to allow the Bare Trustee to pay the vendor for the asset being acquired.

In order for the Bare Trust to take effect the Fund Trustee must utilise the funds borrowed to acquire the asset; Funds may be borrowed from a financial institution or an Individual. This package contains a loan agreement applicable where a Member of the Fund is providing the monies. A financial institution may, however, require the Bare Trustee to provide a mortgage on any acquisition of property.

- A Bare Trust Deed executed by the Bare Trustee and the Trustee of the Fund is included in this package.
- An investment, which is to be acquired by the Bare Trustee as a Bare Nominee for the Fund.

Limited Recourse Borrowing Arrangement Excerpt

Section 67 – Borrowing & Section 67A – Limited recourse borrowing arrangements

SUPERANNUATION INDUSTRY (SUPERVISION) ACT 1993 – SECT 67

Borrowing

Prohibition

- (1) Subject to this section and section 67A, a trustee of a regulated superannuation fund must not:
 - (a) Borrow money; or
 - (b) Maintain an existing borrowing of money.

SUPERANNUATION INDUSTRY (SUPERVISION) ACT 1993 – SECT 67A

Limited recourse borrowing arrangements

Exception

- (1) Subsection 67(1) does not prohibit a trustee of a regulated superannuation fund (the RSF trustee) from borrowing money, or maintaining a borrowing of money, under an arrangement under which:
 - (a) the money is or has been applied for the acquisition of a single acquirable asset, including:
 - (i) expenses incurred in connection with the borrowing or acquisition, or in maintain or repairing the acquirable asset (but not expenses incurred in improving the acquirable asset), and
Example: Conveyancing fees, stamp duty, brokerage or loan establishment costs.
 - (ii) money applied to refinance a borrowing (including any accrued interest on a borrowing) to which this subsection applied (including because of section 67B) in relation to the single acquirable asset (and no other acquirable asset); and
 - (b) the acquirable asset is held on trust so that the RSF trustee acquires a beneficial interest in the acquirable asset; and
 - (c) the RSF trustee has a right to acquire legal ownership of the acquirable asset by making one or more payments after acquiring the beneficial interest; and
 - (d) the rights of the lender or any other person against the RSF trustee for, in connection with, or as a result of, (whether directly or indirectly) default on:
 - (i) the borrowing; or
 - (ii) the sum of the borrowing and charges related to the borrowing;

are limited to rights relating to the acquirable asset; and

Example: Any right of a person to be indemnified by the RSF trustee because of a personal guarantee given by that person in favour of the lender is limited to rights relating to the acquirable asset.

- (e) if, under the arrangement, the RSF trustee has a right relating to the acquirable asset (other than a right described in paragraph (c)) - the rights of the lender or any other person against the RSF trustee for, in connection with, or as a result of, (whether directly or indirectly) the RSF trustee's exercise of the RSF trustee's right are limited to rights relating to the acquiring asset; and
- (f) the acquirable asset is not subject to any charge (including a mortgage, lien or other encumbrance) except as provided for in paragraph (d) or (e).

Meaning of acquirable asset

- (2) An asset is an acquirable asset if:
 - (a) the asset is not money (whether Australian currency or currency of another country); and
 - (b) neither this Act nor any other law prohibits the RSF trustee from acquiring the asset.
- (3) This section and section 67B apply to a collection of assets in the same way as they apply to a single asset, if:
 - (a) the assets in the collection have the same market value as each other; and
 - (b) the assets in the collection are identical to each other.

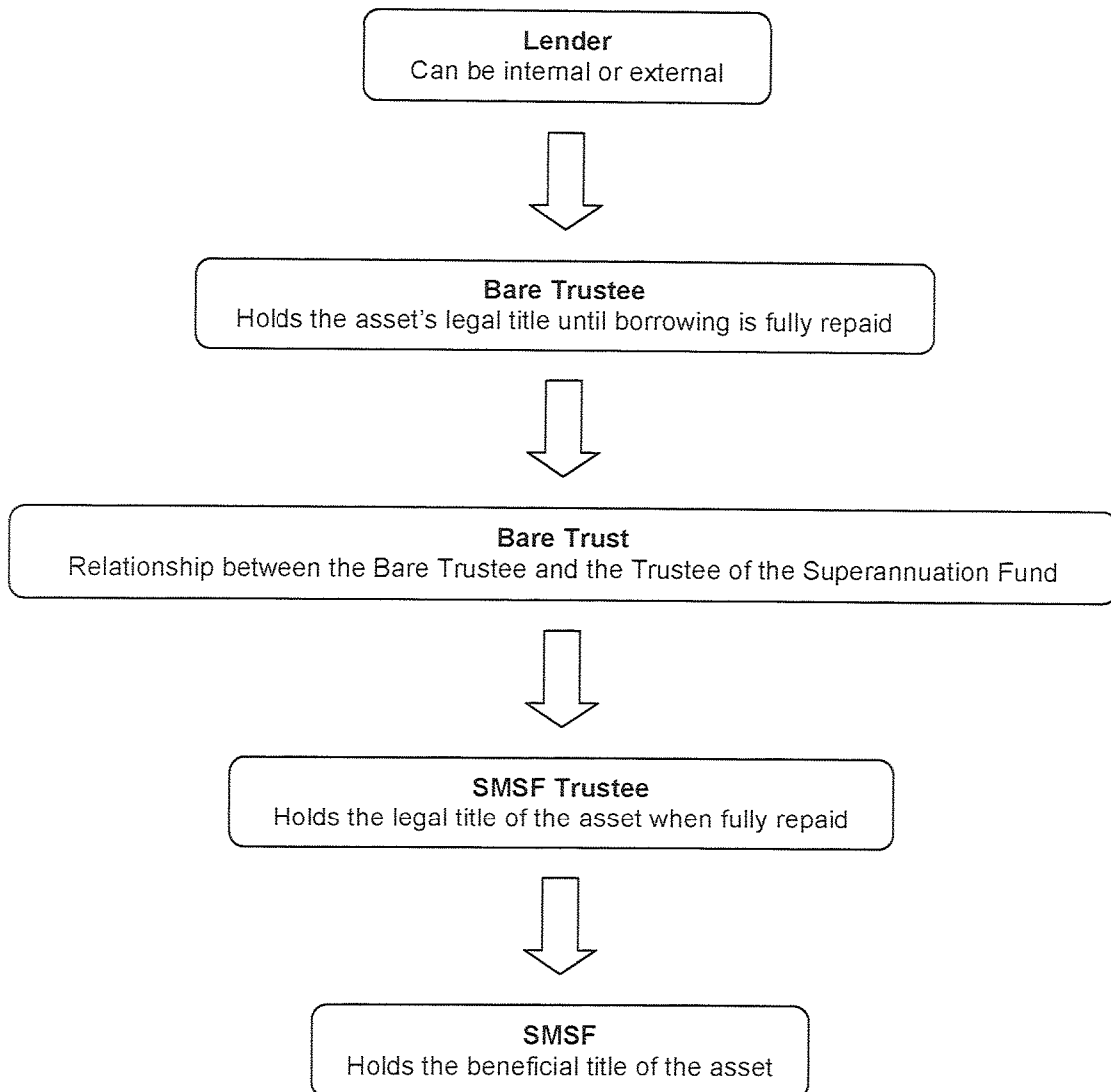
Example: A collection of shares of the same class in a single company.
- (4) For the purposes of this section and section 67B, the regulations may provide that, in prescribed circumstances, an acquirable asset ceases to be that particular acquirable asset.

RSF trustee

- (5) Paragraphs (1)(d) and (e) do not apply to a right of:
 - (a) a member of the regulated superannuation fund; or
 - (b) another trustee of the regulated superannuation fund;

to damages against the RSF trustee for a breach by the RSF trustee of any of the RSF trustee's duties as trustee.
- (6) A reference in paragraph (1)(d) or (e) (but not in subsection (5)) to a right of any person against the RSF trustee includes a reference to a right of a person who is the RSF trustee, if the person holds the right in another capacity.

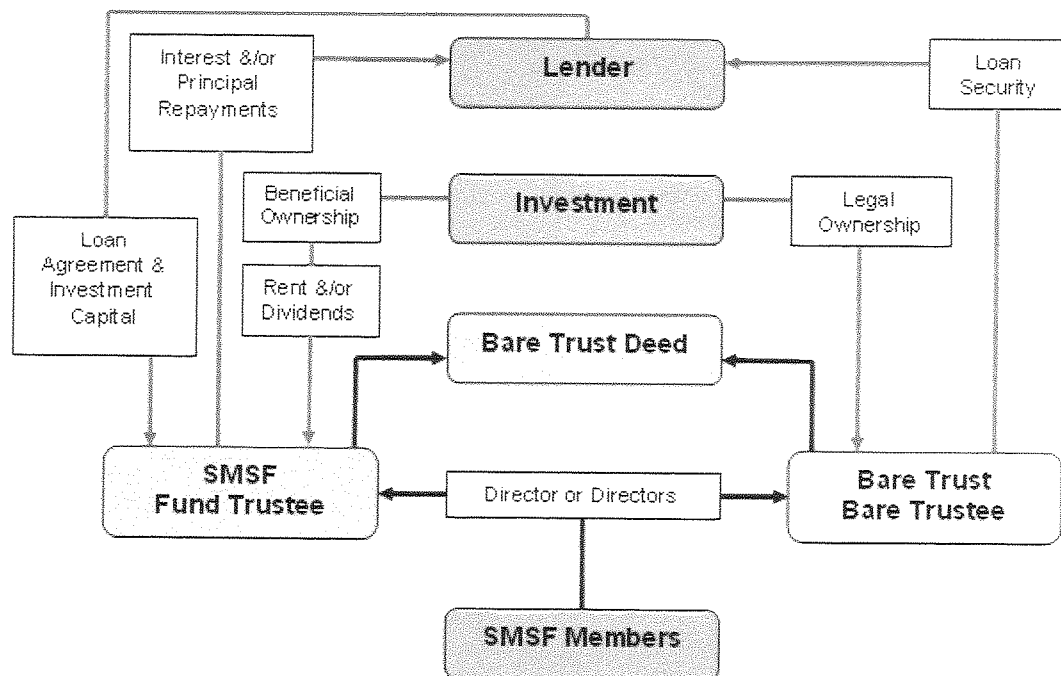
Simplified limited recourse borrowing arrangement structure





Typical limited recourse borrowing arrangement set-up

Corporate trustee

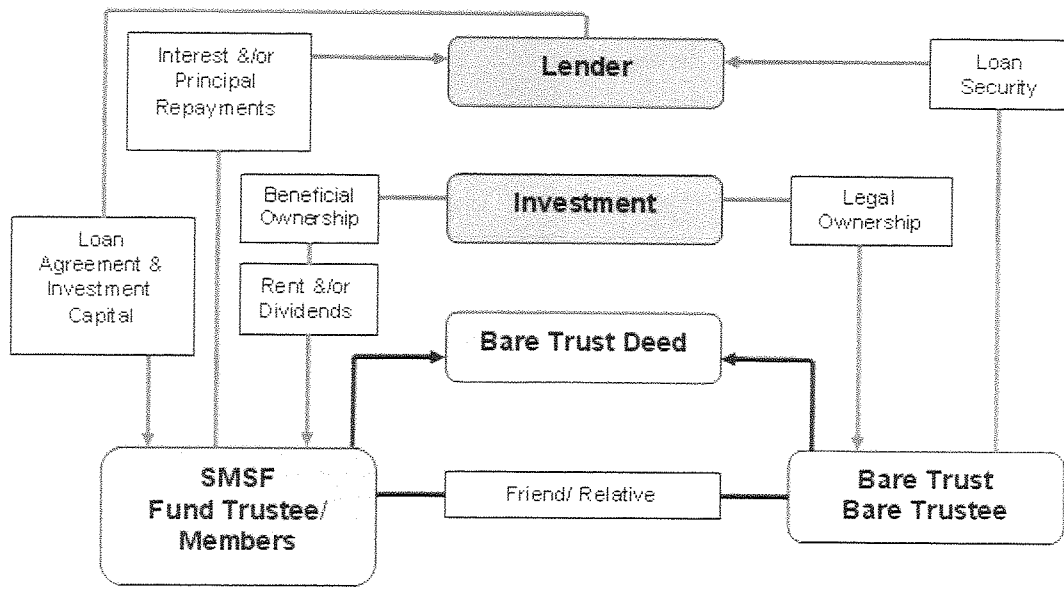


Please note:

- Red arrows represent the legal processes that occur for the limited recourse borrowing arrangement to be implemented correctly.
- Black arrows represent the relationship between the two trust structures, the Fund Trustee, the Bare Trustee and the SMSF Members.
- The SMSF & Bare Trust Deed cannot have the same trustee, however, they can have the same directors of different corporate trustees.
- The member or members of an SMSF can also perform the function of the Lender, and it is up to the Lender and SMSF Members to determine the loan security, and the frequency and structure of repayments. If a financial institution is the Lender and requires additional security over the amount borrowed then professional advice should be obtained.

Typical limited recourse borrowing arrangement set-up

Individual trustees

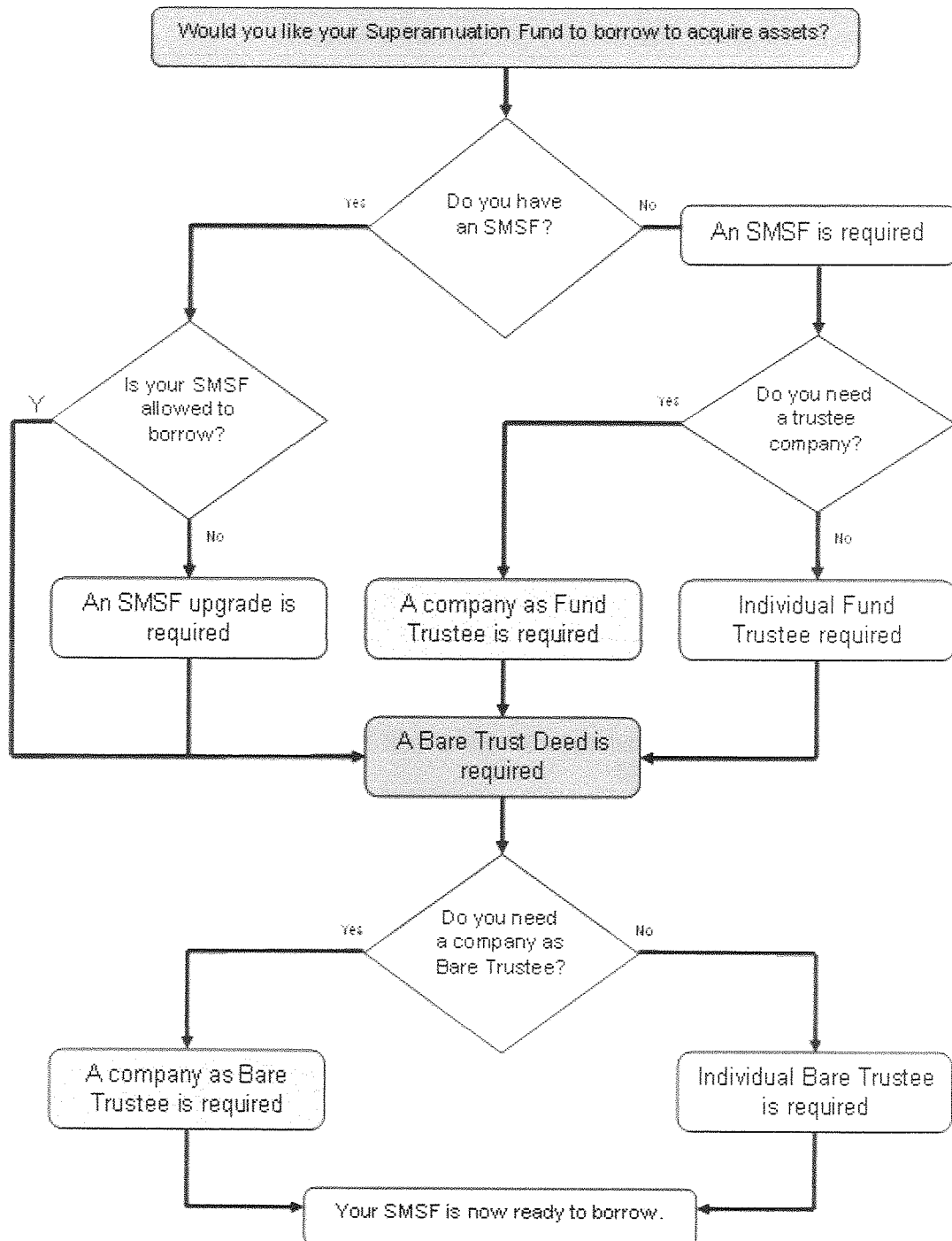


Please note:

- Red arrows represent the legal processes that occur for the limited recourse borrowing arrangement to be implemented correctly.
- Black arrows represent the relationship between the two trust structures, the Fund Trustee, the Bare Trustee, and the SMSF Members.
- The SMSF & Bare Trust Deed cannot have the same trustee, however, they can have the same directors of different corporate trustees.
- The member or members of an SMSF can also perform the function of the Lender, and it is up to the Lender and SMSF Members to determine the loan security, and the frequency and structure of repayments. If a financial institution is the Lender and requires additional security over the amount borrowed then professional advice should be obtained.



Flowchart: limited recourse borrowing arrangement



Suggested investment strategy amendment

Real property

The trustees have considered borrowing through a limited recourse borrowing arrangement to fund the acquisition of real estate. The following matters were considered:

- the risks involved in making, holding and realising the property under a limited recourse borrowing arrangement;
- the likely return from the property under a limited recourse borrowing arrangement;
- the diversity of investments generally;
- the liquidity and cash flow consequences of holding the property under a limited recourse borrowing arrangement;
- the time the members have until they retire;
- the fund's cash flow requirements; and
- the investment risk tolerance of the members.

The Fund Trustee will borrow to acquire the beneficial interest in real estate. The lenders' rights on any default of the borrowing or the sum of the borrowing and charges related to the borrowing are limited to rights relating to that real estate or any replacement to the real estate.

Listed securities

The trustees have considered borrowing through a limited recourse borrowing arrangement to fund the acquisition of listed securities. The following matters were considered:

- the risks involved in making, holding and realising the listed securities under a limited recourse borrowing arrangement;
- the likely return from the listed securities under a limited recourse borrowing arrangement;
- the diversity of investments generally;
- the liquidity and cash flow consequences of holding the listed securities under a limited recourse borrowing arrangement;
- the time the members have until they retire;
- the fund's cash flow requirements; and
- the investment risk tolerance of the members.

The Fund Trustee will borrow to acquire the beneficial interest in listed company shares provided. The lenders' rights on any default of the borrowing or the sum of the borrowing and charges related to the borrowing are limited to rights relating to those listed securities or any replacement to the listed securities.

The trustees acknowledge that the Fund will not enter into any dividend reinvestment plan as this would breach the legislation relating to limited recourse borrowing arrangements.



Checklist: Limited recourse borrowing arrangement

The checklist below is provided for guidance and assistance to set-up the limited recourse borrowing arrangement package for your SMSF to borrow.

Task	Checked	Date
Ensure that your SMSF Deed is allowed to borrow through a limited recourse loan. (if you purchased a Reckon Docs SMSF with this limited recourse borrowing arrangement package, then your Fund will allow this)		
Ensure that the Fund's investment strategy allows for or has been amended to allow for the SMSF to borrow through a limited recourse borrowing arrangement. (if the Investment is real estate or listed securities then this package includes suggested amendments to the Fund's investment strategy)		
Identify an investment and ensure that it: <ul style="list-style-type: none">• can be acquired under the SIS legislation;• is suitable for the Fund, considering the trust Deed and investment strategy;• is suitable for the Members of the Fund; and• is appropriately managed.		
Determine the total amount of monies required to acquire the Investment, along with the amount to be borrowed. Select a suitable financier from which the monies will be borrowed to acquire the Investment on a limited recourse basis.		
Hold a meeting of Trustees of the Fund to agree to the borrowing. (this limited recourse borrowing arrangement package includes the relevant minutes for this meeting – the Fund Resolution)		
Hold a meeting of the Bare Trustee to agree to execute the Bare Trust Deed. (this limited recourse borrowing arrangement package includes the relevant minutes for this meeting – Bare Trustee Resolution)		
Ensure that the attached Bare Trust Deed and management agreement (if applicable) are completed.		
All documents are to be executed.		

RD-1.02

Deed of Loan

Prepared by:

hunt&hunt

Gateway
1 Macquarie Place
Sydney NSW 2000

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Agreed terms as follows:

1. Loan

- 1.1. The Lender shall lend the Principal Sum to the Borrower, subject to the terms of this deed.
- 1.2. The Lender agrees that the Borrower shall pay the Principal Sum to the Bare Trustee to be applied in the acquisition of the Investment under the terms of the Bare Trust Deed.
- 1.3. The Borrower agrees to repay the Principal Sum and interest on it at the rates set out in section 4 of the Schedule ('Interest').

2. Repayment

- 2.1. The Borrower agrees to pay to the Lender Interest calculated daily on the Principal Sum by the instalments set out in section 5 of the Schedule ('Instalments') which must be paid on each payment date as set out in section 6 of the Schedule ('Payment Date') until the Maturity Date.
- 2.2. The Principal Sum or so much of it as then remains outstanding must be repaid by the Borrower to the Lender on the date referred to in section 7 of the Schedule ('Maturity Date').

3. Default

- 3.1. In the event that the Borrower fails to make a payment as required by this deed or the Borrower breaches any of its obligations under this deed, the whole of the balance of Principal Sum and Interest payable by the Borrower to the Lender and any other monies payable by the Borrower under the terms of this deed shall then become due and payable to the Lender and the Borrower will pay Interest on the amount outstanding until repayment in full.
- 3.2. If the Borrower does not forthwith pay the amount outstanding due to the Lender, as provided for by clause 3.1 above, the Lender may seize and sell the Investment or any property acquired by the Lender as a replacement to the Investment. The Lender may deduct from the amount realised by the Lender from that sale of the Investment or its replacement the amount of that Principal Sum and Interest due together with the costs including legal costs of enforcement and any other monies due by the Borrower under this deed to the Lender and shall pay the balance to the Borrower. The Lender shall have no additional rights against the Borrower to require the Borrower to pay more to the Lender than the amount so realised on sale of the Investment or its replacement.

4. Other charges

- 4.1. The Borrower shall pay to the Lender such other amounts as may have been incurred by the Lender in:
 - (a) borrowing any amount to on-lend to the Borrower;
 - (b) any fees which might be payable by the Lender for early repayment of any amount it borrowed to on-lend to the Borrower;
 - (c) any fee incurred by the Lender in repaying any amount it had borrowed to on-lend to the Borrower.

5. Security

The Borrower and the Bare Trustee charge their right title and interest in the Investment or its replacement with the Borrower's obligations under this deed. The Bare Trustee will grant a mortgage over the Investment or its replacement, in favour of the Lender in such form as required by the Lender, to secure the Borrower's and Bare Trustee's obligations under this deed. The Borrower and Bare Trustee jointly and severally irrevocably appoint the Lender to be the true and lawful Attorney of the Bare Trustee and the Borrower to ensure all documents required to be executed and all things required by the Bare Trustee under this clause 5 are done.

Schedule

1. Fund TC & JA McMahon Superannuation Fund

2. Investment:

Please print description of investment

3. Principal Sum:

\$

Please print amount lent

4. Interest:

-----% p.a. (per cent per annum)
Please print interest rate applicable if the Borrower were to be in default

reduced to -----% p.a. (per cent per annum)
Please print interest rate applicable if the Borrower paid all amounts due

when any amount due under the terms of this Deed is received by the Lender paid within three (3) days of the due date for such payment.

NOTE: It is important that the rates are commercial lending rates and that financial advice is obtained on the appropriate rates to apply to this loan taking into account that it is a non recourse secured loan. The calculation of the rate needs to be based on reasonably objective and supportable data such as the rates charged by financial institutions for similar borrowings.

Monies lent by a member or related party to the Fund at less than commercial rates may be characterised as a contribution to the Fund.

Monies lent by a member or related party at greater than commercial rates may result in a breach of the sole purpose test and/or breach of the Fund prohibition to the giving of financial assistance to members or related parties using the Fund's resources.

For Real Property – The Lender should hold the certificate of title. To further protect their interest, the Lender should obtain a mortgage signed by the Bare Trustee which may be registered on title or protected by the lodgement of a caveat on title. If assistance is required, please contact Hunt & Hunt Lawyers for details of hourly rates and fee estimates for this process.

5. Instalments:

\$

Please print the monthly instalments based on the default rate

Reducing to \$

Please print the monthly instalments based on the second rate above

if paid within three (3) days of the Payment Date on which the instalment is due.

NOTE: Financial advice should be sought to assist in the calculation of these amounts.

6. Payment Date:

On the first (1st) day of each month following the date of this Deed.

7. Maturity Date:

Please print the date on which full repayment of the Principal Sum is required

Execution

Executed as a Deed

SIGNED, SEALED and DELIVERED by
the Lender

Please print name of Lender

Signature

In the presence of:

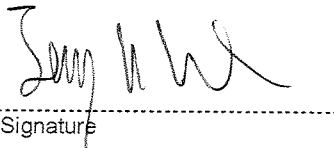
Please print name of Witness

Signature of Witness

EXECUTED by
TCJA Superannuation Pty Ltd ACN 166 737 266
in accordance with section 127 of the
Corporations Act 2001 by its Directors or
Director and/ or Secretary:

TERENCE CONWAY McMAHON

Please print name of Director/ ~~Sub-Director~~*



Signature

JANE ANNE McMAHON

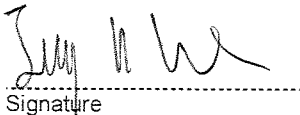
Please print name of Director/ ~~Secretary~~*
* Delete as appropriate

Signature

EXECUTED by
TCJA Super Nominees Pty Ltd ACN 166 737 453
in accordance with section 127 of the
Corporations Act 2001 by its Directors or
Director and/ or Secretary:

TERENCE CONWAY McMAHON

Please print name of Director/ ~~Sub-Director~~*



Signature

JANE ANNE McMAHON

Please print name of Director/ ~~Secretary~~*
* Delete as appropriate

Signature

Minutes of Meeting of Bare Trustee

Transfer of Initial Funds for the Investment and Bare Trust Deed

TCJA Super Nominees Pty Ltd ACN 166 737 453

Attended by the Directors of TCJA Super Nominees Pty Ltd ACN 166 737 453.

Held at: 31 Birkalla Street Bulimba QLD 4171

Date:/...../.....

Time:

Present: Terence Conway McMahon
Jane Anne McMahon

Chairperson: TERENCE CONWAY McMAHON
was appointed Chairperson of the meeting.

Quorum: The Chairperson noted that a quorum was present at the meeting to pass the proposed resolution.

Purchase: The Chairperson reported that the Fund Trustee ('the Fund Trustee') as described in the Bare Trust Deed as trustee for TC & JA McMahon Superannuation Fund ('the Fund') had provided the Bare Trustee with an initial amount for deposit and stamp duty of:

\$.....
Please print the initial amount

and had requested that the Bare Trustee:

1. hold that amount according to the terms of the Bare Trust Deed tabled at the meeting; and
2. purchase:

.....
Please print details of the Investment

the legal title to which will be held by the Bare Trustee and the beneficial title to which will be held by the Fund Trustee in accordance with the Bare Trust Deed, by executing a copy of that contract ('the Contract') tabled at the meeting.

Resolutions:

It was resolved that:

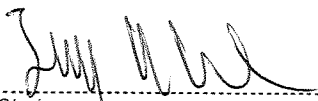
1. the Bare Trustee execute the Bare Trust Deed;
2. the Bare Trustee execute the Contract;
3. if the Bare Trustee acquires the Investment, it is to be held according to the terms of the Bare Trust Deed; and
4. the amount of:

\$.....
to be held according to the terms of the Bare Trust Deed.

Meeting closed:

There being no further business the meeting was declared closed.

Confirmed as a true and correct record.


.....
Chairperson

Minutes of Meeting of Bare Trustee

Financing and Security of the Investment

TCJA Super Nominees Pty Ltd ACN 166 737 453

Attended by the Directors of TCJA Super Nominees Pty Ltd ACN 166 737 453.

Held at: 31 Birkalla Street Bulimba QLD 4171

Date: / /

Time:

Present: Terence Conway McMahon
Jane Anne McMahon

Chairperson: TERENCE CONWAY McMAHON
was appointed Chairperson of the meeting.

Quorum: The Chairperson noted that a quorum was present at the meeting to pass the proposed resolution.

Purchase: Resolved that the Bare Trustee under Bare Trust Deed between itself and

TCJA Superannuation Pty Ltd ACN 166 737 266

(‘the Fund Trustee’) dated:

..... / /
Please print date

enter into finance security arrangement on a limited recourse basis with:

.....
Please print name of Lender

for the acquisition by the Bare Trustee on behalf of the Fund Trustee of:

.....
Please print details of the Investment

on the terms and conditions contained in the following documents tabled at the meeting:

1. Deed of Loan; and
2. other (please specify: e.g. mortgage):
 - a.
 - b.

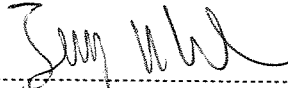
Purchase monies: The Chairperson reported that the Fund Trustee will provide the Bare Trustee with monies to complete the purchase of:

Please print details of the Investment

to be held according to the terms of the Bare Trust Deed.

Meeting closed: There being no further business the meeting was declared closed.

Confirmed as a true and correct record.



Chairperson

Minutes of Meeting of Fund Trustee

Acquisition of the Investment and Bare Trust Deed

TC & JA McMahon Superannuation Fund

Attended by the Directors of TCJA Superannuation Pty Ltd ACN 166 737 266.

Held at: 31 Birkalla Street Bulimba QLD 4171

Date: / /

Time:

Present: Jane Anne McMahon
Terence Conway McMahon

Chairperson: TERENCE CONWAY McM
was appointed Chairperson of the meeting.

Quorum: The Chairperson noted that a quorum was present at the meeting to pass the proposed resolution.

Resolutions: It was resolved that:

1. the Fund Trustee execute the Bare Trust Deed tabled at the meeting between:

TCJA Super Nominees Pty Ltd ACN 166 737 453

as Bare Trustee and the Fund Trustee for the acquisition of the Investment on the terms contained in that Deed, which is to be acquired by the Fund Trustee pursuant to a limited recourse borrowing arrangement;

2. TCJA Super Nominees Pty Ltd ACN 166 737 453

as Bare Trustee be asked to acquire the legal interest in:

.....
Please print details of the Investment

by executing the copy of the draft contract, tabled at the meeting and that the Fund Trustee acquire the beneficial interest in the Investment;

3. the Fund Trustee provide the Bare Trustee with the sum of:

\$
Please print the Initial Amount

for the deposit and stamp duty initially payable on the acquisition of the Investment; and

4. the Fund Trustee approach:

Please print name of Lender

to borrow the sum of:


\$-----
Please print amount borrowed

to assist in funding the acquisition of the Investment under a limited recourse borrowing arrangement.

Meeting closed:

There being no further business the meeting was declared closed.

Confirmed as a true and correct record.



Chairperson

Minutes of Meeting of Fund Trustee

Loan for Acquisition of the Investment

TC & JA McMahon Superannuation Fund

Attended by the Directors of TCJA Superannuation Pty Ltd ACN 166 737 266.

Held at: 31 Birkalla Street Bulimba QLD 4171

Date: / /

Time:

Present: Jane Anne McMahon
Terence Conway McMahon

Chairperson: TERENCE CONWAY McMAHON
was appointed Chairperson of the meeting.

Quorum: The Chairperson noted that a quorum was present at the meeting to pass the proposed resolution.

Loan arrangements: It was resolved that the Fund Trustee of the Fund enter into finance arrangements with the:

.....
Please print name of Lender

for the acquisition by:

TCJA Super Nominees Pty Ltd ACN 166 737 453

as Bare Trustee on behalf of the Fund of:

.....
Please print details of the Investment

on the terms and conditions contained in the following loan documents which were tabled at the meeting:

1. Deed of loan; and
2. other (please specify, e.g. mortgage):
 - a.
 - b.

Resolutions:

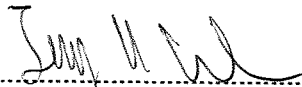
It was resolved that the Trustee of the Fund Trustee execute the following loan documents:

1. Deed of loan; and
2. other (please specify, e.g. mortgage):
 - a. _____
 - b. _____

Meeting closed:

There being no further business the meeting was declared closed.

Confirmed as a true and correct record.



Chairperson



20/11/2013

1294313

Bill Walker

Charter Group - Manly

39 East Esplanade

Manly NSW 2095

Dear Bill,

Limited Recourse Borrowing Arrangement for TC & JA McMahon Superannuation Fund -

The bare trust deed within this pack contains the covenants in its rules as are specified in s67 of the *Superannuation Industry (Supervision) Act 1993* and is compliant with those requirements.

These documents have been prepared on the basis of current rules and by your instructions. You should take specific advice from appropriate experts to determine whether the costs and responsibilities involved in running a limited recourse borrowing arrangement is appropriate for your circumstances.

With regards,

Reckon Docs

RD-1.02

Product Disclosure Statement

Fund Name: TC & JA McMahon Superannuation Fund

Trustee: TCJA Superannuation Pty Ltd
ACN 166 737 266

Trustee Phone Number:
0478 167991

Member: Jane Anne McMahon

Date of issue: 20 / 11 / 2013

This **Product Disclosure Statement** (PDS) is a summary of significant information and contains a number of references to important information (each of which forms part of the PDS). You should consider this information before making a decision about the Fund. The information provided in the PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

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1. ABOUT THE FUND

- 1.1 The Fund as a Regulated Superannuation Fund and a Complying Superannuation Fund under the *Superannuation Industry (Supervision) Act (1993)* (SIS Act) is eligible for concessional tax treatment under the Tax Act. The regulator of the Fund is the Australian Taxation Office.
- 1.2 The provisions of the Fund are set out in the Fund's Deed and Rules. The Fund will also comply with the standards set out in the SIS Act and SIS Regulations.
- 1.3 The Trustees issues this Product Disclosure Statement (PDS) to existing and prospective new Members (if any) of the Fund.
- 1.4 The purpose of this PDS is to provide persons interested in becoming Members of the Fund with relevant information about the provisions of the Fund.
- 1.5 The *Corporations Act 2001* and Regulations provides that Members who become members of the Fund when it is established, are to be given this PDS as soon as practicable but within 3 months of becoming a Member. Other Members are to be given the PDS at the time they join the Fund.
- 1.6 Terms and phrases used in this PDS are defined in the Rules of the Fund, which are part of the Fund Deed
- 1.7 The Fund must have fewer than 5 Members.
- 1.8 Members of the Fund or their legal personal representative (LPR) must be either trustees of the Fund or directors of a corporate trustee.
- 1.9 A Member cannot be the Employer of another Member, unless they are Relatives.
- 1.10 In the case of a sole or one member Fund, the Member (or LPR) may be the sole director of a corporate Trustee or there may be two directors who are the Member (or LPR) and another person who is not an employer of the Member unless they are the Relative of the Member. Where the Trustee is not a corporate Trustee, the Member (or LPR) and another person who is not an employer of the Member unless they are the Relative of the Member, must be the Trustees of the Fund.

2. HOW SUPER WORKS

- 2.1 Superannuation is a means of saving for retirement, which is, in part, compulsory. Most employees may choose the superannuation fund into which their employer will pay their superannuation guarantee contributions.
- 2.2 The primary purpose of a Fund, where the Trustees are persons, is to provide benefits in the form of old age pensions for its Members.
- 2.3 If the Trustee is a corporate trustee, benefits may be paid by lump sum payment when an appropriate condition of release has been met.
- 2.4 Contributions are made to the Fund on behalf of each Member and credited to the Member's Account. The Fund invests these contributions and amounts (e.g. earnings on investments) are credited to the Member's Account. Amounts (e.g. Fund expenses, tax and losses) are debited to Member's Account.
- 2.5 A Member's benefit is preserved in the Fund and cannot be received by the Member until such time as the Member satisfies a condition of release, such as retirement, death, permanent incapacity, attaining age 65. At that time, a Benefit representing the balance of the Member's Account and/or the proceeds of death or disability insurance taken out by the Fund, if any, may be payable to the Member. The Benefit may be in the form of a lump sum payment or Pension or both, depending on the Rules of the Fund and the provisions of the Act.
- 2.6 A Member and others, such as employers, the Government (by co-contributions), spouses, may make contributions to the Fund on behalf of a Member.
- 2.7 Members may apply to split contributions with their spouse.
- 2.8 There are limits to the amount of contributions that can be made, and there are tax implications should contributions exceed certain capped amounts.
- 2.9 There are two types of contributions: concessional and non-concessional.
- 2.10 In general, all concessional contributions are included in the assessable income of the Fund. They include employer contributions, salary sacrifice contributions, deductible contributions made by a Member, super guarantee amounts transferred to the Fund.
- 2.11 Concessional (or tax deductible) contributions made to the Fund on behalf of a Member are capped in the 2010-2011 to \$25,000.00 per annum. For Members who are 50 or over on 30 June in a financial year concessional contributions are capped to \$50,000.00 per annum until 30 June 2012. From 1 July 2012 concessional contributions will be capped at \$25,000.
- 2.12 Concessional contributions are taxed at 15% in the hands of the Fund. Concessional contributions in excess of the cap will be taxed in the hands of the Member for an additional 31.5%. That additional tax can be paid from the Member's entitlement in the Fund at the Member's request. Excess concessional contributions will be counted against the Member's non-concessional contributions cap, as set out below.
- 2.13 Members aged between 65 and under 75, who wish to contribute to the Fund, must satisfy the work test (currently 40 hours work in a consecutive 30 day period each financial year). The Fund cannot accept contributions from Members aged 75 or more (except those contributions an employer is required to make under an industrial award or agreement).
- 2.14 Non-concessional contributions are generally after tax contributions for which no tax deduction is claimed. For instance, they will include personal contributions made by a Member for which they do not claim a tax deduction.
- 2.15 Members can make non-concessional contributions when they are:
- (a) under 65 years of age, and may contribute up to \$150,000.00 per annum or \$450,000.00 over 3 years under a bring forward option; or
 - (b) between 65 years and under 75 years of age, and may contribute up to \$150,000.00 per annum (no averaging) provided the Member satisfies the work test.

- 2.16 Non-concessional contributions within the above limits will be tax free when contributed or withdrawn from the Fund. The earnings in the Fund on non-concessional contributions are taxed concessional at 15 per cent in the Fund.
- 2.17 Contributions made in excess of the non-concessional contributions cap are taxed at 46.50%.
- 2.18 As specific rules apply Members should seek professional advice when making such contributions to avoid adverse taxation consequences.

3. BENEFITS OF INVESTING WITH THE FUND

- 3.1 Benefits, based on the value of the Member's Account, are payable to Members as a lump sum payment or pension or both as permitted by the Rules of the Fund and the Act and when a condition of release is satisfied. Until a condition of release is satisfied a Member cannot obtain access to the Member's Benefit.
- 3.2 A Member is not compelled to withdraw benefits from the Fund and they may remain in the Fund indefinitely. A Member may elect to transfer their benefit from the Fund to a Superannuation Entity. If the Trustee expels a Member from the Fund, at the Trustee's discretion, the Member's benefit will be paid to the Superannuation Entity nominated by the Member, and if none is nominated, to an Eligible Rollover Fund chosen by the Trustee.
- 3.3 The value of the Member's Account is calculated based on contributions made for a Member, increases or decreases in the value of the Fund's investments and accrued income on contributions and investments less payment of taxes, Fund expenses and investment losses.

3.4 Retirement

On a Member's retirement (as defined by the SIS Regulations) or when turning 65 years, a Member will be entitled to payment of a Benefit calculated according to the value of the Member's Account.

Member benefits will be paid by the Trustees as permitted under SIS Act and Regulations in the form of a lump sum or a Pension or a combination of both.

3.5 Pension Benefits

The Trustee may permit a Member to elect to receive their lump sum Benefit in the form of an income stream called a Pension.

Pensions paid by the Fund after 1 July 2007 will be account based pensions.

A person can commence an account based pension in accordance with the rules that require:

- (a) the total payments made annually must be at least the amount calculated using the applicable percentage amount in the table below of the pension account balance. There is no maximum limit on the amount of annual payments that can be made.
- (b) an amount or percentage of the pension cannot be prescribed as being left over when the pension ceases;
- (c) the pension's capital value and the income from it cannot be used as security for borrowing;
- (d) the pension can be commuted;
- (e) the pension may be transferable to a Pension Dependant only on the death of the pensioner; and

- (f) the pension account balance cannot be increased by contributions or rollovers.

Age of member	Minimum % to be taken*	Minimum % to be taken – drawdown relief 11/12 & 12/13*
< 65	4	3
65 – 74	5	3.75
75 – 79	6	4.5
80 – 84	7	5.25
85 – 89	9	6.75
90 – 94	11	8.25
> 95	14	10.5

* Note these withdrawal factors are indicative only. Refer to pro-rating, rounding and other rules in the SIS regulations to determine precise minimum annual payments.

- 3.6 A Transition to Retirement Pension may be paid to a Member who has reached their preservation age, as set out below, but continues to work. This pension is an account based pension that must meet certain other requirements, as follows:
- (a) total pension payments in any year must be no greater than 10% of the account balance at the start of that year; and
- (b) the pension cannot be commuted and taken as a lump sum until the member meets a condition of release of retirement (as defined in the SIS Regulations), death, Permanent Incapacity or attaining age 65.
- 3.7 The preservation age depends on the date of birth of the Member as follows:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 30 June 1964	60

- 3.8 The Trustees may make available any other form of pension permitted by the Act.
- 3.9 When a Member wishes to commence a Pension, the Trustee will outline the terms and conditions of the proposed Pension which on acceptance by the Member will be incorporated as a Rule of the Fund.
- 3.10 Death Benefits**
- 3.11 If a Member dies, a benefit is payable calculated according to the value of the Member's Account, and may include the proceeds of any relevant insurance policy taken out by the Trustees.
- 3.12 In the absence of a valid Binding Death Benefit Nomination, the benefit will be payable to one or more of the Member's Dependants or the Member's estate in proportions determined by the Trustees.
- 3.13 Members are able to notify the Trustees of one or more of the Member's Dependants or the Member's estate who they wish to be considered in the payment of the death benefit. Members can do so by providing the Trustees with a Non-Binding Death Benefit Nomination. The Trustees however are not bound by the wishes set out in this non binding nomination.
- 3.14 Alternatively, Members may give a Binding Death Benefit Nomination to the Trustees nominating one or more of the Member's Dependants or the Member's estate to whom the Trustees will pay benefits on the Member's death. The Binding Death Benefit Nomination is binding on the Trustees.
- 3.15 Both types of nominations can be updated at any time and should be revised if circumstances change – for example marriage or children.
- 3.16 Death benefits are tax free if paid as a lump sum to death benefit dependants (as defined by section 302.195 of the Income Tax Assessment Act 1997) of the Member. Tax is payable on lump sum

payments to persons who are not death benefit dependants. The taxed element of a taxable component of a lump sum benefit paid to a non death benefit dependant will be taxed at 15 per cent plus Medicare levy. The untaxed element of a taxable component of a lump sum benefit paid to a non death benefit dependant will be taxed at 30 per cent plus Medicare levy.

- 3.17 Some persons who may qualify to receive a death benefit as a Dependant may be liable for tax on the benefit if they do not fall within the definition of a death benefit dependant.
- 3.18 Only a Pension Dependant can apply to receive a death benefit as a pension, but the taxation treatment will depend on the age of the deceased Member and the Pension Dependand and whether the pension is paid from an element taxed or untaxed in the fund. For a pension paid from an element taxed in the fund:
- (a) if the deceased Member was age 60 or over at the time of death, the pension payments to the Pension Dependand will be tax free;
 - (b) if the deceased Member was under age 60 at the time of death, the pension will be taxed at the Pension Dependand's marginal tax rate and, if the Pension Dependand has reached their preservation age, is eligible for a tax offset equal to 15% of the taxed element of the taxable component. If (or when) the Pension Dependand is aged 60 and over, the pension payment will be tax free.
- 3.19 The tax treatment of death benefits paid as pensions or lump sum payments will depend on whether the recipient is a death benefits dependant as defined in section 302.195 of the Tax Act.

3.20 Permanent Incapacity Benefit

A Member who suffers Permanent Incapacity may receive a benefit according to the value of the Member's Account, and may include the proceeds of any relevant insurance policy taken out by the Trustees.

3.21 Temporary Incapacity Benefit

In some cases an income stream benefit may be payable on a Member's Temporary Incapacity from the Member's Account or from the proceeds of an insurance policy if taken out by the Fund, to cover such an event.

3.22 Severe Financial Hardship

Members may apply for benefits to be paid on the basis of the Member's severe financial hardship in circumstances prescribed by the SIS Regulations.

3.23 Compassionate Grounds

A Member may apply to the Regulator for the release of benefits to the Member on compassionate grounds as set out in the SIS Regulations. A lump sum, not exceeding an amount determined by the Regulator will be paid to a Member if the Member satisfies the requirements of the SIS Regulations.

4. RISKS OF SUPER

- 4.1 The Trustees or directors of a Corporate Trustee, (and therefore the Members because they are the Trustees or directors) have full responsibility for the management and administration of the Fund.
- 4.2 This includes the significant function to invest contributions made to the Fund on behalf of Members. The Trustees are required to formulate an investment strategy to meet the Fund's investment objectives taking into account relevant circumstances, but they do not guarantee the performance of the Fund or any particular investment.
- 4.3 The performance of the Fund will depend on the success or otherwise of the investment strategy together with external factors, such as prevailing or changing economic conditions and future changes in superannuation law. The way in which the Fund performs, will affect the value of Benefits a Member will receive from the Fund.
- 4.4 All investments carry risk. Different investment strategies may carry different levels of risk depending on the assets that make up the strategy. There is no guarantee that investments will maintain their values and if the values decrease, this will reduce the value of the Member's Account. Assets with the highest long-term returns may also carry the highest level of short-term risk.

- 4.5 The level of risk for each Member will vary depending on their age, investment time frames, where other parts of the Member's wealth is invested and the Member's risk tolerance. The amount of a Member's future superannuation savings (including contributions and returns) may not be enough to provide adequately for the Member's retirement.
- 4.6 The Trustees may seek professional assistance in performing their management, administration and investment functions.
- 4.7 As control of the Fund rests with the Trustees, prospective Members should be aware that voting in Trustee meetings to make decisions regarding the administration, investment and management functions of the Fund is according to the method adopted for Trustees who are Members as set out in paragraph 5.4 below, or if the Trustee is a corporate Trustee, as discussed in paragraph 5.5 below.
- 4.8 Factors such as account labour standards, environmental, social or ethical matters are not taken into account in the selection, retention or realisation of investments.

5. HOW WE INVEST YOUR MONEY

- 5.1 Members of the Fund, or their LPR, must be either Trustees of the Fund or directors of a corporate Trustee of the Fund.
- 5.2 Trustees make decisions regarding the administration and management of the Fund, such as formulating, regularly reviewing and giving effect to the investment strategy and payment of Benefits to Members. Decisions will be made by Trustees at meetings.
- 5.3 The Trustees must comply with a number of strict duties and obligations specified in the SIS Act 1993 when making investment decisions. Failure to comply with the duties and obligations can result in the Trustees being subject to penalties and loss of complying status for the Fund.
- 5.4 Where the Trustees are persons, at the first Trustee meeting for the Fund the Trustees will decide whether
- (a) each Trustee at all meetings of Trustees will have the number of votes equivalent to the nearest dollar amount of the Member's Account balance of the Member they represent and certain amounts in Reserve, but no less than one vote each; or
 - (b) each Trustee at all meetings of Trustees will only be entitled to one vote each and only on a deadlock will a Trustee have the number of votes equivalent to the nearest dollar amount of the Member's Account balance of the Member they represent and certain amounts in Reserve.

If the Trustees do not make a decision between 5.3(a) and (b), 5.3(b) will apply to all meetings of Trustees.

- 5.5 If the Trustee is a company, the constitution of the company will determine the voting power of directors and legal advice should be sought by prospective Members regarding the company's constitution and the voting rights that will apply to Trustee's decisions as meetings.
- 5.6 Current investment strategies of the Fund are set out in Annexure 1 – "Investment strategies of the Fund".

6. FEES AND COSTS

- 6.1 The Trustee/s and the Director/s of the Corporate Trustee cannot charge the Fund fees for their services but can be reimbursed by the Fund for expenses incurred on behalf of the Fund in the management and administration of the Fund.
- 6.2 Fees and commissions may be paid by the Fund to the providers of financial products to the Fund where the Fund elects to invest in those financial products.
- 6.3 A fee may be paid by the Fund to a financial advisor if a financial advisor is consulted.
- 6.4 Any current fees payable in respect of the Fund are set out in Annexure 2 – Fees and Costs.

7. HOW SUPER IS TAXED

- 7.1 You must provide your correct tax file number when you join the Fund. If you do not do so, the Fund cannot accept contributions. Non tax file number contributions income attracts an additional tax of 31.5% and any contributions that are accepted by the Fund must be refunded to the Member.
- 7.2 The Fund will attract concessional taxation treatment provided it remains a Regulated Superannuation Fund and a Complying Superannuation Fund.
- 7.3 Tax is payable by the Fund on deductible or concessional contributions to the Fund and investment earnings of the Fund.
- 7.4 Taxation of contributions and Benefits is complex and it is recommended that professional advice from a taxation advisor is sought.
- 7.5 Benefits paid from a taxed source either as a lump sum or pension will be tax free when paid to Members who are 60 years of age or older.
- 7.6 Superannuation benefits paid from a taxed source to Members who are under 60 years of age are subject to tax as follows:
- (a) the exempt component will be paid tax free and comprises: the pre-July 83 component; the CGT exempt component; the post-June 1994 invalidity component; the concessional component and the non-concessional (post-tax) contributions;
 - (b) the taxable component comprises the current post-June 1983 component and the non qualifying component and is subject to varying rates of tax depending on the Member's age. If the Member is below their preservation age, the tax rate will be 20% plus Medicare levy on the whole amount. For Members of preservation age to age 59, from 2011/12 income year it will be paid tax free up to the low-rate cap amount of \$165,000.00 increasing to \$175,000.00 in 2012/13 income year and amounts above the cap will be taxed at 15 per cent plus Medicare levy;
 - (c) the taxable component of a Pension paid to a Member who is under 60 years of age but has reached their preservation age, is taxed as assessable income and the Member is entitled to a pension rebate or tax offset equal to 15% of the taxable component of the pension; and
 - (d) once the Member receiving the Pension turns 60, their pension will be tax free;
- 7.7 Tax offsets may be available on certain contributions made for a non working or low income Member by the Member's spouse. Tax deductions may also be available for contributions by self-employed persons or by an employer for its employees.

8. INSURANCE IN YOUR SUPER

As part of the investment strategy, the Trustees are required to consider whether they should hold a contract of insurance for one or more Members of the Fund. If the Trustees of the Fund elect to hold such a contract of insurance, the Trustees are required to give particulars set out in **Annexure 3** to the Members of the Fund.

9. HOW TO OPEN AN ACCOUNT AND ADDITIONAL INFORMATION

9.1 Becoming a Member

A person wishing to become a Member of the Fund must complete and submit an Application Form to the Trustees and must have read and agreed to be bound by the Fund's Deed and Rules.

9.2 Cooling off period

- (a) There is no cooling-off period applicable to membership in this Fund.
- (b) Members can cancel their membership at any time; however, once contributions have been made to the Fund, it must be preserved in the superannuation system until a condition of release is satisfied.

9.3 **Dispute resolution**

- (a) The Trustees are bound to act in accordance with the Fund Deed.
- (b) Self managed superannuation funds are specifically excluded from the jurisdiction of the Superannuation Complaints Tribunal. Legal advice should be sought if Members are dissatisfied with the Trustees' decisions.

9.4 **Annual reporting**

Each financial year, the Trustees will prepare the Fund's accounts and Members' statements disclosing financial and other information required under the SIS Act and Regulations.

EXECUTED by
Jane Anne McMahon



.....
Signature

20 / 11 / 2013
.....
Date

ANNEXURE 1 – Investment strategies of the Fund

1. Name of investment strategy:

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2. Description of investment strategy:

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3. Assets classes invested:

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4. Investment return objective:

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5. Minimum suggested time frame for holding the investment:

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6. The risk level of the investment strategy:

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ANNEXURE 2 – Fees & Costs

Type of Fees & Costs	
Fees when your money moves in or out of the Fund	Amount
Establishment fee	N/A
Contribution fee	N/A
Withdrawal fee	N/A
Termination fee	N/A
Management costs	
The fees and costs for managing the Fund	\$
Fees payable to financial advisors	
Advisor service fees	\$

[Note: If there are service fees, such as advisor service fees or acquired financial product fees, you may include a cross reference to the document that contains the information.]

The Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a superannuation or managed investment fee calculator to help you calculate the effect of fees and costs on account balances.

ANNEXURE 3 – Contract of insurance

1. If the Trustees of the Fund elect to hold a contract of insurance, the Trustees are required to provide the following information to the Members of the Fund:
 - (a) describe, in the form of a summary, the main types of insurance cover that a person can acquire; and
 - (b) describe, in the form of a summary, how to apply for insurance cover; and
 - (c) include a statement to the effect that there are costs associated with insurance cover; and
 - (d) describe, in the form of a summary, who is responsible for paying the insurance costs and how they are calculated.

2. If the Trustees of the Fund offer insurance cover by default, the Trustees are required to provide the following information to the Members of the Fund:
 - (a) describe, in the form of a summary, the level and type of cover; and
 - (b) state:
 - (i) the actual cost of the cover in dollars, or the range of costs that would be payable depending on a person's circumstances; and
 - (ii) who is responsible for paying the costs; and
 - (c) state whether a person can:
 - (i) decline to acquire the cover; or
 - (ii) cancel the cover; and
 - (d) state how a person can decline to acquire the cover or cancel the cover; and
 - (e) state whether a person can change the person's insurance cover; and
 - (f) state how a person can change the person's insurance cover; and
 - (g) state, in the form of a warning, that, unless a person declines to acquire the default insurance cover or cancels it, the cost of the cover will be deducted from the person's account or from the person's contributions (as applicable); and
 - (h) include information about eligibility for, and the cancellation of, the insurance cover; and
 - (i) include information about any conditions and exclusions that are applicable to the insurance cover.

3. If the Trustees of the Fund do not offer insurance cover by default, but offers insurance cover as an option, the Trustees are required to provide the following information to the Members of the Fund:
 - (a) the level and type of insurance cover available;
 - (b) the actual cost of the cover in dollars, or the range of costs that would be payable depending on a person's circumstances;
 - (c) eligibility for, and the cancellation of, the insurance cover;

- (d) conditions and exclusions that are applicable to the insurance cover;
- (e) other significant matter in relation to insurance cover, for example:
 - (i) Information about how a person can apply for the insurance cover.
 - (ii) Information about how a person can subsequently change or cancel the insurance cover.

4. The Trustee of the Fund:

- (a) may provide information in paragraph 2(h) and (i) and paragraph 3 above; and
- (b) may provide additional information about insurance cover;

by applying, adopting or incorporating a matter in writing.

5. If information about:

- (a) eligibility for, or the cancellation of, the insurance cover; or
- (b) any conditions and exclusions that are applicable to the insurance cover;

is provided for in accordance with paragraph (4), the Trustees must include a warning to the effect that the matter may affect a person's entitlement to insurance cover and that the information should be read before deciding whether the insurance is appropriate.

6. If information about:

- (a) the level and type of optional insurance cover available; or
- (b) the actual cost of the optional insurance cover in dollars, or the range of costs that would be payable depending on a person's circumstances; or
- (c) any other significant matter in relation to insurance cover;

is provided for in accordance with paragraph 4, the Trustees must include a warning to the effect that the information should be read before deciding whether the insurance is appropriate.

Product Disclosure Statement

Fund Name: TC & JA McMahon Superannuation Fund

Trustee: TCJA Superannuation Pty Ltd
ACN 166 737 266

Trustee Phone Number:

0412 981 045

Member: Terence Conway McMahon

Date of issue: 20 / 11 / 2013

This **Product Disclosure Statement** (PDS) is a summary of significant information and contains a number of references to important information (each of which forms part of the PDS). You should consider this information before making a decision about the Fund. The information provided in the PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

Contents

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9.	How to Open an Account and Additional Information	7
1.	ABOUT THE FUND	
1.1	The Fund as a Regulated Superannuation Fund and a Complying Superannuation Fund under the <i>Superannuation Industry (Supervision) Act (1993)</i> (SIS Act) is eligible for concessional tax treatment under the Tax Act. The regulator of the Fund is the Australian Taxation Office.	
1.2	The provisions of the Fund are set out in the Fund's Deed and Rules. The Fund will also comply with the standards set out in the SIS Act and SIS Regulations.	
1.3	The Trustees issues this Product Disclosure Statement (PDS) to existing and prospective new Members (if any) of the Fund.	
1.4	The purpose of this PDS is to provide persons interested in becoming Members of the Fund with relevant information about the provisions of the Fund.	
1.5	The <i>Corporations Act 2001</i> and Regulations provides that Members who become members of the Fund when it is established, are to be given this PDS as soon as practicable but within 3 months of becoming a Member. Other Members are to be given the PDS at the time they join the Fund.	
1.6	Terms and phrases used in this PDS are defined in the Rules of the Fund, which are part of the Fund Deed	
1.7	The Fund must have fewer than 5 Members.	
1.8	Members of the Fund or their legal personal representative (LPR) must be either trustees of the Fund or directors of a corporate trustee.	
1.9	A Member cannot be the Employer of another Member, unless they are Relatives.	
1.10	In the case of a sole or one member Fund, the Member (or LPR) may be the sole director of a corporate Trustee or there may be two directors who are the Member (or LPR) and another person who is not an employer of the Member unless they are the Relative of the Member. Where the Trustee is not a corporate Trustee, the Member (or LPR) and another person who is not an employer of the Member unless they are the Relative of the Member, must be the Trustees of the Fund.	

2. HOW SUPER WORKS

- 2.1 Superannuation is a means of saving for retirement, which is, in part, compulsory. Most employees may choose the superannuation fund into which their employer will pay their superannuation guarantee contributions.
- 2.2 The primary purpose of a Fund, where the Trustees are persons, is to provide benefits in the form of old age pensions for its Members.
- 2.3 If the Trustee is a corporate trustee, benefits may be paid by lump sum payment when an appropriate condition of release has been met.
- 2.4 Contributions are made to the Fund on behalf of each Member and credited to the Member's Account. The Fund invests these contributions and amounts (e.g. earnings on investments) are credited to the Member's Account. Amounts (e.g. Fund expenses, tax and losses) are debited to Member's Account.
- 2.5 A Member's benefit is preserved in the Fund and cannot be received by the Member until such time as the Member satisfies a condition of release, such as retirement, death, permanent incapacity, attaining age 65. At that time, a Benefit representing the balance of the Member's Account and/or the proceeds of death or disability insurance taken out by the Fund, if any, may be payable to the Member. The Benefit may be in the form of a lump sum payment or Pension or both, depending on the Rules of the Fund and the provisions of the Act.
- 2.6 A Member and others, such as employers, the Government (by co-contributions), spouses, may make contributions to the Fund on behalf of a Member.
- 2.7 Members may apply to split contributions with their spouse.
- 2.8 There are limits to the amount of contributions that can be made, and there are tax implications should contributions exceed certain capped amounts.
- 2.9 There are two types of contributions: concessional and non-concessional.
- 2.10 In general, all concessional contributions are included in the assessable income of the Fund. They include employer contributions, salary sacrifice contributions, deductible contributions made by a Member, super guarantee amounts transferred to the Fund.
- 2.11 Concessional (or tax deductible) contributions made to the Fund on behalf of a Member are capped in the 2010-2011 to \$25,000.00 per annum. For Members who are 50 or over on 30 June in a financial year concessional contributions are capped to \$50,000.00 per annum until 30 June 2012. From 1 July 2012 concessional contributions will be capped at \$25,000.
- 2.12 Concessional contributions are taxed at 15% in the hands of the Fund. Concessional contributions in excess of the cap will be taxed in the hands of the Member for an additional 31.5%. That additional tax can be paid from the Member's entitlement in the Fund at the Member's request. Excess concessional contributions will be counted against the Member's non-concessional contributions cap, as set out below.
- 2.13 Members aged between 65 and under 75, who wish to contribute to the Fund, must satisfy the work test (currently 40 hours work in a consecutive 30 day period each financial year). The Fund cannot accept contributions from Members aged 75 or more (except those contributions an employer is required to make under an industrial award or agreement).
- 2.14 Non-concessional contributions are generally after tax contributions for which no tax deduction is claimed. For instance, they will include personal contributions made by a Member for which they do not claim a tax deduction.
- 2.15 Members can make non-concessional contributions when they are:
- (a) under 65 years of age, and may contribute up to \$150,000.00 per annum or \$450,000.00 over 3 years under a bring forward option; or
 - (b) between 65 years and under 75 years of age, and may contribute up to \$150,000.00 per annum (no averaging) provided the Member satisfies the work test.

- 2.16 Non-concessional contributions within the above limits will be tax free when contributed or withdrawn from the Fund. The earnings in the Fund on non-concessional contributions are taxed concessional at 15 per cent in the Fund.
- 2.17 Contributions made in excess of the non-concessional contributions cap are taxed at 46.50%.
- 2.18 As specific rules apply Members should seek professional advice when making such contributions to avoid adverse taxation consequences.

3. **BENEFITS OF INVESTING WITH THE FUND**

- 3.1 Benefits, based on the value of the Member's Account, are payable to Members as a lump sum payment or pension or both as permitted by the Rules of the Fund and the Act and when a condition of release is satisfied. Until a condition of release is satisfied a Member cannot obtain access to the Member's Benefit.
- 3.2 A Member is not compelled to withdraw benefits from the Fund and they may remain in the Fund indefinitely. A Member may elect to transfer their benefit from the Fund to a Superannuation Entity. If the Trustee expels a Member from the Fund, at the Trustee's discretion, the Member's benefit will be paid to the Superannuation Entity nominated by the Member, and if none is nominated, to an Eligible Rollover Fund chosen by the Trustee.
- 3.3 The value of the Member's Account is calculated based on contributions made for a Member, increases or decreases in the value of the Fund's investments and accrued income on contributions and investments less payment of taxes, Fund expenses and investment losses.

3.4 **Retirement**

On a Member's retirement (as defined by the SIS Regulations) or when turning 65 years, a Member will be entitled to payment of a Benefit calculated according to the value of the Member's Account.

Member benefits will be paid by the Trustees as permitted under SIS Act and Regulations in the form of a lump sum or a Pension or a combination of both.

3.5 **Pension Benefits**

The Trustee may permit a Member to elect to receive their lump sum Benefit in the form of an income stream called a Pension.

Pensions paid by the Fund after 1 July 2007 will be account based pensions.

A person can commence an account based pension in accordance with the rules that require:

- (a) the total payments made annually must be at least the amount calculated using the applicable percentage amount in the table below of the pension account balance. There is no maximum limit on the amount of annual payments that can be made.
- (b) an amount or percentage of the pension cannot be prescribed as being left over when the pension ceases;
- (c) the pension's capital value and the income from it cannot be used as security for borrowing;
- (d) the pension can be commuted;
- (e) the pension may be transferable to a Pension Dependant only on the death of the pensioner; and

- (f) the pension account balance cannot be increased by contributions or rollovers.

Age of member	Minimum % to be taken*	Minimum % to be taken – drawdown relief 11/12 & 12/13*
< 65	4	3
65 – 74	5	3.75
75 – 79	6	4.5
80 – 84	7	5.25
85 – 89	9	6.75
90 – 94	11	8.25
> 95	14	10.5

* Note these withdrawal factors are indicative only. Refer to pro-rating, rounding and other rules in the SIS regulations to determine precise minimum annual payments.

- 3.6 A Transition to Retirement Pension may be paid to a Member who has reached their preservation age, as set out below, but continues to work. This pension is an account based pension that must meet certain other requirements, as follows:
- (a) total pension payments in any year must be no greater than 10% of the account balance at the start of that year; and
 - (b) the pension cannot be commuted and taken as a lump sum until the member meets a condition of release of retirement (as defined in the SIS Regulations), death, Permanent Incapacity or attaining age 65.
- 3.7 The preservation age depends on the date of birth of the Member as follows:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
After 30 June 1964	60

- 3.8 The Trustees may make available any other form of pension permitted by the Act.
- 3.9 When a Member wishes to commence a Pension, the Trustee will outline the terms and conditions of the proposed Pension which on acceptance by the Member will be incorporated as a Rule of the Fund.
- 3.10 Death Benefits**
- 3.11 If a Member dies, a benefit is payable calculated according to the value of the Member's Account, and may include the proceeds of any relevant insurance policy taken out by the Trustees.
- 3.12 In the absence of a valid Binding Death Benefit Nomination, the benefit will be payable to one or more of the Member's Dependants or the Member's estate in proportions determined by the Trustees.
- 3.13 Members are able to notify the Trustees of one or more of the Member's Dependants or the Member's estate who they wish to be considered in the payment of the death benefit. Members can do so by providing the Trustees with a Non-Binding Death Benefit Nomination. The Trustees however are not bound by the wishes set out in this non binding nomination.
- 3.14 Alternatively, Members may give a Binding Death Benefit Nomination to the Trustees nominating one or more of the Member's Dependants or the Member's estate to whom the Trustees will pay benefits on the Member's death. The Binding Death Benefit Nomination is binding on the Trustees.
- 3.15 Both types of nominations can be updated at any time and should be revised if circumstances change – for example marriage or children.
- 3.16 Death benefits are tax free if paid as a lump sum to death benefit dependants (as defined by section 302.195 of the Income Tax Assessment Act 1997) of the Member. Tax is payable on lump sum

payments to persons who are not death benefit dependants. The taxed element of a taxable component of a lump sum benefit paid to a non death benefit dependant will be taxed at 15 per cent plus Medicare levy. The untaxed element of a taxable component of a lump sum benefit paid to a non death benefit dependant will be taxed at 30 per cent plus Medicare levy.

- 3.17 Some persons who may qualify to receive a death benefit as a Dependant may be liable for tax on the benefit if they do not fall within the definition of a death benefit dependant.
- 3.18 Only a Pension Dependant can apply to receive a death benefit as a pension, but the taxation treatment will depend on the age of the deceased Member and the Pension Dependant and whether the pension is paid from an element taxed or untaxed in the fund. For a pension paid from an element taxed in the fund:
- (a) if the deceased Member was age 60 or over at the time of death, the pension payments to the Pension Dependant will be tax free;
 - (b) if the deceased Member was under age 60 at the time of death, the pension will be taxed at the Pension Dependant's marginal tax rate and, if the Pension Dependant has reached their preservation age, is eligible for a tax offset equal to 15% of the taxed element of the taxable component. If (or when) the Pension Dependant is aged 60 and over, the pension payment will be tax free.
- 3.19 The tax treatment of death benefits paid as pensions or lump sum payments will depend on whether the recipient is a death benefits dependant as defined in section 302.195 of the Tax Act.

3.20 **Permanent Incapacity Benefit**

A Member who suffers Permanent Incapacity may receive a benefit according to the value of the Member's Account, and may include the proceeds of any relevant insurance policy taken out by the Trustees.

3.21 **Temporary Incapacity Benefit**

In some cases an income stream benefit may be payable on a Member's Temporary Incapacity from the Member's Account or from the proceeds of an insurance policy if taken out by the Fund, to cover such an event.

3.22 **Severe Financial Hardship**

Members may apply for benefits to be paid on the basis of the Member's severe financial hardship in circumstances prescribed by the SIS Regulations.

3.23 **Compassionate Grounds**

A Member may apply to the Regulator for the release of benefits to the Member on compassionate grounds as set out in the SIS Regulations. A lump sum, not exceeding an amount determined by the Regulator will be paid to a Member if the Member satisfies the requirements of the SIS Regulations.

4. **RISKS OF SUPER**

- 4.1 The Trustees or directors of a Corporate Trustee, (and therefore the Members because they are the Trustees or directors) have full responsibility for the management and administration of the Fund.
- 4.2 This includes the significant function to invest contributions made to the Fund on behalf of Members. The Trustees are required to formulate an investment strategy to meet the Fund's investment objectives taking into account relevant circumstances, but they do not guarantee the performance of the Fund or any particular investment.
- 4.3 The performance of the Fund will depend on the success or otherwise of the investment strategy together with external factors, such as prevailing or changing economic conditions and future changes in superannuation law. The way in which the Fund performs, will affect the value of Benefits a Member will receive from the Fund.
- 4.4 All investments carry risk. Different investment strategies may carry different levels of risk depending on the assets that make up the strategy. There is no guarantee that investments will maintain their values and if the values decrease, this will reduce the value of the Member's Account. Assets with the highest long-term returns may also carry the highest level of short-term risk.

- 4.5 The level of risk for each Member will vary depending on their age, investment time frames, where other parts of the Member's wealth is invested and the Member's risk tolerance. The amount of a Member's future superannuation savings (including contributions and returns) may not be enough to provide adequately for the Member's retirement.
- 4.6 The Trustees may seek professional assistance in performing their management, administration and investment functions.
- 4.7 As control of the Fund rests with the Trustees, prospective Members should be aware that voting in Trustee meetings to make decisions regarding the administration, investment and management functions of the Fund is according to the method adopted for Trustees who are Members as set out in paragraph 5.4 below, or if the Trustee is a corporate Trustee, as discussed in paragraph 5.5 below.
- 4.8 Factors such as account labour standards, environmental, social or ethical matters are not taken into account in the selection, retention or realisation of investments.

5. HOW WE INVEST YOUR MONEY

- 5.1 Members of the Fund, or their LPR, must be either Trustees of the Fund or directors of a corporate Trustee of the Fund.
- 5.2 Trustees make decisions regarding the administration and management of the Fund, such as formulating, regularly reviewing and giving effect to the investment strategy and payment of Benefits to Members. Decisions will be made by Trustees at meetings.
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- 5.4 Where the Trustees are persons, at the first Trustee meeting for the Fund the Trustees will decide whether
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 - (b) each Trustee at all meetings of Trustees will only be entitled to one vote each and only on a deadlock will a Trustee have the number of votes equivalent to the nearest dollar amount of the Member's Account balance of the Member they represent and certain amounts in Reserve.

If the Trustees do not make a decision between 5.3(a) and (b), 5.3(b) will apply to all meetings of Trustees.

- 5.5 If the Trustee is a company, the constitution of the company will determine the voting power of directors and legal advice should be sought by prospective Members regarding the company's constitution and the voting rights that will apply to Trustee's decisions as meetings.
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- 7.3 Tax is payable by the Fund on deductible or concessional contributions to the Fund and investment earnings of the Fund.
- 7.4 Taxation of contributions and Benefits is complex and it is recommended that professional advice from a taxation advisor is sought.
- 7.5 Benefits paid from a taxed source either as a lump sum or pension will be tax free when paid to Members who are 60 years of age or older.
- 7.6 Superannuation benefits paid from a taxed source to Members who are under 60 years of age are subject to tax as follows:
- (a) the exempt component will be paid tax free and comprises: the pre-July 83 component; the CGT exempt component; the post-June 1994 invalidity component; the concessional component and the non-concessional (post-tax) contributions;
 - (b) the taxable component comprises the current post-June 1983 component and the non qualifying component and is subject to varying rates of tax depending on the Member's age. If the Member is below their preservation age, the tax rate will be 20% plus Medicare levy on the whole amount. For Members of preservation age to age 59, from 2011/12 income year it will be paid tax free up to the low-rate cap amount of \$165,000.00 increasing to \$175,000.00 in 2012/13 income year and amounts above the cap will be taxed at 15 per cent plus Medicare levy;
 - (c) the taxable component of a Pension paid to a Member who is under 60 years of age but has reached their preservation age, is taxed as assessable income and the Member is entitled to a pension rebate or tax offset equal to 15% of the taxable component of the pension; and
 - (d) once the Member receiving the Pension turns 60, their pension will be tax free;
- 7.7 Tax offsets may be available on certain contributions made for a non working or low income Member by the Member's spouse. Tax deductions may also be available for contributions by self-employed persons or by an employer for its employees.

8. INSURANCE IN YOUR SUPER

As part of the investment strategy, the Trustees are required to consider whether they should hold a contract of insurance for one or more Members of the Fund. If the Trustees of the Fund elect to hold such a contract of insurance, the Trustees are required to give particulars set out in **Annexure 3** to the Members of the Fund.

9. HOW TO OPEN AN ACCOUNT AND ADDITIONAL INFORMATION

9.1 Becoming a Member

A person wishing to become a Member of the Fund must complete and submit an Application Form to the Trustees and must have read and agreed to be bound by the Fund's Deed and Rules.

9.2 Cooling off period

- (a) There is no cooling-off period applicable to membership in this Fund.
- (b) Members can cancel their membership at any time; however, once contributions have been made to the Fund, it must be preserved in the superannuation system until a condition of release is satisfied.

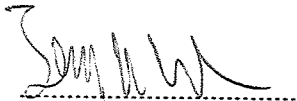
9.3 Dispute resolution

- (a) The Trustees are bound to act in accordance with the Fund Deed.
- (b) Self managed superannuation funds are specifically excluded from the jurisdiction of the Superannuation Complaints Tribunal. Legal advice should be sought if Members are dissatisfied with the Trustees' decisions.

9.4 Annual reporting

Each financial year, the Trustees will prepare the Fund's accounts and Members' statements disclosing financial and other information required under the SIS Act and Regulations.

EXECUTED by
Terence Conway McMahon



Signature

20 / 11 / 2013

Date

ANNEXURE 1 – Investment strategies of the Fund

1. Name of investment strategy:

.....
.....
.....

2. Description of investment strategy:

.....
.....
.....

3. Assets classes invested:

.....
.....
.....

4. Investment return objective:

.....
.....
.....

5. Minimum suggested time frame for holding the investment:

.....
.....
.....

6. The risk level of the investment strategy:

.....
.....
.....

ANNEXURE 2 – Fees & Costs

Type of Fees & Costs	
Fees when your money moves in or out of the Fund	Amount
Establishment fee	N/A
Contribution fee	N/A
Withdrawal fee	N/A
Termination fee	N/A
Management costs	
The fees and costs for managing the Fund	\$
Fees payable to financial advisors	
Advisor service fees	\$

[Note: If there are service fees, such as advisor service fees or acquired financial product fees, you may include a cross reference to the document that contains the information.]

The Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a superannuation or managed investment fee calculator to help you calculate the effect of fees and costs on account balances.



20 November 2013

Reference: SFA4843

Bill Walker

Charter Group

Level 8, 225-233 Clarence Street
Sydney NSW 2000

Dear Bill,

TC & JA McMahon Superannuation Fund

Thank you for your order.

In accordance with your instructions, please find **enclosed** documentation relating to the above named fund with a copy of the tax invoice attached.

All documents have been prepared according to your instructions and Reckon Docs' production methods are designed to minimise errors. Being legal documents, upon execution and completion, please ensure that all details are correct.

Enclosed are the following:

- original copy of Replacement and Rule Amendment Deed;
- minute of Meeting in regards to the Replacement and Rule Amendment Deed; and
- a product disclosure statement for each member

Once you are satisfied, please arrange for your client to take the following action:

- minute to be dated, signed and filed for record;
- consent forms to be executed by the New Trustee and filed for record;
- download the Trustee declaration form from www.ato.gov.au, to be read, completed, signed by the New Trustee and filed for record;
- each member to read and sign the product disclosure statement; and
- sign where indicated in the Replacement and Rule Amendment Deed.

Please forward the executed copy of the deed to the stamp duties office attached with a cheque where applicable. Please refer to the stamp duty chart **enclosed**.

Thank you for your business. Should you wish to discuss any matter regarding this order, please contact Reckon Docs' help desk on **1300 139 001** and quote the reference number above.

With regards,

Reckon Docs

ANNEXURE 3 – Contract of Insurance

1. If the Trustees of the Fund elect to hold a contract of insurance, the Trustees are required to provide the following information to the Members of the Fund:
 - (a) describe, in the form of a summary, the main types of insurance cover that a person can acquire; and
 - (b) describe, in the form of a summary, how to apply for insurance cover; and
 - (c) include a statement to the effect that there are costs associated with insurance cover; and
 - (d) describe, in the form of a summary, who is responsible for paying the insurance costs and how they are calculated.

2. If the Trustees of the Fund offer insurance cover by default, the Trustees are required to provide the following information to the Members of the Fund:
 - (a) describe, in the form of a summary, the level and type of cover; and
 - (b) state:
 - (i) the actual cost of the cover in dollars, or the range of costs that would be payable depending on a person's circumstances; and
 - (ii) who is responsible for paying the costs; and
 - (c) state whether a person can:
 - (i) decline to acquire the cover; or
 - (ii) cancel the cover; and
 - (d) state how a person can decline to acquire the cover or cancel the cover; and
 - (e) state whether a person can change the person's insurance cover; and
 - (f) state how a person can change the person's insurance cover; and
 - (g) state, in the form of a warning, that, unless a person declines to acquire the default insurance cover or cancels it, the cost of the cover will be deducted from the person's account or from the person's contributions (as applicable); and
 - (h) include information about eligibility for, and the cancellation of, the insurance cover; and
 - (i) include information about any conditions and exclusions that are applicable to the insurance cover.

3. If the Trustees of the Fund do not offer insurance cover by default, but offers insurance cover as an option, the Trustees are required to provide the following information to the Members of the Fund:
 - (a) the level and type of insurance cover available;
 - (b) the actual cost of the cover in dollars, or the range of costs that would be payable depending on a person's circumstances;
 - (c) eligibility for, and the cancellation of, the insurance cover;

- (d) conditions and exclusions that are applicable to the insurance cover;
- (e) other significant matter in relation to insurance cover, for example:
 - (i) Information about how a person can apply for the insurance cover.
 - (ii) Information about how a person can subsequently change or cancel the insurance cover.

4. The Trustee of the Fund:

- (a) may provide information in paragraph 2(h) and (i) and paragraph 3 above; and
- (b) may provide additional information about insurance cover;

by applying, adopting or incorporating a matter in writing.

5. If information about:

- (a) eligibility for, or the cancellation of, the insurance cover; or
- (b) any conditions and exclusions that are applicable to the insurance cover;

is provided for in accordance with paragraph (4), the Trustees must include a warning to the effect that the matter may affect a person's entitlement to insurance cover and that the information should be read before deciding whether the insurance is appropriate.

6. If information about:

- (a) the level and type of optional insurance cover available; or
- (b) the actual cost of the optional insurance cover in dollars, or the range of costs that would be payable depending on a person's circumstances; or
- (c) any other significant matter in relation to insurance cover;

is provided for in accordance with paragraph 4, the Trustees must include a warning to the effect that the information should be read before deciding whether the insurance is appropriate.

Binding Death Benefit Nomination ("Binding Nomination")

TC & JA McMahon Superannuation Fund

I, Terence Conway McMahon of as a Member of the Fund, hereby direct the Trustee to pay my benefits in the Fund on or after my death as follows:

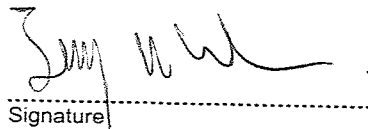
Full name of nominated beneficiary	Relationship	Form of payment (lump sum or pension)*	% of benefits
Total			100%

* failure to make a selection for form of payment or making an invalid selection for form of payment will not invalidate this Binding Nomination and the form of payment will be at the Trustee's discretion.

I understand that:

- This Binding Nomination revokes any previous Binding Nomination I have made;
- I can amend or revoke this Binding Nomination at any time by providing a new signed and dated Binding Nomination to the Trustee or providing written notice of the revocation to the Trustee;
- unless amended or withdrawn earlier, this Binding Nomination is binding on the Trustee for an indefinite term unless I have stipulated otherwise;
- this Binding Nomination is deemed invalid if completed incorrectly; and
- I have nominated persons who are "Dependants" and/or my Legal Personal Representative ("LPR") as outlined in the Fund's Rules. If the persons I have nominated are not my Dependants and/or LPR this Binding Nomination will not be valid and my Trustee will assume sole discretion for the payment of my Benefits following my death.

I acknowledge that I have received information from the Trustee that explains my rights to direct the Trustee to pay my Death Benefit in accordance with this Binding Nomination:



Signature

20/11/2013

Date

Witness declaration

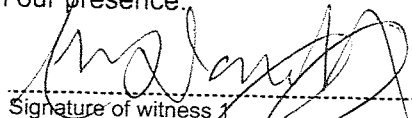
We declare that we are aged 18 years or older, not listed as beneficiaries above and that this Binding Nomination was executed by the member in our presence:

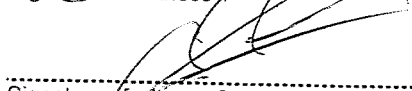
CHARMAINE McDONALD

Please print name of witness 1

Chris McMahon

Please print name of witness 2


Signature of witness 1


Signature of witness 2

Non-Binding Death Benefit Nomination ("Non-Binding Nomination")

TC & JA McMahon Superannuation Fund

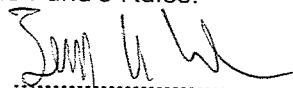
I, Terence Conway McMahon of as a Member of the Fund, hereby direct the Trustee to pay my benefits in the Fund on or after my death as follows:

Full name of nominated beneficiary	Relationship	Form of payment (lump sum or pension)	% of benefits
Total			100%

I understand that:

- **This Non-Binding Nomination is not-binding on the Trustee. The Trustee at its sole discretion may choose, but is not obliged, to pay my Benefits to the persons nominated in this Non-Binding Nomination;**
- This Non-Binding Nomination revokes any previous Non-Binding Nomination I have made;
- I can amend or revoke this Non-Binding Nomination at any time by providing a new signed and dated Non-Binding Nomination to the Trustee or providing written notice of the revocation to the Trustee;
- this Non-Binding Nomination will be disregarded by the Trustee if completed incorrectly; and
- I have nominated persons who are "Dependants" and/or my Legal Personal Representative ("LPR") as outlined in the Fund's Rules.

I acknowledge that I have received information from the Trustee that explains my rights to direct the Trustee to pay my Death Benefit in accordance with this Non-Binding Nomination:



Signature

20/11/2013

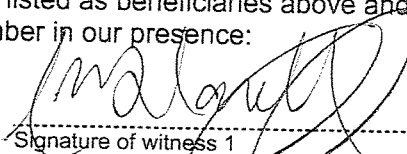
Date

Witness declaration*

We declare that we are aged 18 years or older, not listed as beneficiaries above and that this Non-Binding Nomination was executed by the member in our presence:

CHARMANE McDONALD


Please print name of witness 1



Signature of witness 1

Chris McMahon

Please print name of witness 2



Signature of witness 2

* Witnesses are not required for non-binding nominations, but recommended to minimise fraud.

Non-Binding Death Benefit Nomination ("Non-Binding Nomination")

TC & JA McMahon Superannuation Fund

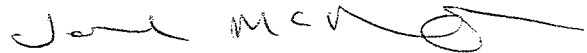
I, Jane Anne McMahon of as a Member of the Fund, hereby direct the Trustee to pay my benefits in the Fund on or after my death as follows:

Full name of nominated beneficiary	Relationship	Form of payment (lump sum or pension)	% of benefits
Total			100%

I understand that:

- **This Non-Binding Nomination is not-binding on the Trustee. The Trustee at its sole discretion may choose, but is not obliged, to pay my Benefits to the persons nominated in this Non-Binding Nomination;**
- This Non-Binding Nomination revokes any previous Non-Binding Nomination I have made;
- I can amend or revoke this Non-Binding Nomination at any time by providing a new signed and dated Non-Binding Nomination to the Trustee or providing written notice of the revocation to the Trustee;
- this Non-Binding Nomination will be disregarded by the Trustee if completed incorrectly; and
- I have nominated persons who are "Dependants" and/or my Legal Personal Representative ("LPR") as outlined in the Fund's Rules.

I acknowledge that I have received information from the Trustee that explains my rights to direct the Trustee to pay my Death Benefit in accordance with this Non-Binding Nomination:

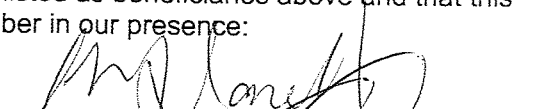

Signature

20/11/2013
Date

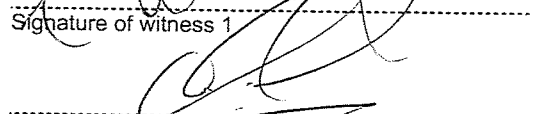
Witness declaration*

We declare that we are aged 18 years or older, not listed as beneficiaries above and that this Non-Binding Nomination was executed by the member in our presence:

CHARMAINE McDONALD
Please print name of witness 1


Signature of witness 1

Chris McMahon
Please print name of witness 2


Signature of witness 2

* Witnesses are not required for non-binding nominations, but recommended to minimise fraud.

Binding Death Benefit Nomination ("Binding Nomination")

TC & JA McMahon Superannuation Fund

I, Jane Anne McMahon of as a Member of the Fund, hereby direct the Trustee to pay my benefits in the Fund on or after my death as follows:


Full name of nominated beneficiary	Relationship	Form of payment (lump sum or pension)*	% of benefits
Total			100%

* failure to make a selection for form of payment or making an invalid selection for form of payment will not invalidate this Binding Nomination and the form of payment will be at the Trustee's discretion.

I understand that:

- This Binding Nomination revokes any previous Binding Nomination I have made;
- I can amend or revoke this Binding Nomination at any time by providing a new signed and dated Binding Nomination to the Trustee or providing written notice of the revocation to the Trustee;
- unless amended or withdrawn earlier, this Binding Nomination is binding on the Trustee for an indefinite term unless I have stipulated otherwise;
- this Binding Nomination is deemed invalid if completed incorrectly; and
- I have nominated persons who are "Dependants" and/or my Legal Personal Representative ("LPR") as outlined in the Fund's Rules. If the persons I have nominated are not my Dependants and/or LPR this Binding Nomination will not be valid and my Trustee will assume sole discretion for the payment of my Benefits following my death.

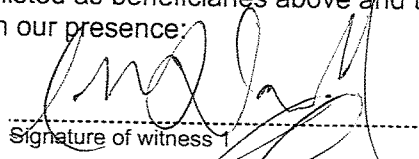
I acknowledge that I have received information from the Trustee that explains my rights to direct the Trustee to pay my Death Benefit in accordance with this Binding Nomination:


Signature
20/11/2013
Date


Witness declaration

We declare that we are aged 18 years or older, not listed as beneficiaries above and that this Binding Nomination was executed by the member in our presence:

CHARMAINE McDONAWD
Please print name of witness 1


Signature of witness 1

Chris McMahon
Please print name of witness 2


Signature of witness 2



20 November 2013

Reference: SFA4843

Bill Walker

Charter Group

Level 8, 225-233 Clarence Street

Sydney NSW 2000

Dear Bill,

TC & JA McMahon Superannuation Fund

Thank you for your order.

In accordance with your instructions, please find **enclosed** documentation relating to the above named fund with a copy of the tax invoice attached.

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Once you are satisfied, please arrange for your client to take the following action:

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- consent forms to be executed by the New Trustee and filed for record;
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Thank you for your business. Should you wish to discuss any matter regarding this order, please contact Reckon Docs' help desk on **1300 139 001** and quote the reference number above.

With regards,
Reckon Docs