

MEMBER BENEFIT ENTITLEMENT STATEMENT

for
Super Duper Super Fund

Name of Member: Andrew Willis Matthew CRAWFORD
Address of Member: Unit 708, 6 Brodie Spark Drive Wolli Creek NSW 2205

The superannuation fund of which you are a member enables benefits to be paid in numerous ways which will be outlined hereafter. The amount of benefit entitlements will of course be dependent upon:-

1. contributions made by yourself,
2. contributions made on your behalf (eg. spouse contributions),
3. contributions made by employers,
4. contributions from government co-contribution schemes,
5. benefits which you may have transferred into the fund,
6. benefits transferred out of the fund,
7. earnings and losses associated with the fund or your member choice investments maintained by the Trustee for you;
8. transfers and postings to and from reserve accounts maintained by the Trustee
9. insurance proceeds received for policies effected by the Trustee, if any, for you in the event of death or total and permanent incapacity.

Your superannuation fund is an accumulation styled fund. An accumulation fund is a fund where your superannuation benefits will comprise of the above amounts and the net amount standing in your members account is what you are entitled to under the Fund.

The Trust Deed and Rules enable the following forms of benefits or combinations of the following forms of benefits to be paid from the Fund:-

- (i) Lump Sum
- (ii) Allocated Pension
- (iii) Market Linked Pension (up to September 20, 2007)
- (iv) Transition to Retirement Pension
- (v) Account-Based Pension (from July 1, 2007)
- (vi) By acquiring an Annuity from an Eligible Fund.
- (vii) Any other type of Pension that is allowed or permitted by the Trustee and the Relevant Legislation for a Complying Superannuation Fund

Alternatively a pension benefit in the form of an annuity may be purchased with your benefits.

Below is a brief summary of the main forms of benefits provided under the fund:-

1. LUMP SUM BENEFITS & PENSION BENEFITS

The benefits (i)-(ii) and (v)-(vi) referred to above are payable upon attainment of the minimum prescribed age (referred to below) and retirement, attaining the unconditional preservation age (i.e. 60 years), death of a member, total and permanent disability of a member or in circumstances where the legislation enables payment of the benefits to you. In the case of death or permanent and total disability the amount of benefits may also include the amounts referred to in item 8 above. In the case of the Transition to Retirement Pension Benefits the benefits may be payable upon you attaining the preservation age even though you have not retired.

The minimum prescribed age for payment of benefits is as follows:-

- (a) for a person born before 1 July 1960 – 55 years; or
- (b) for a person born during the year 1 July 1960 to 30 June 1961 – 56 years;
- (c) for a person born during the year 1 July 1961 to 30 June 1962 – 57 years;
- (d) for a person born during the year 1 July 1962 to 30 June 1963 – 58 years;
- (e) for a person born during the year 1 July 1963 to 30 June 1964 – 59 years; or
- (f) for a person born after 30 June 1964- 60 years.

Under the Deed a Member is also entitled to benefits permitted by the relevant Legislation upon such event as permitted by the Relevant Legislation.

The Member may also be paid more than one form of pension entitlement referred to below at the same time.

2. ANNUITIES

These benefits are payable upon retirement, death of a member or total and permanent disability of a member. Upon your retirement and entitlement to the benefits the total benefits will be determined by items 1-7 above. In the case of death or permanent and total disability the amount of benefits may also include the amounts referred to in item 8 above.

3. ALLOCATED PENSIONS

The Deed and Rules also enable an allocated pension to be provided. An allocated pension is a pension entitlement which may be drawn down until your benefits balance has been reduced to nil. An allocated pension is a relatively simplistic form of pension which has to satisfy the following requirements:-

- (a) the pension cannot be transferred to any other person except to a reversionary beneficiary upon the death of the member in receipt of the pension or upon the death of another reversionary beneficiary
- (b) the pension is paid at least annually;
- (c) the capital value of a pension and the income from it cannot be used as a security for a borrowing;
- (d) the pension need not be fixed in amount but must be paid at an amount which is between the minimum amount and maximum amount prescribed in Schedule 1A of SIS Reg's or any corresponding provisions of the Relevant Legislation.

4. MARKET LINKED PENSIONS (may be established only to September 20, 2007)

The Deed and Rules also enable a market linked pension to be provided. A market linked pension has some of the following salient features:

- (a) the pension is paid at least annually to the pensioner or to a reversionary beneficiary throughout a period equal to the pensioner's life expectancy on the commencement day of the pension, rounded up to the next whole number if the pensioner's life expectancy does not consist of a whole number of years.
- (b) the pension is paid at least annually to the pensioner or reversionary beneficiary throughout a period equal to the pensioner's life expectancy calculated at the option of the pensioner, as if the pensioner were up to five (5) years younger on the commencement day for such pension; or
- (c) if:-
 - (i) the pension is a pension that reverts to a surviving spouse on the death of the pensioner; and
 - (ii) the life expectancy of the pensioner's spouse is greater than the life expectancy of the pensioner; and

- (iii) the primary beneficiary has not chosen to make an arrangement mentioned in (i) and (ii) above for the pension

the pension is paid at least annually to the primary beneficiary or a reversionary beneficiary throughout a period equal to:

- the life expectancy of the spouse on the commencement day for such pension; or
 - the life expectancy of the spouse calculated, at the option of the pensioner, as if the spouse were five (5) years younger on the commencement day for such pension;
- (d) the total amount of the payments to be made in a year (excluding payments by way of commutation but including payments made under a payment split) is determined in accordance with Schedule 6 of the SIS Reg's; and
 - (e) the pension does not have a residual capital value; and
 - (f) the market linked pension cannot be commuted except in circumstances permitted under the Deed and Rules.
 - (g) if the market linked pension reverts — it does not have a reversionary component greater than 100% of the account balance immediately before the reversion; and
 - (h) if the market linked pension is commuted — the commutation amount cannot exceed the account balance immediately before the commutation; and
 - (i) the market linked pension can be transferred only:
 - (i) on the death of the primary beneficiary:
 - (A) to one of the dependants of the primary beneficiary; or
 - (B) to the legal personal representative of the primary beneficiary; or
 - (ii) on the death of the reversionary beneficiary:
 - (A) to one of the dependants of the reversionary beneficiary; or
 - (B) to the legal personal representative of the reversionary beneficiary; and
 - (j) the capital value of the market linked pension, and the income from it, cannot be used as security for a borrowing.

5. ACCOUNT-BASED PENSIONS (may be paid from July 1, 2007)

The Deed and Rules also enable an Account-Based pension to be provided. An Account-Based pension is a pension entitlement which may be drawn down until your benefits balance has been reduced to nil. An Account-Based Pension which may be paid from July 1, 2007 is also a relatively simplistic form of pension payable out of the capital value of a Member's account and has the following characteristics:-

- (a) the pension cannot be transferred to any other person except to a reversionary beneficiary upon the death of the member in receipt of the pension or upon the death of another reversionary beneficiary.
- (b) the pension is paid at least annually.
- (c) the capital value of a pension and the income from it cannot be used as a security for a borrowing.
- (d) the Member may, in receipt of the pension, withdraw as much as they wish above the minimum amount, including the entire amount.

6. TRANSITION TO RETIREMENT PENSIONS

Any of the above forms of pensions may be paid as a Transition to Retirement Pension. This form of pension enables a member who has attained a minimum prescribed age to continue with paid employment but top up their earnings with such form of pension.

The Trustee may convert a Transition to Retirement Pension to an Account-Based Pension from July 1, 2007 in accordance with the Relevant Legislation.

The pension payments under this form of pension shall not exceed more than ten percent (10%) (or such other amount prescribed by the Relevant Legislation) of the Member's account balance at the end of the financial year preceding the pension payment.

7. DEATH BENEFITS

A death benefit is a lump sum or a pension benefit payable upon the death of a member to dependants (eg. spouse and/or children) or if there are no spouse or dependants to the legal personal representative of the deceased member.

A death benefit is binding upon the trustee if the member has provided to the trustee and the trustee has accepted a binding beneficiary nomination which has been properly executed in the sight and presence of two adult witnesses who themselves are not nominated beneficiaries and such nomination form has not expired. A binding beneficiary nomination form under the Rules for your superannuation fund does not lapse and expires upon :-

- (a) A Member amending, or revoking the Binding Beneficiary Nomination Form by giving to the Trustee a new Binding Beneficiary Nomination Form in accordance with the requirements of the Relevant Legislation for the amendment or revocation.
- (b) A Member revoking the Binding Beneficiary Nomination Form by giving to the Trustee a notice in writing signed by the Member who originally provided the Binding Beneficiary Nomination revoking the Binding Beneficiary Nomination Form.
- (c) Unless sooner revoked by the Member, a Binding Beneficiary Nomination ceases to have effect upon a decree nisi being made in respect to the dissolution of the marriage of the Member if a nominated beneficiary in the Binding Beneficiary Nomination Form is the spouse of the Member.

The Rules provide that a Binding Beneficiary Nomination Form or the documents referred to in (a) and (b) above must be in writing signed by the Member and two independent witnesses.

Where no binding beneficiary nomination form was provided to the trustee, the trustee has a total discretion as to the payment of the benefits to the member's dependants or the legal personal representative of the deceased member. Where there are no dependants, the trustee may pay the benefits to the legal personal representative of the late member or the relatives of the member as determined by the trustee.

Please refer to the following table for an outline on binding beneficiary nominations and non-binding beneficiary nominations.

Binding Beneficiary Nomination	Non-Binding Beneficiary Nomination
<p>A valid properly executed binding beneficiary nomination is binding on the trustee. Please note that the trust deed and rules for the fund provide that a binding beneficiary nomination expires in the event a member divorces a beneficiary who was a nominated spouse under the binding beneficiary nomination form (i.e. upon the decree nisi for such marriage being made).</p> <p>In accordance with ATO draft Self Managed Superannuation Funds Determination SMSFD 2008/D1 the trust deed and rules for your fund <u>do not</u> provide for lapsing of the binding beneficiary nomination three years from the</p>	<p>The trustee may take into account your wishes but is not bound by your nomination.</p>

date of such nomination. The form of Binding Beneficiary Nomination may be a non-lapsing binding beneficiary nomination form.	
<p>Advantages:-</p> <ul style="list-style-type: none"> • Certainty for estate planning purposes. • Nomination may be varied through the provision of a new form of binding beneficiary nomination to the trustee(s) executed in accordance with the requirements of the Superannuation Industry (Supervision) Act legislation, the trust deed and the rules for the fund. • May be revoked in accordance with the requirements of the Superannuation Industry (Supervision) Act legislation, the trust deed and the rules for the fund. 	<p>Advantages:-</p> <ul style="list-style-type: none"> • Trustee(s) may exercise discretion at the relevant time for payment of the benefits which is tax effective. A person who was previously a dependant may no longer be a dependant and so the benefits may be taxed at the highest rates.
<p>Disadvantages:-</p> <ul style="list-style-type: none"> • Costly taxation consequences where a person who was a dependant at the time of the binding beneficiary nomination is no longer a dependant when the nomination takes effect. 	<p>Disadvantages:-</p> <ul style="list-style-type: none"> • No certainty for payment of benefits in conformity with wishes of the member because the trustee(s) has/have discretion for the application of the benefits.
<p>A PERSON SHOULD OBTAIN PROFESSIONAL ADVICE CONCERNING THE NOMINATION OF BENEFICIARIES INCLUDING THE TYPE OF BENEFICIARY NOMINATION FORM TO BE PROVIDED.</p>	

From July 1, 2007 reversionary beneficiaries for a pension payment must be Dependants of the Member. Also commencing from July 1, 2007 if the Reversionary Beneficiary is not a Dependent of the Member the Trustee must not pay a Pension to the Non-Dependent Reversionary Beneficiary but must instead pay a Lump Sum benefit to the Non-Dependant.

8. BENEFITS WHICH ARE NOT CONTINGENT UPON RETIREMENT OR ATTAINING PRESERVATION AGES

Members are also entitled to receive benefits which are not contingent upon retirement or attaining preservation ages in the following circumstances:-

- (a) severe financial hardship;
- (b) compassionate grounds
- (c) total and permanent disability;
- (d) occurrence of nil cashing restrictions.

In the event of a member becoming in the opinion of the trustee, permanently and totally disabled, then a member's benefits or a proportion thereof shall, subject to the provisions of the Trust Deed, be paid to the member or, if the member is unable to manage his/her own affairs, to such of the member's dependents and in such proportions as the trustee, in its absolute discretion, determines. A member's benefits may also include proceeds from a temporary disablement policy should such a form of cover be effected by the trustee.

"Permanently and Totally Disabled" subject to the provisions of the Superannuation Industry (Supervision) Act 1993 and regulations (SIS Legislation) is defined under the deed as follows -:

- (i) such disablement as, in the opinion of the trustee, has rendered the member permanently incapable of engaging in full-time work for which he is reasonably fitted by education, training or experience; or
- (ii) where the benefit payable on permanent and total disablement is insured, the definition of permanent disablement contained in the policy document evidencing the contract of insurance;
- (iii) where there is no insurance policy, the physical or mental ill-health of the member as certified by two registered medical practitioners who certify that, in the opinion of those practitioners, the member is unlikely ever to be able to work again in a job for which the member is reasonably qualified by education training or experience;
- (iv) any other circumstances which are acceptable to the trustee and which are permitted under the SIS Legislation.

9. MEMBER CO-CONTRIBUTIONS FOR MEMBER SPOUSES

Under the terms of the Deed and Rules a Member may make co-contributions or co-contribution requests for a spouse of the Member. Access to benefits held for a Member Spouse are restricted in accordance with the terms of the Deed and Rules.

10. FAMILY LAW PAYMENT SPLITS & FLAGGING ARRANGEMENTS

The Deed and Rules also provide for setting aside, payment, transfer or flagging of a Members Benefits pursuant to orders or binding financial agreements made under the Family Law Act 1975. Monies or Benefits under the Deed and Rules may be set aside in a non-member spouse account in the case of split payment arrangements.

11. BANKRUPTCY

Members can lose entitlement to non-vested portions of benefits if they assign, secure or charge their interest in the Fund or if they become bankrupt. Where a member becomes a bankrupt, the trustee in Bankruptcy cannot claim from a member vested benefits within the prescribed limit as defined in the Bankruptcy Act 1966.

12. TRUSTEE ADMINISTRATION OF THE FUND

The trustee is responsible for the management and administration of the Fund. The trustee is empowered under the trust deed to invest monies in the fund in a wide range of investments. The trustee may also take out insurance on various risks associated with the fund including property insurance for investment risks, life insurance for members and disability insurance for members.

Members may make specific investment requests in a form approved by the trustee. By using such a form of request the member can request the trustee to invest in investments as selected by the members. The trustee has a full discretion whether to implement your request. If your member choice investments are implemented by the trustee the profits or losses arising from your member-choice investment will be credited or debited to your member account.

The trustee has wide discretions under the Trust Deed for managing the keeping accounts for the Fund. The trustee is responsible for record keeping and the keeping of accounting records for the administration of the fund. The trustee also has the administrative tasks of paying benefits in accordance with the Trust Deed and Rules.

In simple terms, your Members Account in the fund will be comprised of contributions made to the fund to your account plus profits as allocated by the Trustee in accordance with the Trust Deed, capital gains and other amounts transferred to your account LESS losses, taxes, administration costs, disbursements and benefit payments to yourself.

Members will be notified of their financial position in the Fund after the end of each financial year on request. In addition, members will be provided with information relating to changes to the Deed and of such other matters prescribed by law.

The Fund is entitled to concessional tax treatment if the fund is properly administered in accordance with the SIS legislation. The Trustee is also required to formulate and establish an investment strategy for the Fund.

You should discuss any query you may have with the trustee. The trustee is bound to act in accordance with the trust deed and rules and the SIS Legislation. The deed confers to the extent permitted by the law considerable discretions on the trustee. The exercise of any of such discretions unless otherwise provided in the deed is final and binding without the need for the trustee to provide reasons for the exercise of such discretion.

Where your fund is a self managed superannuation fund you will be required to be a trustee of the fund in the case of non-corporate trustees or in the case of a corporate trustee, a director of the trustee. Limited situations where you will not be required to be a trustee or director include:-

- (i) If you are a minor, your parent or guardian acts as a trustee or as a director of a corporate trustee in your place;
- (ii) If you suffer a legal disability, your legal personal representative acts as a trustee or as a director of a corporate trustee in your place; or
- (iii) If you have a legal personal representative appointed under an enduring power of attorney.

Before changing the trustees or the directors of a corporate trustee or making arrangements to cease being a member of the fund or to participate in admitting another member of the fund, you should consult firstly with a professional adviser to ensure that the requirements for a self managed fund are being satisfied.

As a final point you should be aware that you as a member have agreed and are bound by the deed as if you were an original party to the deed.

For and on behalf of the Trustee of the fund -

DATED :