

Minutes of trustee meeting

Trustee Resolutions

Dark Superannuation Fund

Held at: Level 2 77 Hunter Street
Newcastle NSW 2300

Date: 4 / 7 / 2011

Time: _____

*please
Date*

Present: Kenneth Dark

Chairperson:

Kenneth Dark
was appointed Chairperson of the meeting.

Quorum: The Chairperson noted that a quorum was present at the meeting of Trustee(s) to pass the proposed resolution.

Adoption of Voting Powers:

The Chairperson noted that for the purposes of clause 8.5 of the Trust Deed, the Trustees are to determine by majority approval at the first meeting of the 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.

The Chairperson further noted that if the Trustees failed to make a determination, method (2) will apply and that if method (2) applies and there is a deadlock, the deadlock shall be resolved by weighting each Trustee's votes nearest to the number of whole dollars of the 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.

Trustee Resolutions:

IT WAS RESOLVED to adopt method:

- (1) Method 1 ☐; or
- (2) Method 2 ☒.

Meeting closed:

There being no further business the meeting was declared closed.

Confirmed as a true and correct record.

x

Chairperson

Ken
please
sign

SOLE DIRECTOR RESOLUTION

Amendment of Trust Deed

Dark Superannuation Fund

Resolution of **Kenneth Dark** of **Level 2 77 Hunter Street Newcastle NSW 2300** as Sole Director of **Ken & Sandy Dark Pty Limited ACN 075 050 332** ("Trustee") as trustee for **Dark Superannuation Fund**.

Trustee Resolution: **IT WAS RESOLVED** to adopt the amendments to the Trust Deed as contained in the Deed. The amendment has been effected by the execution of the Deed.

Confirmed as a true and correct record.

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.....
Sole Director

*Ken
please
sign*

Product disclosure statement

Dark Superannuation Fund

Fund Trustee: Ken & Sandy Dark Pty Limited ACN 075 050 332

Name of Member: Kenneth Dark

Date of issue: ✓ 4 / 7 / 2011 *please date*

1. Introduction

- 1.1 The Trustees issues this Product Disclosure Statement (PDS) to existing and prospective new Members (if any) of the Fund.
- 1.2 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.
- 1.3 The Fund as a Regulated Superannuation Fund and a Complying Superannuation Fund under the *Superannuation Industry (Supervision) Act (1993)* is eligible for concessional tax treatment under the Tax Act. The regulator of the Fund is the Australian Taxation Office.
- 1.4 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.
- Terms and phrases used in this PDS are defined in the Rules of the Fund, which are part of the Fund Deed.
- 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 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. 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. 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.
- 1.7 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.
- 1.8 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. Benefits

- 2.1** 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.
- 2.2** 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.
- 2.3** 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.

Retirement

- 2.4** 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.
- 2.5** 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.

Pension Benefits

- 2.6** The Trustee may permit a Member to elect to receive their lump sum Benefit in the form of an income stream called a Pension.
- 2.7** 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 made at least the amount calculated using the applicable percentage amount 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 10/11
> 65	4	2
65 – 74	5	2.5
75 – 79	6	3
80 – 84	7	3.5
85 – 89	9	4.5
90 – 94	11	5.5
> 95	14	7

2.8 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.

2.9 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

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

Death Benefits

2.11 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.

2.12 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.

- 2.13** 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.
- 2.14** 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.
- 2.15** Both types of nominations can be updated at any time and should be revised if circumstances change – for example marriage or children.
- 2.16** 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.
- 2.17** 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.
- 2.18** 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 Dependent 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.
- 2.19** 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.

Permanent Incapacity Benefit

- 2.20** 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.

Temporary Incapacity Benefit

- 2.21** 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.

Severe Financial Hardship

- 2.22** 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.

Compassionate Grounds

- 2.23** 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.

3. Investments and risks

- 3.1** 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.
- 3.2** 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.
- 3.3** 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. The way in which the Fund performs, will affect the value of Benefits a Member will receive from the Fund.
- 3.4** The Trustees may seek professional assistance in performing their management, administration and investment functions.
- 3.5** 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 majority of votes based on the size of Member Account balances and therefore these functions may be controlled by the Trustees who represent the Members with the largest Member Account balances.
- 3.6** Factors such as account labour standards, environmental, social or ethical matters are not taken into account in the selection, retention or realisation of investments.

4. Contributions

- 4.1** A Member and others, such as employers, the Government (by co-contributions), spouses, may make contributions to the Fund on behalf of a Member.
- 4.2** Contributions made to the Fund on behalf of a member are credited to the Member's Account. Deductions are made from this account for benefit payments, Fund expenses, losses and taxes. Earnings are credited (or debited) to this account.
- 4.3** Members may apply to split contributions with their spouse.
- 4.4** There are limits to the amount of contributions that can be made, and there are tax implications should contributions exceed certain capped amounts.
- 4.5** There are two types of contributions: concessional and non-concessional.

- 4.6** 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.
- 4.7** 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.
- 4.8** 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.
- 4.9** 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).
- 4.10** 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.
- 4.11** 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.
- 4.13** 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 concessionally at 15 per cent in the Fund.
- 4.14** Contributions made in excess of the non-concessional contributions cap are taxed at 46.50%.
- 4.15** As specific rules apply Members should seek professional advice when making such contributions to avoid adverse taxation consequences.

5. Costs

- 5.1** 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.
- 5.2** 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. Characteristics

- 6.1** Trustees make decisions regarding the administration and management of the Fund, such as setting the investment strategy and payment of Benefits to Members. Decisions will be made by Trustees at meetings. Where the Trustees are persons, each Trustee at a meeting 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, but no less than one vote each. 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 at meetings.
- 6.2** The Fund must have fewer than 5 Members.
- 6.3** Members of the Fund, or their Legal Personal Representative, must be either Trustees of the Fund or directors of a corporate Trustee of the Fund.
- 6.4** A Member cannot be the Employer of another Member, unless they are Relatives.
- 6.5** In the case of a sole or one Member Fund, the Member may be the sole director of a corporate Trustee or there may be two directors who are the Member 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 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.

7. Taxation implications

- 7.1** The Fund will attract concessional taxation treatment provided it remains a Regulated Superannuation Fund and a Complying Superannuation Fund.
- 7.2** Tax is payable by the Fund on deductible or concessional contributions to the Fund and investment earnings of the Fund.
- 7.3** Taxation of contributions and Benefits is complex and it is recommended that professional advice from a taxation advisor is sought.
- 7.4** 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.
- 7.5** 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 2010-11 it will be paid tax free up to the low-rate cap amount of \$160,000.00 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;

7.6 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. Cooling-off period

8.1 There is no cooling-off period applicable to membership in this Fund.

8.2 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. Dispute resolution

9.1 The Trustees are bound to act in accordance with the Fund Deed.

9.2 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.

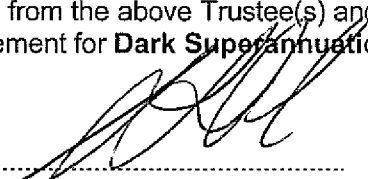
10. Annual reporting

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.

I, as a Member of the Fund acknowledge that I have received information regarding the Fund and its benefits from the above Trustee(s) and hereby accept the terms disclosed in this product disclosure statement for **Dark Superannuation Fund**.

✓

Kenneth Dark



ken please
sign

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Date