

MCPHERSON FAMILY

SUPER FUND

DEED OF TRUST

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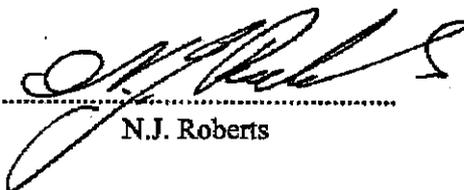
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SUPER FUND

I, **NICHOLAS JOHN ROBERTS**, Legal Practitioner of 37 Jones Road, Tyabb in the State of Victoria certify that, subject to this Deed being validly executed by the Trustee and the appropriate stamp duty (if any) being paid, that this Deed complies with the Superannuation Law existing as at the date of this Deed.



.....
N.J. Roberts

**THIS DEED IS ONLY SUITABLE FOR A SELF
MANAGED SUPERANNUATION FUND
(AND CONTEMPLATES THAT THE FUND WILL BE A
REGULATED SUPERANNUATION FUND)**

INTRODUCTION

This document establishes a Self Managed Superannuation Fund with a commencement date as specified in the Schedule.

This is a Superannuation Fund established and maintained to provide benefits in the form of a lump sum payment or old age pensions for its Members upon retirement and for the dependants of Members upon the death of Members. It permits the payment of benefits to other persons connected with Members in certain circumstances.

The Fund is intended to be a 'Regulated Superannuation Fund' and a 'Complying Superannuation Fund' as defined in the Superannuation Law and the regulations made under that Act.

The intention of the Deed is to impose an obligation upon the "Trustee" and Manager of the Fund to manage the Superannuation Fund in accordance with Superannuation Law for the benefit of Members and the dependants of Members so that Members and their dependants may take advantage of the benefits available to persons who contribute to Superannuation.

This document provides that the primary (but not necessarily the sole) purpose of this Fund is the provision of Old Age Pensions if it is described in the Schedule as a Pension Fund or the Trustees are individuals.

This document is intended as a general guide to the "Trustee" who should on all matters have recourse to professional advice concerning the particular requirements of the Superannuation Law.

(I)
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THIS DEED which establishes a Superannuation Fund is made on the day stated at Item 1 (the date of this Deed) in the Schedule by the person or persons (a Company is a legal person) named as "Trustee" in the Schedule (hereinafter called "the "Trustee") for the benefit of:-

- (1) the person or persons who shall now apply to be Members of the Fund; and
- (2) any person who on any date after the commencement of the Fund applies to be a Member; and
- (3) any person who as a consequence of the operation of the law relating to succession or the operation of the Superannuation Law, the Family Law Act and any other Law on any date after the commencement date becomes a Member.

BACKGROUND

- (1) There is no Government funded compulsory universal Superannuation Insurance Scheme in Australia however the Government encourages individuals to save and make provision for their retirement.
- (2) By way of encouragement the Superannuation Law firstly makes it compulsory for all employers to contribute to superannuation for employees and secondly gives concessional tax treatment to Superannuation Funds that comply with the Superannuation Law.
- (3) The Superannuation Law allows the establishment of Superannuation Funds that are both large and small so that an individual may have the choice of contributing to an industry managed Superannuation Fund or to a Self Managed Superannuation Fund.
- (4) The Superannuation Law permits payments to be made to a Superannuation Fund by or for the benefit of a person who is gainfully employed either full time, part time or on a casual basis, and for non employed spouses of such a person. This includes payments made under an award, agreement, or under Superannuation Guarantee Legislation.
- (5) The "Trustee" wishes to establish a Fund, so that a Fund can be built up to pay benefits to a Member or a dependent of a Member on the death of a Member or the retirement of a Member from gainful employment.

WHEREAS

- A) The "Trustee" is desirous of establishing and indefinitely continuing a Superannuation Fund to be known by the name stated in the Schedule for the benefit of any person (including the dependents of such person) who is entitled at law to be a Member of a Superannuation Fund and who joins the Fund on or after the date of this Deed.
- B) The "Trustee" has agreed to act as the first "Trustee" of the Fund and in that capacity is in this Deed and the "Governing Rules" called the "Trustee".
- C) The Fund is to be managed and administered and the assets thereof are to be applied by the "Trustee" for the benefit of Members and the dependents of Members in accordance with "The Superannuation Law".

THIS DEED PROVIDES THAT

- 1) As and from the date of this Deed a Superannuation Fund shall be established, and the "Trustee" shall from the date of this Deed hold all contributions, assets, investments and other property of the Fund upon and in accordance with the trusts contained in this Deed and the "Governing Rules" and the "Superannuation Law".
- 2) The Fund shall commence operation upon execution of this Deed by the "Trustee" (the "Commencement Day") and shall be known by the name specified in the Schedule or any other name that the "Trustee" may from time to time decide upon.
- 3) The "Governing Rules" shall be the Rules as set out in this Deed under the heading "The Governing Rules". The "Governing Rules" may be amended from time to time as provided in the Rules subject to any contrary or overriding requirement contained in the "Superannuation Law".

- 4) In the event that any part of this Deed or any rule or any part of a rule shall offend against the Superannuation Law or is unenforceable or is illegal, such part of this Deed, such rules, rule or part of a rule shall be read down so as to be given as much effect as is possible so as to be valid, enforceable and comply with the Superannuation Law and ensure that no re-settlement shall be allowed to occur or if it cannot be so read down the rules, rule or part of a rule, or where possible, the offending words, shall be severed from this Deed and the Rules without affecting the validity or legal enforcement of the remaining part or rules or rule or part of a rule so as to allow the Fund to continue in force and effect as if the written down or the severed part, rules, rule or part of a rule had never been part of this Deed or the "Governing Rules".

THE GOVERNING RULES

1. MEMBERSHIP OF THE FUND

Who can be a Member?

- 1.1 Any person may be a Member of this Fund provided such person shall be not be excluded by any provision in the Superannuation Law.

Are all Members bound by these rules?

- 1.2 Each person whom the "Trustee" has invited to join the Fund and who intends to join the Fund shall sign an application in a form determined by the "Trustee". Such application shall be deemed to be an agreement, by the Member to be bound by these rules. Each Member on joining the Fund shall receive a copy of these rules and shall be bound by these rules.

May the "Trustee" establish classes of membership?

- 1.3 The "Trustee" may establish such number of classes or categories of Membership as the "Trustee" shall determine and allocate each Member to a class or category or subclass or sub-category after taking account of the position of the Member as a director, manager or other employee of an employer or any participating employer or a self-employed person or a retired person or a semi retired person or a dependent of a deceased Member.

2. CONTRIBUTIONS AND INVESTMENTS

Who can contribute to this Fund?

- 2.1 Subject to Rule 4, a Member, Member's spouse, employer and any other person permitted by the Superannuation Law, may contribute to the Fund in such manner, at such times and for such time as the member, member's spouse, employer and other person may from time to time agree with the "Trustee". No contribution may be made and no contribution may be accepted by the "Trustee" other than as permitted by the Superannuation Law.

The "Trustee" is authorised to accept payments pursuant to the Superannuation Guarantee Law as amended from time to time.

The Trustee is authorised to accept payments of Super Co-Contributions made pursuant to the Superannuation (Government Co-Contributions for Low Income Earners) Act 2003.

The "Trustee" may "split" contributions made by or on behalf of a member in any manner and in any proportion as may from time to time be permitted by the Superannuation Law.

How can contributions be made?

- 2.2 Contributions may be in cash or non-cash provided the value attached to a non-cash contribution is fair and reasonable in all the circumstances. Contributions may include transfers from other Funds.

Can contributions be refunded?

- 2.3 A contribution may be refunded to the person who made the contribution only if the Superannuation Law so permits and, the Member requests it, the law requires the refund to be made, the person who made the contribution requests that the refund be made and the Member has consented thereto in writing or the contribution was

made by mistake and the "Trustee" agrees (after reasonable enquiry) that this is so and the person asking for the refund to be made makes the request in writing and provides the "Trustee" with such information as reasonably supports that the payment was made by mistake. The request must be made within three months of the mistake being discovered by the Member.

How must contributions be invested?

- 2.4 The contributions to the Fund shall be invested as a common fund by or on behalf of the "Trustee" in the "Trustee's" own name or in the name of any nominee selected by the "Trustee" in any one of the following investments (with liberty to the "Trustee" at any time and from time to time to vary and transpose the same) namely:
- 2.4.1 any investment authorised by the law of the Commonwealth of Australia or any of the States or Territories thereof for the investment of trust funds;
 - 2.4.2 the purchase or acquisition of real estate (whether income producing or not and wherever situated) or any estate or interest or part therein;
 - 2.4.3 on deposit at interest or otherwise with any Bank, Building Society, Company or Body Corporate or on loan at interest or otherwise and either with or without security and upon such terms as the "Trustee" may think fit to any Corporation or person AND the "Trustee" is authorized to open and operate such Bank, Building Society or other institution account as is necessary to give effect to this power;
 - 2.4.4 the shares or stock of any class or the bonds, debentures debenture stock notes or other securities or obligations however called of any Corporation or Body Corporate;
 - 2.4.5 any investment or property (wherever situated) or any form or mode of investment from time to time approved by the "Trustee" (the intention of this paragraph being that the "Trustee" may invest or cause to be invested the moneys of the Fund in the same manner as if the "Trustee" were absolute and beneficial owner thereof).
 - 2.4.6 policies of insurance or assurance as a "whole of life", "endowment", or other with any Corporation registered under the Life Insurance Act 1945 (as amended).
 - 2.4.7 in any manner that the "Trustee" could invest the "Trustee's" own money. Provided however no investment shall be made that contravenes any standard fixed by the Regulator or the Superannuation Law.

What investments are not permitted?

- 2.5 Except as permitted by the Superannuation Law the "Trustee" shall not invest any of the Funds money or assets.
- 2.5.1 in or upon any loan to a Member or a relative or related party of a Member (as defined in the Superannuation Law) either directly or by means of an arrangement being entered into for lending money to a Member in the exercise of a general power of investment of assets of the Fund.
 - 2.5.2 in or upon any loan, investment or other security in or for the benefit of an employer of any Member.
 - 2.5.3 in or upon any investment other than an investment permitted by the Superannuation Law.
 - 2.5.4 in any way other than on an arms length basis.
 - 2.5.5 in or upon any asset acquired from a Member or relative of a Member unless the same be permitted by the Superannuation Law.

Can the "Trustee" borrow money?

- 2.6 The "Trustee" shall not borrow or maintain any borrowing of money whether by way of secured or unsecured loan otherwise than to secure temporary finance as provided for in the Superannuation Law.

Can the "Trustee" determine the allocation of income?

- 2.7 The "Trustee" and in the case that the "Trustee" shall engage an Investment Manager, the Investment Manager may exercising an unfettered discretion determine

the basis for calculating the amount of investment earnings allocated to Members. In calculating investment earnings the "Trustee" may deduct amounts for any anticipated liabilities, expenses or losses for which the "Trustee" thinks it would be appropriate to provide.

Can the "Trustee" determine amounts to be deducted from earnings?

2.8 The "Trustee" may determine which liabilities, expenses or losses (or provisions for those amounts) will be deducted directly from Members' accounts and which shall be deducted from investment earnings (which may be later allocated to Members). The "Trustee" may also determine how to split the liabilities, expenses or losses between various Members' accounts.

Can the "Trustee" hold back earnings?

2.9 The "Trustee" may hold back any amount of investment earnings from allocation to Members, which the "Trustee" thinks appropriate but if any amount of investment earning is held back it shall be held in a reserve account. The "Trustee" may later release amounts from the reserve account to increase investment earnings in a later period or otherwise apply them for the benefit of Members in such manner as the "Trustee" thinks appropriate. The "Trustee" shall at all times have a reserve strategy which is consistent with the "Trustee's" investment, objectives and strategies for the Fund.

Are earnings to be allocated on a pro rata basis?

2.10 Unless the "Trustee" otherwise determines, the "Trustee" shall allocate investment earnings (or losses) between Members on a pro rata basis according to each Member's monthly account balance. The "Trustee" may from time to time select another system for the allocation of investment earnings between Members, however if the "Trustee" selects another allocation system or changes the system the "Trustee" must tell any Member who is effected by the change in accordance with the requirements of the Superannuation Law.

Can the "Trustee" divide the Funds into parts?

2.11 The "Trustee" can divide the Fund into parts either physically or by accounting means. The "Trustee" in determining whether to divide the Fund into parts may take account of the needs of different investment portfolios, whether different parts of the Fund have different tax rates applying to them, whether it's appropriate to separate assets that relate to one type of benefit from assets that relate to a different type of benefit and whether the "Trustee" generally considers such a division appropriate. The "Trustee" may invest different parts of the Fund differently and may apportion any income, gains, losses or outgoings, provision, tax credits, other credits or other amounts between the various parts and determine the attributes of any apportioned amount for tax or other purpose in such manner as the "Trustee" thinks fit.

Must the "Trustee" formulate investment strategies?

2.12 The "Trustee" must formulate investment objectives and strategies to give effect to the Funds objectives and requirements. The "Trustee" may determine objectives and strategies for the Fund as a whole or for parts of the Fund, invested differently. The strategy must comply with the requirements of the Superannuation Law.

Can the "Trustee" establish a reserve?

2.13 The "Trustee" may create a general reserve account which account may be divided into parts or sub-parts and may pay into that account such monies including unallocated contributions as may be permitted by the Superannuation Law. The "Trustee" may later release such amounts from the reserve account for the benefit of Members and their dependants as the "Trustee" thinks fit. The "Trustee" shall at all times have a strategy for the reserve account which is consistent with the "Trustee's" investment objectives and strategies for the Fund.

Can the "Trustee" hold back employer's contributions?

- 2.14 The "Trustee" may hold back any amount of employer contribution from allocation to Members as may be permitted by the Superannuation Law and which the "Trustee" thinks appropriate but if any amount of contribution is held back it shall be held in a reserve account. The "Trustee" may later release amounts from the reserve account to increase allocated contributions in a later period or otherwise apply them for the benefit of Members in such manner as may be permitted by the Superannuation Law and as the "Trustee" thinks appropriate.

Must the "Trustee" establish pension account?

- 2.15 If the "Trustee" decides to pay a Pension the "Trustee" must establish a pension account in the name of that pensioner.

What amounts must be credited to a pension account?

- 2.16 The "Trustee" must credit each of the following amounts to the person's pension account:
- 2.16.1 The amount the "Trustee" believes necessary to fund the Pension.
 - 2.16.2 The amount paid into the Fund in respect of the pensioner as a transfer or roll over payment, which the "Trustee's" thinks it appropriate to credit to that account.
 - 2.16.3 Earnings of the Fund, which the "Trustee" thinks it appropriate to credit to that account.
 - 2.16.4 A shortfall component paid in respect of the pensioner.
 - 2.16.5 Contributions lawfully paid in respect of the relevant pensioner.
 - 2.16.6 Adjustment credits.
 - 2.16.7 The proceeds of an annuity or insurance policy affected by the "Trustee" in respect of the pensioner, which the "Trustee" thinks it appropriate to credit to the account.
 - 2.16.8 Financial assistance under Section 23 of the Superannuation Industry (Supervision) Act 1993 which the "Trustee" thinks it appropriate to credit to the account.
 - 2.16.9 Any other amount the "Trustee" thinks it appropriate to credit to the account.
 - 2.16.10 Any other amount required by the Superannuation Law.

What amounts may be debited to a pension account?

- 2.17 The "Trustee" must debit each of the following amounts to the person's pension account:
- 2.17.1 The proportion that the "Trustee" thinks appropriate of the expenses of the Fund.
 - 2.17.2 The proportion that the "Trustee's" thinks equitable of any negative earnings of the Fund.
 - 2.17.3 The proportion of the loss on the disposal of investments of the Fund that the "Trustee" thinks equitable.
 - 2.17.4 Amounts transferred from the Fund in respect of the pensioner as a transfer of a roll over payment, which the "Trustee" thinks it appropriate to debit to the account.
 - 2.17.5 Payments made to or in respect of the pensioner or a reversionary beneficiary under this Deed.
 - 2.17.6 The cost of an insurance policy or annuity effected by the "Trustee" in respect of the pensioner which are not debited from the pensioner's accumulation account.
 - 2.17.7 The proportion of an amount payable as taxation in respect of the earnings of the Fund that are credited to the pensioner's account or arise from a roll over amount that the "Trustee" thinks equitable.
 - 2.17.8 The proportion of any amount paid in respect of an indemnity to the "Trustee" or other person under this Deed that the "Trustee" thinks fair equitable.
 - 2.17.9 The amount of a levy that the "Trustee" thinks fair equitable.
 - 2.17.10 An amount transferred to the accumulation account of a beneficiary.

- 2.17.11 Any other amount that the "Trustee" thinks it appropriate to debit from the account taking into account the requirements of the Superannuation Law.

Must the "Trustee" separate assets, which fund a pension?

- 2.18 The "Trustee" must segregate from other assets those assets, which are to fund a pension. The "Trustee" must value those assets at least annually. If they are insufficient or more than sufficient to fund the pension, the "Trustee" must do anything that the Superannuation Law requires. The "Trustee" must obtain any certificate of adequacy that the "Trustee" considers necessary in respect of those assets in order to comply with the Tax Act or the Superannuation Law.

Can the "Trustee" create accounts and sub-accounts?

- 2.19 The "Trustee" may in addition to any other power to create reserve accounts create such accounts and sub-accounts as the "Trustee" considers necessary and expedient for the management of the Fund.

3. PAYMENT OF BENEFITS

How can benefits be paid?

Benefits may be paid in any manner that is permitted by the Superannuation Law and by way of guidance the following rules apply.

Can benefits be paid as agreed and split?

- 3.1.1 Subject to a requirement that benefits be paid in the form of a pension (of whatever nature) and any limitation contained in the Superannuation Law, if there is a specific agreement between the "Trustee" and Member as to how the Member's benefits shall be calculated or defined and then paid, then in accordance with that agreement and if the Superannuation Law permits may be "split" between a member and a members spouse.
- 3.1.2 Subject to the Superannuation Law if the "Trustee" receives an agreement or order under the provisions of the Family Law Act the "Trustee" shall split the payment of benefits between the member and the members spouse as required in the agreement or order and may pay a "split" benefit to the "Trustee" of another fund

How are benefits paid if there is no agreement?

- 3.1.3 If there is no such agreement then by way of an amount equal to the aggregate of:
- 3.1.3.1 the Member's accumulation, and
 - 3.1.3.2 the amount of any Life Insurance which was received by the "Trustee" in respect of the Member by reason of his or her retirement, disability or death (if the case so requires) and the "Trustee" shall cause to be paid from the Fund to the Member or to such other person institution or approved roll-over facility as the Member directs, the whole or such part of the amounts specified in this Rule as the Member advises and shall retain in the Fund until the Member dies or requests payment of same the remainder (if any) of the amount determined in accordance with this Rule adjusted by the share of any further investment earnings determined by the "Trustee" to be attributed to that amount.

Can payments be made from the separate Fund?

- 3.1.4 Subject to the Member or the Member's Dependants or personal representative as the case requires so requesting and all proper taxes and other deductions being made therefrom and the "Trustee" being satisfied that there is no breach of the Superannuation Law minimum benefits and accrued benefits standards the "Trustee" may pay any amount in any Separate Fund, that has accrued to the Member.

Can the "Trustee" purchase an Annuity?

- 3.1.5 "The "Trustee" may purchase for the benefit of a Member an annuity as defined in the Superannuation Law, which shall provide for the payment of an immediate or deferred annuity to the Member from such date as the Member selects being not later

than the Member's age requiring payments to commence under the Superannuation Law.

Can benefits be paid as Income Stream (Pension)?

- 3.1.6 If the Member requests in writing and the Superannuation Law permits the "Trustee" may pay benefits progressively to the Member as an income stream which income stream may be:-
an Allocated Pension
a Market Linked Pension (Growth Pension)
an Assets Test Exempt Pension
a Pension of any type permitted by the Superannuation Law from time to time.

How else can benefits be paid?

- 3.1.7 In any other manner permitted by the superannuation law.
3.1.8 If the Superannuation Law permits the "Trustee" may change the type of pension being paid from time to time.

What are the Minimum Requirements for Payment of Lump Sum Benefits?

- 3.2 If benefits are paid in accordance with a specific agreement (a Defined Benefit) then the Member or the Member's Dependants or personal representative as the case requires should be paid at least:-
3.2.1 in the case that the Member belongs to a particular class of employees in relation to which a relevant benefit certificate applies the amount of the Member's minimum requisite benefit; or
3.2.2 in any other case the total of the Member's Member Financed Benefits, and the Member's Mandated Employer Financed Benefits (if any); or
3.2.3 If benefits are paid under Rule 3.1.3 (an accumulation) then the Member or the Member's dependants or personal representative as the case requires shall be paid at least the total of the Member's Member Financed Benefits, the Member's Mandated Employer Financed Benefits and any roll-overs or transfers from other Funds.

What are the Minimum Requirements of Income Streams?

- 3.3 If benefits are paid in the form of an income stream then the same shall be paid from the account established for the purpose and in accordance with the requirements of the Superannuation Law.
3.3.1 The following rules shall apply as a guide to the requirements of the Superannuation Law concerning the payment of pensions (income streams). No pension may be paid until the "Trustee" is satisfied upon reasonable grounds that the Superannuation Law permits the fund to pay a pension in the particular form proposed.
3.3.2 ***Payment as an Allocated Pension***
If the income stream is a pension payable as an Allocated Pension then –
3.3.2.1 the pension must be paid at least annually (except if the commencement day of the pension occurs on or after the 1st June in a financial year);
3.3.2.2 the pension can only be transferred to a person other than a reversionary beneficiary on the death of the primary benefit or of another reversionary beneficiary;
3.3.2.3 the capital value of the pension and the income from it, cannot be used for security for a borrowing;
3.3.2.4 the payments in a year (excluding payments by way of commutation but including payments made under a payment split) must not be larger or smaller in total than, respectively, the maximum and minimum limits calculated in accordance with the Regulations;
3.3.2.5 the total amount of instalments paid on account of the pension must not exceed the amounts standing to the credit of the relevant pension account, and the "Trustee" may assume a life expectancy of 100 years ; and

3.3.2.6 it is immaterial if the payment made in the year in which the pension is to end does not meet the above minimum standard.

3.3.2.7 the "Trustee" may increase an allocated pension by whatever amount the "Trustee" thinks is reasonable to compensate the pensioner for cost of living increases, the increased allocated pension must be within the maximum and minimum limits specified by the Superannuation Law and in particular the maximum and minimum limits calculated in accordance with the Regulations (or any other applicable requirement of the Superannuation Law);

3.3.2.8 the pension cannot be commuted except as provided in rule 3.5.

3.3.3 Payment as a Market Linked Pension

If the income stream is a pension payable as a Market Linked (Growth) Pension then -

3.3.3.1 the pension must be paid at least annually to the pensioner or to a reversionary beneficiary throughout a period equal to the pensioner's life expectancy (the "Trustee" may assume a life expectancy of 100 years) 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; or

3.3.3.2 the pension must be paid at least annually to the pensioner or to a reversionary beneficiary throughout a period equal to the pensioner's life expectancy calculated at the option of a the pensioner as if the pensioner were up to five years younger on the commencement day; or

3.3.3.3 if:

the pension is a pension that reverts to a surviving spouse on the death of the beneficiary; and

the life expectancy of the pensioner's spouse is greater than the life expectancy of the beneficiary; and

the beneficiary has not chosen to make an arrangement mentioned above;

the pension must be paid at least annually to the beneficiary or to a reversionary beneficiary throughout a period equal to:

the life expectancy of the spouse on the commencement day; or

the life expectancy of the spouse calculated, at the option of the beneficiary, as if the spouse were up to five years younger on the commencement day;

at the option of the beneficiary, and rounded up to the next whole number if the life expectancy of the spouse does not consist of a whole number of years and;

3.3.3.4 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 the Regulations; and

3.3.3.5 the pension shall not have a residual capital value; and

3.3.3.6 the pension cannot be commuted except as provided in rule 3.5 and the Regulations;

3.3.3.7 if the pension reverts - it does not have a reversionary component greater than 100% of the relevant account balance immediately before the reversion; and

3.3.3.8 if the pension is commuted - the commutation amount cannot exceed the relevant account balance immediately before the commutation; and

3.3.3.9 the pension can be transferred only -
on the death of the beneficiary

(a) to one of the dependents of the beneficiary; or

(b) to the legal personal representative of the beneficiary; or
on the death of the reversionary beneficiary;

(a) to one of the dependents of the reversionary beneficiary;
or

- (b) to the legal personal representative of the reversionary beneficiary; and
- 3.3.3.10 the capital value of the pension and the income from it cannot be used as security for a borrowing.
- 3.3.3.11 any payments made in the form of a market linked income stream must be calculated taking into account the provisions of the Regulations (or any other applicable requirement of the Superannuation Law).
- 3.3.4 **Asset Test Exempt Pension**

If the "Trustee" considers it appropriate and the relevant members so request, the "Trustee" may pay an income stream as an asset test exempt income stream (as defined by the Social Security Act 1991) however if the "Trustee" does so determine –

 - 3.3.4.1 the same may only be paid if it complies with the Superannuation Law and any provision of these rules that is inconsistent with the Superannuation Law shall be read down;
 - 3.3.4.2 these rules shall be deemed from the date the request is made by the member to contain any provision that is at that time required by the Superannuation Law to be included in these rules;
 - 3.3.4.3 these rules shall be read down and deemed not to contain any provision that must be excluded by the Superannuation Law.
- 3.3.5 **Any other form of Pension**

The "Trustee" may pay an income stream in any other manner permitted from time to time by the Superannuation Law and may modify the payment of an income stream from time to time if the Superannuation Law permits.

What must happen if there is a residue in any pension account ?

If the pension is an Allocated Pension

- 3.4.1 If a pensioner who is being paid an allocated pension dies and if there is a reversionary beneficiary who is dependent upon that beneficiary at the time of his or her death, then the "Trustee" must begin paying an allocated pension to that reversionary beneficiary. That pension must be calculated in accordance with the Superannuation Law that is applicable to that reversionary beneficiary.
- 3.4.2 If no reversionary beneficiary has been nominated by the pensioner or there is no reversionary beneficiary who is a dependant at the time of the pensioner's death, the "Trustee" must deal with the residue of the pensioner's account in the manner described in the Superannuation Law.

If the Pension is a Market Linked Pension

- 3.4.3 On the death of a person being paid a pension in the form of a market linked pension leaving no reversionary beneficiary, if the pension is not commuted or transferred in accordance with these rules the "Trustee" may pay any residue in the pension account either into the equalization account (if the "Trustee" maintains such an account) or into the forfeiture account or as allowed by the Superannuation Law or in any combination of those ways.

If the Pension is any other type of Pension

- 3.4.4 On the death of a person being paid any other type of pension permitted by the Superannuation Law leaving no reversionary beneficiary the Trustee must pay the residue remaining in the pensioner's account to and in such manner as is provided in the Superannuation Law.

How can pensions be commuted?

- 3.5 If the "Trustee" agrees and the Superannuation Law permits pensions may be commuted in any manner provided for in the Regulations and may be commuted in whole or part.
The commutation must not disadvantage the fund a member, a beneficiary or reversionary beneficiary, or employer.

The following rules are a guide to what commutations are permitted.

If the pension is an Allocated Pension

- 3.5.1 A pension that is being paid in the form of an Allocated Pension can only be commuted if one of the following rules apply -
- 3.5.1.1 the commutation results from the death of the primary beneficiary or the reversionary beneficiary; or
 - 3.5.1.2 the sole purpose of the commutation is to -
 - pay a superannuation contribution surcharge; or
 - give effect to the entitlement of a non-spouse under a payment split; or
 - meet the rights of a client to return a product under division 5 of Part 7.9 of the Corporations Act 2001; or
 - 3.5.1.3 the commutation takes place in a year when the amount of the pension paid meets the minimum requirements of the Regulations; or
 - 3.5.1.4 in the case of a part payment the minimum payment shall be worked out in accordance with the Regulations rounded to the nearest \$10.00 whole dollars.

If the Pension is a Market Linked Pension

- 3.5.2 A pension that is being paid in the form of a Market Linked Pension can only be commuted if one of the following rules apply -
- 3.5.2.1 the commutation results from the death of a pensioner or reversionary beneficiary; or
 - 3.5.2.2 the sole purpose of the commutation is to:
 - pay a superannuation contributions surcharge; or
 - give effect to the entitlement of a non-member spouse under a payment split; or
 - meet the rights of a client to return a financial product under Division 5 of Part 7.9 of the Corporations Act; or
 - 3.5.2.3 the pension has paid, in the financial year when the commutation takes place, the minimum annual amount as provided in the Regulations.

If the Pension is some other type of Pension

- 3.5.3 If the Pension is being paid in some form then the pension may be commuted in any manner permitted by the Regulations.

The Pension must be adjusted

- 3.5.4 If the "Trustee" commutes part of a pension the "Trustee" must then adjust the amount of the pension payable to comply with the Superannuation Law.

Other provisions relating to payment of pensions

When do these Rules apply?

- 3.6.1 These rules shall apply in the case of benefits being paid in the form of a pension and shall be complimentary to the earlier parts of this rule.

How is a Pension paid at or After Attaining the "Normal Retirement Age"?

- 3.6.2 The "Trustee" may pay or cause to be paid to the Member on his or her ceasing to be gainfully employed on or after attaining the retirement age, or on such earlier date as may be permitted by these Rules and the Superannuation Law such income stream in one of the forms described earlier in these Rules as may be agreed between the Member and the "Trustee" PROVIDED HOWEVER THAT the "Trustee" shall not be permitted to pay a pension or instalment of a pension which would exceed the Member's equitable share.

When is a Pension to be paid to a Spouse on Death of Member During Employment?

- 3.6.3 On the death of a Member who is survived by a spouse the "Trustee" shall pay a pension to the deceased members spouse of such amount as the "Trustee" shall determine taking into account the amount of the pension which would have been payable to the Member PROVIDED THAT the "Trustee" shall not be permitted to pay a pension or instalment thereof if such payment would exceed the balance of the Member's equitable share or if such pension shall breach any requirement of the

Superannuation Law and for the purposes of determining whether the payment of a pension or instalment thereof might exceed the balance of the Member's equitable share during the life of the spouse the "Trustee" may seek the advice of an Actuary either generally or for the purposes of this Rule and the "Trustee" shall adjust the pension and or instalments of the pension to take into account the Actuary's report, advice and/or recommendations

When is Payment of a Pension to be paid on Disability of a Member During Employment?

- 3.6.4 In the event of a Member ceasing to be gainfully employed on account of disablement the "Trustee" shall pay or cause to be paid to the Member a pension in such manner as shall be agreed to between the Member and the "Trustee" having regard to the requirements of the Superannuation Law which shall not exceed the pension that would have been payable to the Member had he or she ceased to be in gainful employment by reason of attaining his or her normal retirement age PROVIDED HOWEVER THAT the "Trustee" shall not be obliged to pay a pension or instalment thereof if the payment would exceed the balance of the Member's equitable share.

Is payment of a Pension to be made to a Spouse on Death of Pensioner?

- 3.6.5 On the death of a Member receiving a pension who is survived by a spouse, the "Trustee" shall pay a pension to the spouse of such amount as the "Trustee" shall determine PROVIDED HOWEVER THAT the "Trustee" shall not be obliged to pay a pension or instalment thereof if the payment would exceed the balance of the Member's equitable share or if such pension shall breach any requirement of the Superannuation Law and for the purposes of determining whether the payment of a pension or an instalment thereof might exceed the balance of the Member's equitable share during the life of the spouse, the "Trustee" may seek the advice of an Actuary either generally or for the purposes of this Rule and the "Trustee" shall adjust the pension to take account of the Actuary's report, advice and/or recommendations.

What is the Transfer Value - Minimum Benefits

- 3.6.6 Notwithstanding anything stated to the contrary in these Rules, the capital value of any pension payable to or in respect of a Member shall not be less than its Transfer Value together with interest thereon from the date of receipt into the Fund to the date the Member ceases to be a Member at such rate or rates as the "Trustee" shall in the absolute discretion of the "Trustee" determine having regard to the earning rate of the Fund.

What payments are to be made to a Legal Personal Representative?

- 3.6.7 Subject to the rules concerning payment of pensions and the "Trustees" obligations concerning pension account balances, in the event that there shall be no person entitled to be paid a pension by reason of the death of a person who prior to such person's death was receiving payment of a pension then the "Trustee" shall pay the whole of the benefits standing to the credit of the deceased's person to the legal personal representative of such person upon production of Probate or Letters of Administration and if no legal personal representative shall claim the benefit within two years of the death of the person entitled to the pension the benefit shall cease to be payable and shall be retained in the Fund for the general purposes thereof and be paid or applied as required by the Superannuation Law.

Can Pension payments be accrued?

- 3.6.8 Subject to the Superannuation Law, no pension shall be payable to or in respect of a Member on any day on which the Member is in full time gainful employment (unless so permitted by the Superannuation Law). A pension shall commence on the day following the day when the Member (or other person) became entitled to the pension. Pensions shall accrue from day to day.

Can "Trustee" approve Commutation?

- 3.6.9 Following the request of a Member or pensioner, the "Trustee" may, (subject to the Superannuation Law and Rule 3.5 concerning commutation of pensions) after

exercising an absolute discretion, vary the benefits and entitlements of a Member from time to time and may commute to a lump sum benefit such proportion as the "Trustee" may determine of any pension payable from the Fund.

Can "Trustee" split payment of a pension?

3.6.10. The "Trustee" may upon request of a member "split" the payment of any pension between a member and a members spouse (or other permitted person) in such manner and in such proportions as may be permitted from time to time by the Superannuation Law

The "Trustee" shall upon receiving a splitting agreement or order under the provisions of the Family Law Act and a written request of the members spouse (and subject to the Superannuation Law) split the members pension payments in accordance with the agreement or order.

General Provisions concerning Payment of Benefits

What are the Conditions for payment of benefits?

3.7.1 A Members entitlement to benefits shall crystallize and shall be paid or commenced to be paid if:

- 3.7.1.1 the Member has attained the age required by the Superannuation Law but is no longer gainfully employed for the number of hours per week stated in the Superannuation Law for the relevant age of the Member, or
- 3.7.1.2 the Member has died;
- 3.7.1.3 the Member has retired permanently from gainful employment by reason of total and permanent incapacity or permanent invalidity or permanent disability, or
- 3.7.1.4 the Member has attained an age that requires or permits the payment of a benefit by reason of any provision of the Superannuation Law, or
- 3.7.1.5 the Member has left the service of an Employer or ceased to be gainfully employed in other circumstances that may allow the payment of benefits under the Superannuation Law.
- 3.7.1.6 the Member has met some other criteria which shall permit the "Trustee" to pay a benefit.

What Payment may be made to Dependants?

3.7.2 Any amount which becomes payable by reason of the death of a Member shall at the option of the "Trustee" be paid to or for the benefit of the Dependants of that Member or such one or more of them and to the exclusion of the other or others of them and in such proportions and such manner as the "Trustee" in the "Trustee's" absolute discretion shall determine where any Dependant to whom such benefit is paid is an infant or under a disability the payment may be made in Trust to the person appearing to the "Trustee" to be the Guardian or the person having the actual custody or control of such infant or to the person with whom such infant will permanently reside or to such other person or institution (subject to such directions as to the manner in which the payment is to be applied) for the benefit of the infant as the "Trustee" shall determine. The receipt of such person or the appropriate official of such institution shall be a good and sufficient discharge to the "Trustee" for any monies so paid and the "Trustee" shall not be bound to see to the application thereof nor to the carrying out of directions. A payment may be paid to the Legal Personal Representatives of that Member.

May the "Trustee" pay benefits to more than one spouse?

3.7.3 The "Trustee" may pay benefits to more than one spouse and may pay the same in even or uneven proportions between the spouses.

Must "Trustee" to Give Effect to Election?

3.7.4 The "Trustee" in making a determination to pay a benefit or benefits to a Dependant of a Member or where there is no Dependant to another person shall take account of and give full effect to any election, direction or nomination that may have been made by a Member in writing to the "Trustee" prior to the date of the determination by the "Trustee". If the Superannuation Law so permits such an election, direction or

nomination may be made in writing at any time during the member's lifetime or by Will or some other testamentary documentation.

Can "Trustee" require a Medical Certificate?

- 3.7.5 Any Member seeking payment of benefits from the Fund on his or her retirement from the work force on the ground of permanent incapacity or permanent invalidity shall provide to the "Trustee" a Certificate signed by two registered Medical Practitioners certifying that in the opinion of those Medical Practitioners the Member is unlikely to ever be able to work again in a job for which the Member is reasonably qualified by education training or experience.

What must happen if a Member ceases to be employed but is not entitled to benefits?

- 3.7.6 If a Member ceases to be in gainful employment in circumstances which do not entitle him or her to a benefit then the "Trustee" shall:-
- 3.7.6.1 retain in the Fund all of the benefits to which such Member is entitled upon withdrawal and which are required to be preserved and retain the same for the benefit of the Member until the Member satisfies any requirement of these Rules or the Superannuation Law permitting payment; or
 - 3.7.6.2 transfer all of the benefits to which the Member is entitled on such withdrawal and that are required to be preserved to:-
 - another Superannuation Fund nominated by the Member being a Superannuation Fund of which the Member is or intends to become a Member and that is required to preserve any benefits so transferred in accordance with the standards set out in the Superannuation Law, or
 - an approved deposit Fund nominated by the Member being a Fund that is required to preserve any benefits so transferred in accordance with the standards set out in the Superannuation Law, or
 - such other Fund as may be authorised by the Superannuation Law.
 - 3.7.6.3 pay to the Member such portion of the benefits that are unrestricted, non-preserved benefits as defined in the Superannuation Law by paying the same in one or more lump sum payments, one or more pensions that comply with the Superannuation Law or for the purchase of one or more annuities in the form of an income stream, provided by a Life Insurance Company, Friendly Society or a Registered Organization in accordance with the Regulations.

What benefits are payable on the death of a Member leaving dependants but no spouse?

- 3.8 Following the death of a Member leaving no spouse entitled to a benefit pursuant to these Rules but leaving dependants, the "Trustee" shall pay any balance of that Member's account to such one or more of the former Member's Dependants in the manner, at the times, by the instalments and subject to the terms and conditions and in such proportions between them, if more than one, as the "Trustee" may from time to time exercising an absolute discretion and taking into account the provisions of these Rules and the Superannuation Law determine.

How are benefits paid on the death of a Member leaving no entitled spouse and no dependants?

- 3.9 Following the death of a Member not leaving a spouse entitled to a benefit pursuant to these Rules, and not leaving any Dependants, the "Trustee" shall pay or apply any balance of the Member's account to his or her legal personal representative, or if there is no legal personal representative, to such relatives of the deceased Member as appear to the "Trustee" to be entitled under the Laws of Intestacy to share in his or her estate, provided that if there be no such relatives, any balance of the Member's account shall be absolutely forfeited and shall remain in the Fund for the benefit of the remaining Members and beneficiaries.

Can benefits be paid "in Specie"?

3.10 If the "Trustee" and the person receiving a benefit so agree and provided the same shall not offend against the Superannuation Law, the "Trustee" may pay benefits by transferring assets of the Fund to the recipient without converting them into cash. The assets may be real or personal and the value attributable to such assets shall be determined by the "Trustee" after exercising a reasonable discretion and taking reasonable advice from an appropriate qualified Valuer but shall be equal in value to the amount of benefit being paid to the recipient at the date of payment or provision of the benefit. The "Trustee" shall have all necessary powers to pay benefits in this manner including the power to select the particular asset for transfer.

Can lump sum benefits be converted?

3.11 Benefits payable in the form of a lump sum may be converted in whole or part to an income stream (pension) at any time after the benefit has become payable. The "Trustee" may set aside assets of the Fund "in Specie" for the purposes of establishing the necessary separate account.

4. LIMITATION ON BENEFITS

If the benefits being provided by the Fund for a Member or if such benefits, together with the benefits which have been or are being provided for a Member, under any other relevant superannuation fund are regarded or are in the opinion of the "Trustee" likely to be regarded by the Regulator having regard to the provisions the Tax Act or the Superannuation Law as excessive then:-

May the "Trustee" refuse to accept or reduce contributions?

4.1 The "Trustee" may refuse to accept any further contributions to the Fund for or from that Member or may require a reduction in contributions to the Fund of such Member to a level that shall having regard to the provisions of the Superannuation Law be acceptable, the amount of the excess may be transferred to a Separate Fund for the Member being the Fund referred to in sub-paragraph 4.2 or may be dealt with for the benefit of the Member in such manner as the Regulator shall approve in writing.

May the "Trustee" pay excess into a Separate Fund?

4.2 The Separate Fund shall be held by the "Trustee" in trust for the same persons upon the like terms and conditions and subject to the like trusts powers and authorities and provisions as if the excess amount had remained in the Fund unless the Member and the "Trustee" otherwise agree. Any balance of the contributions which would otherwise have been payable to the Fund but for the provisions of Rule 4.1 may thereafter be paid to the separate fund unless the Member and the "Trustee" otherwise agree. No person shall be a Member of the separate fund other than a Member for whom an excess amount has been transferred.

5. MEMBER NOT TO DEAL WITH BENEFIT

Can a Member deal with interest?

5.1 A Member shall not charge or otherwise deal with his or her interest in the Fund or any of its investments.

What must happen if a member deals with interest in Fund?

5.2 If a Member charges or otherwise attempts to deal with his or her interest in the Fund or becomes bankrupt or commits an act of bankruptcy or has his or her affairs made the subject of the Bankruptcy Law then his or her interest in the Fund shall subject to the provisions of the Superannuation Law cease and the "Trustee" may at any time pay or apply a benefit not exceeding the interest of the Member to such one or more of the Member or Member's Dependants to the exclusion of the others or other of them as the "Trustee" shall in the "Trustee's" absolute discretion determine **PROVIDED HOWEVER THAT** no benefit shall be paid to or in respect of a Member whilst the Member remains in full time gainful employment and is under the age of seventy years and any balance not so applied by the "Trustee" shall be applied in such manner as shall be permitted by the Superannuation Law.

Can a payment be made if it breaches the Superannuation Law?

- 5.3 No payment shall be made if the payment shall offend against the Superannuation Law.

6. VESTING OF BENEFITS

When must benefits vest in a Member?

- 6.1 Subject to any overriding requirement in the Superannuation Law or Law effecting the administration of a Superannuation Fund the total amount of Member financed benefits accruing to a Member from the date upon which this Fund commences shall vest in the individual Member on the day upon which the benefit or benefits accrue.

What must happen to contributions made by an employer?

- 6.2 In the event that any part of a Member's benefit (other than death or disability benefits) accrues directly or indirectly from contributions made by an Employer to the Fund in accordance with a prescribed agreement or award or as a consequence of a payment made to comply with any requirement of the Superannuation Guarantee (Charge) Act 1992 or any mandated payment or if there is no award but the Employer so intends or the Law so requires the benefits applicable thereto shall vest in the Member on the date on which the benefits accrue being the date on or after the date of the contribution.

7. ACTUARIAL APPOINTMENT AND INVESTIGATIONS

Can the "Trustee" appoint an Actuary?

- 7.1 The "Trustee" may from time to time appoint and remove (on such conditions as the "Trustee" may think fit) an Actuary to the Fund. The Actuary shall be a Fellow of the Institute of Actuaries in Australia or a firm of Actuaries of which each Member is such a Fellow or such other person who may be from time to time permitted so to act as an Actuary by the Superannuation Law.
The "Trustee" must appoint an Actuary if the Superannuation Law requires.

What can an Actuary do?

- 7.2 If an Actuary has been appointed then the "Trustee" may from time to time ask the Actuary to make an actuarial investigation of the Fund and to report in writing to the "Trustee" as to the results of the investigation and on the state and sufficiency of the Fund, having regard to the then present and future liabilities of the Fund and to further make any recommendation which the "Actuary" shall consider appropriate concerning the Fund. Such actuarial investigations shall take place in accordance with prudent actuarial practice and the provisions of the Superannuation Law.

Must the "Trustee" give information to Actuary?

- 7.3 The "Trustee" shall give the Actuary any information, which the Actuary may reasonably request for the purposes of the investigation.

Must the "Trustee" act on Actuary's Report?

- 7.4 The Trustee shall act upon the advice given by the Actuary.

8. "TRUSTEE" TO PROVIDE STATEMENT

When must the "Trustee" give a Statement?

When a person ceases to be a Member of the Fund, the "Trustee" shall give or arrange to be given to that Member as soon as practicable after he or she ceases to be a Member a written statement setting out:

- 8.1 the amount of the benefit entitlement of the Member, identifying any amounts that are required to be preserved; and
8.2 the method of determining that entitlement; and
8.3 all other information, statements and material required by the Superannuation Law.

9. TRANSFER OF BENEFITS

Can benefits be transferred?

- 9.1 If a Member is or becomes eligible for Membership in another Superannuation Fund, the "Trustee" may upon the written request of the Member (and provided the Rules

of any such other fund permit) transfer the whole or any part of the value of the Member's interest in the Fund determined in accordance with these Rules and the Superannuation Law to that Fund and the "Trustee" shall advise the "Trustee" of that fund of the extent to which it is vested.

Can benefits be transferred if a Member ceases to be employed?

9.2 If upon ceasing to be gainfully employed a Member becomes eligible for membership in another Superannuation Fund or becomes eligible to make a deposit or deposits into an Approved Deposit Fund maintained in accordance with the Superannuation Law or wishes to purchase or acquire a Deferred Annuity or an Immediate Annuity as defined in the Superannuation Law, the "Trustee" may upon the written request of the Member and provided the rules of such other fund and the Superannuation Law permit:

- 9.2.1 transfer to any one or more of the "Trustee's" of any such Superannuation Fund or Approved Deposit fund assets (and such terms shall include Cash Funds) representing the whole or any part of the value of the interest of the Fund attributable to such Member; or
- 9.2.2 apply the whole or any part of the value of the interest in the Fund attributable to such Member to the purchase of a Deferred Annuity or an Immediate Annuity.

Can the "Trustee" accept a transfer of assets?

9.3.1 The "Trustee" may at the request of a Member accept a transfer of assets from:

- 9.3.1.1 the "Trustee" of any Superannuation Fund of which such Member was or is a Member;
- 9.3.1.2 any person by whom such Member was or is employed;
- 9.3.1.3 the "Trustee" of any Approved Deposit Fund in which such Member was or is a depositor;
- 9.3.1.4 any person or Corporation from whom such Member has purchased a Deferred Annuity or an Immediate Annuity;
- 9.3.1.5 a Member provided such transfer is in accordance with the Superannuation Law

on the condition that -

- 9.3.1.6 the "Trustee" and such Member agree as to benefits payable to the Member in the given circumstances as a consequence of such transfer;
- 9.3.1.7 the assets so transferred are to form part of the Fund to pay benefits to any person as provided for in these Rules;
- 9.3.1.8 the "Trustee" is provided with such information as the "Trustee" may reasonably request as to:
 - the age;
 - the sex;
 - the period or periods of membership of the Member with any previous Fund;
 - the period or periods of service of the Member with any Employer in respect of which the assets so transferred represent benefits accrued to the Member including an allocation of those benefits between the respective period or periods and the extent to which the assets so transferred represent the Member's personal contributions and dates or periods (as specified by the "Trustee") upon or during which such contributions were made; and
 - the extent to which the assets so transferred represent non preserved assets (which non preserved assets so far as the Superannuation Law permits may continue to be held as non preserved assets);
- 9.3.1.9 any other matter which in the opinion of the "Trustee" is incidental to or consequent upon a transfer or admitting a Member to membership of the Fund or allowing a Member to remain a Member of the Fund are complied with.

9.3.2 The "Trustee" may, if the "Trustee" thinks fit, accept a transfer of any Life Insurance policy existing on the life of a Member.

9.3.3 In the event that assets or Life Insurance Policies are transferred to the Fund for the benefit of a Member, then except in the event of the Member's death or permanent disability or in accordance with the Superannuation Law or such other circumstances as the Regulator may allow such benefits shall not be paid on to the Member or any other person, prior to the Member attaining the permitted age.

9.4 When accepting a transfer or making a Transfer the "Trustee" shall transfer to the new Fund or accept from the old Fund the benefit of any taxation concession on the benefits being transferred, including the benefit of any capital gain or other tax relief.

10. MONEYS NOT APPLIED TO BENEFITS TO REMAIN IN FUND

Moneys released in respect of any benefits forfeited and not subsequently paid or applied in accordance with these Rules and the Superannuation Law shall remain in the Fund for the general purposes thereof of the Fund.

11. FORFEITURE OF BENEFITS

What are the Conditions of Forfeiture?

11.1 Any Member, former Member, or, after his or her death any of the dependents or the personal representatives of a Member or former Member who cannot (subject to reasonable enquiry having been made) be located and whose dependents cannot be located by the "Trustee" during a period of two years after a payment was last made to him or her by an employer particulars of which employer have been given in writing to the "Trustee" or by the "Trustee" or if the Member was immediately before ceasing to have contact with the "Trustee", self employed, then from the date the Member was last in contact with the "Trustee", shall forfeit entitlement to all his or her benefits and in the event that he or she shall not have prior to that date given notice of his or her retirement from the Fund shall on that date cease to be a Member of the Fund. Any benefits that have accrued to a Member, former Member and beneficiary that is forfeited under this sub Rule shall be paid to the Regulator or the appropriate receiver of unclaimed monies in accordance with any requirement of the Superannuation Law.

How is a Member's account residue dealt with?

11.2 Any Member or former Member who has been paid all benefits which the "Trustee" considers should be paid to him or her in accordance with these Rules and who still has a residual amount standing to his or her credit shall, subject to these rules and the Superannuation Law, upon the day that the "Trustee" declares all benefits due to the Member have been paid to the Member, forfeit such amount and such amount shall be dealt with as a forfeited benefit.

How are forfeited benefits to be dealt with?

11.3 The "Trustee" shall hold upon trust and pay or apply any benefits which have been forfeited which represent Members' vested contributions or preserved payment benefits to or for the benefit of the Member or his or her dependents or any one of them in such portions between them and on such terms as the "Trustee" may from time to time in the "Trustee's" absolute discretion determine provided that no benefit shall be paid to or in respect of a Member whilst the Member is under the permitted age and any balance not so applied by the "Trustee" shall be applied in such manner as is authorised by the Superannuation Law.

Application of remaining forfeited benefits

11.4 Subject to Sub-Rule 11.3 and any overriding requirement of the Superannuation Law, the "Trustee" may, exercising an absolute discretion, pay or apply any benefits which have been forfeited

11.4.1 to or for the benefit of the Members or former Members of the Fund or any of their respective dependents or any one or more of them in such proportions between them and on such terms as the "Trustee" may from time to time exercising an absolute discretion, deem fit;

11.4.2 to or for the benefit of Members or former Members of the Fund who have rights to receive benefits from the Fund or for any of their respective dependents on a basis that the "Trustee" considers reasonable having

regard to all the circumstances in which benefits may be paid in lieu of contributions which were otherwise payable by an Employer or a Member to the Fund;

- 11.4.3 to repay to an Employer or a contributor contributions made to the Fund in respect of a Member whose rights to receive benefits under the Fund have ceased, or
- 11.4.4 for any other purpose approved from time to time by the Regulator or
- 11.4.5 as required by the Superannuation Law.

12. PRESERVATION OF BENEFITS

What benefits must be preserved?

The amount of any benefits vested in a Member in accordance with these Rules or the Superannuation Law shall be preserved and in relation to each Member of the Fund and any amounts that may be transferred to the Fund for the benefit of a Member in accordance with these Rules or under the Superannuation Law shall be preserved in the manner and to the extent required by the Superannuation Law.

13. AUDITOR

Must the Fund have an Auditor?

The Fund shall (if the Superannuation Law so requires) have an Auditor to audit the books of the Fund and such Auditor shall:-

- 13.1 be an independent registered auditor; or
- 13.2 when the Superannuation Law so permits be a person who -
 - 13.2.1 is a Member of the Institute of Chartered Accountants or the Australian Society of Certified Practising Accountants or the National Institute of Accountants or is a Fellow or Member of the Association of Taxation and Management Accountants or is a Fellow of the National Tax and Accountants Association Ltd or such other person as shall be permitted by the Superannuation Law;
 - 13.2.2 is not a "Trustee" or Member of or contributor to the Fund, Member of the Management Board, Committee or other body exercising actual control over the policies, assets or property of the Fund, or a partner, employee or officer of such "Trustee", Member or contributor and
 - 13.2.3 does not have actual control over the investments or administration of the Fund and is not a partner, employee or officer of any person having such control.
- 13.3 take office immediately upon being appointed by the "Trustee" and shall remain in office until -
 - 13.3.1 death; or
 - 13.3.2 insanity or such illness as incapacitates him or her from carrying out the duties of Auditor; or
 - 13.3.3 resignation; or
 - 13.3.4 ceasing to satisfy any of the requirements for acting as Auditor as provided in these Rules or the Superannuation Law; or
 - 13.3.5 removal from office by the "Trustee".

14. "TRUSTEE"

Rules Applying to "Trustee" Generally

Must the Fund be managed by a "Trustee?"

- 14.1. The Fund must have a "Trustee" and the "Trustee" shall:-
 - 14.1.1 unless the primary purpose of the Fund is to pay benefits in the form of a pension, be a Constitutional Corporation and
 - 14.1.2 once appointed, continue to hold office until removed or ceasing to hold the qualifications for office as required in these Rules and
 - 14.1.3 be appointed by the members and
 - 14.1.4 in the case of the first "Trustee" be the persons or Corporation named in the Schedule and
 - 14.1.5 comply with Rule 14.17.

When is a Corporate "Trustee" to be removed from office?

- 14.2. In the case of the Trustee being a Corporation the "Trustee" shall be removed if –
- 14.2.1 it is placed in receivership or goes into liquidation or in some other manner ceases to hold the qualification required for it to be a "Trustee";
 - or
 - 14.2.2 a majority of the Members agree to remove the "Trustee"

When is a person acting as a Director of a "Trustee" company to be removed from office?

- 14.3. Subject to Rule 14.16 a person acting as a Director of a Corporate Trustee shall be removed from office if:-
- 14.3.1 he or she dies or resigns by notice in writing;
 - 14.3.2 he or she is disqualified from acting as a Director pursuant to the Corporations Law;
 - 14.3.3 he or she is disqualified from acting as a Director pursuant to any of the provisions of the Superannuation Law;
 - 14.3.4 he or she becomes mentally ill or his or her affairs come under the protective jurisdiction;
 - 14.3.5 he or she becomes bankrupt or makes an assignment to or composition with his or her creditors; and
 - 14.3.6 if a majority of members agree to remove the Director.

When is a Natural Person to be removed from Office?

- 14.4 Subject to rule 14.6 in the case of a natural person "Trustee", the person shall be removed from office if:
- 14.4.1 he or she dies or resigns by notice in writing;
 - 14.4.2 he or she is disqualified from acting as a "Trustee" pursuant to any of the provisions of the Superannuation Law;
 - 14.4.3 he or she becomes mentally ill or his or her affairs come under the protective jurisdiction;
 - 14.4.4 he or she becomes bankrupt or makes an assignment to or composition with his or her creditors;
 - 14.4.5 He or she is guilty of gross misconduct in the management of the affairs of the Fund; and
 - 14.4.6 a majority of members agree to remove the person.

Is the "Trustee" personally liable?

- 14.5 A "Trustee" or the Directors of a Corporate "Trustee" shall not be under any personal liability in respect of any loss or breach of trust relating to the Fund unless the same shall have been due to its or his or her own dishonesty or gross neglect.

Is the "Trustee" entitled to be indemnified?

- 14.6 A "Trustee" shall be indemnified by the Fund against all liabilities and damages incurred by the "Trustee" in the execution or attempted execution or in respect of the non execution of the trust, authorities, power and discretions contained in these Rules provided the "Trustee" shall have acted reasonably and the "Trustee" shall have a lien on and may use any monies for the repayment of all proper legal and other costs and charges, and expenses of administering or winding up the Fund, and otherwise of performing the "Trustee's" duties under these Rules. The indemnity provided shall extend and apply to any payment made on the death of a Member to any person whom the "Trustee" bona fide believed to be entitled thereto.

Does a Member have to indemnify a "Trustee"

- 14.7 A "Trustee" shall not be entitled to indemnity, reimbursement or payment of expenses from the Members or any of them or any other person entitled to benefit from the Fund and the Members likewise shall not be personally liable for the debts of the Fund.

Must the "Trustee" file Annual Return?

- 14.8 The "Trustee" shall in each year of the Fund's existence as soon as practicable after the end of a year of income and not later than the date which may be prescribed for that purpose in respect of that year by the Regulator as being the last date for filing of a return as required by the Superannuation Law, give or cause to be given to the Regulator in relation to the year of income -
- 14.8.1 a return (Regulatory Statement) in a form approved by the Regulator for the purposes of providing such information relating to the Fund and the Fund's compliance with the Superannuation Law during the year of income as is required by the Superannuation Law; and
 - 14.8.2 a certificate by the "Trustee" of the Fund as to the matters required by the Superannuation Law in the form prescribed; and
 - 14.8.3 a certificate by the Fund's Auditor as to the matters required by the Superannuation Law in the form prescribed; and
 - 14.8.4 the prescribed fee and any other information that may be required by the Regulator or the Superannuation Law.

Must the "Trustee" ensure that the Fund is properly administered?

- 14.9 The "Trustee", whether original or substituted, shall see to the proper administration of the Fund and use the "Trustee's" best endeavours to ensure that in the administration of the Fund there is no breach of the Superannuation Law and that the Fund is at all times a Complying Superannuation Fund as defined in the Superannuation Law.

Must the "Trustee" provide annual statement to Members?

- 14.10 As soon as practicable after the end of the year of income of the Fund first occurring after the date hereof and of each succeeding year of income (and in no case later than 6 months after the end of each year) the "Trustee" shall provide to each and every Member a written statement setting out -
- 14.10.1 the amount of benefits vested in the Member at the commencement of the first day of the year of income to which the statement relates;
 - 14.10.2 the amount of benefits vested in the Member at the expiration of the last day of that year of income;
 - 14.10.3 the method of determining the amount of the benefits referred to in sub-rule 14.10.2;
 - 14.10.4 the amount or proportion of the benefits referred to in sub-rule 14.10.2 that is required by the Superannuation Law and/or these rules to be preserved in relation to the Member in the event of the Member's withdrawal from the Fund;
 - 14.10.5 the amount of contributions made by the Member during that year of income;
 - 14.10.6 the amount of net earnings allotted to the Member during that year of income and the rate at which those earnings were allotted;
 - 14.10.7 the amount of any current death benefit of the Member;
- And where the amount of benefits that are vested in a Member of the Fund is calculated on the basis of the benefits purchased by the "Trustee" under an endowment or whole of life policy, the amount of:
- 14.10.7.1 the sum assured; and
 - 14.10.7.2 any bonuses that have accrued to the Member on or before the end of the year of income to which the statement relates; and
 - 14.10.7.3 contributions made by that Member during that year of income.
- 14.10.8 any other information required to be given pursuant to the Superannuation Law.

Must the "Trustee" give statement to new Members?

- 14.11 The "Trustee" shall give to every person who becomes a Member of the Fund as soon as practicable thereafter a written statement containing details of the kinds of benefits provided to Members by the Fund, the conditions relating to those benefits

and the method of determining entitlements of Members to benefits and such other information as shall from time to time be required by the Superannuation Law.

Must the "Trustee" know these Rules?

- 14.12 The "Trustee" shall as soon as practicable after appointment become familiar with the provisions of these Rules and the requirements of the Superannuation Law and apply them fairly between the Members and beneficiaries of the Fund.

Must the "Trustee" deal with conflict?

- 14.13 The "Trustee" shall deal appropriately with any conflict between the interests of the Members and or those in receipt of payments or benefits and the interests of the Employer (if there be an Employer) and the "Trustee" and if a conflict of interest arises disclose it to the Members or if the case requires the persons in receipt of benefits.

What other obligations does the "Trustee" have?

- 14.14 In addition to the duties and obligations of a "Trustee" otherwise provided in these Rules, the "Trustee" shall -
- 14.14.1 take all reasonable steps to ensure that there are at all times in force arrangements under which
 - 14.14.1.1 Members and beneficiaries have the right to make enquiries into, or complaints about, the operation or management of the Fund in relation to the Member or beneficiary making the enquiry or complaint, and
 - 14.14.1.2 enquiries or complaints so made are properly considered and dealt with within 90 days after they were made.
 - 14.14.2 if the "Trustee" enters into an agreement with an Investment Manager under which money of the Fund will be placed under the control of the Investment Manager
 - 14.14.2.1 ensure that the agreement contains adequate provision to enable the "Trustee" to require the Investment Manager from time to time:
 - to ensure the provision of appropriate information as to the making of, and return on, the investment; and
 - to ensure the provision of such information as is necessary to enable the "Trustee" to assess the capability of the Investment Manager to manage the investments of the Fund and
 - 14.14.2.2 ensure that wherever it is necessary or desirable to do so, the Investment Manager provides the information.
 - 14.14.3 keep and retain for at least 10 years minutes of all meetings of "Trustee's" or directors of a "Trustee" Corporation as the case requires;
 - 14.14.4 keep and retain for at least 10 years up to date records of all changes of "Trustee's" and changes of directors of any corporate "Trustee" and of all consents given under Section 118 of the Superannuation Industry (Supervision) Act 1993;
 - 14.14.5 keep and retain for as long as they are relevant and in any event for at least 10 years copies of all reports that are given from time to time to all Members of the Fund or to all Members included in a particular class and to make those copies available for inspection by the Regulator if required so to do;
 - 14.14.6 to notify the Regulator in writing not later than the third business day after becoming aware of the event of the occurrence of any event having a significant adverse effect on the financial position of the Fund;
 - 14.14.7 keep such accounting records as correctly record and explain the transactions and financial position of the Fund, so keeping the accounting records as to enable the accounts and statements of the Fund as required by the Superannuation Law and the returns referred to in the Superannuation Law to be prepared, keeping the accounting records, statements and returns so that the same may be conveniently and

- promptly audited, retaining the records for at least 5 years after the end of the year of income to which the transaction relates, causing the records to be kept in Australia and keeping the records in writing in the English language or in a form in which they are readily accessible and readily convertible into writing in the English language;
- 14.14.8 satisfy all of the requirements concerning the proper and efficient conduct of and management of the Fund as are contained in the Superannuation Law.
- 14.14.9 satisfy all of the requirements of the Superannuation Law for the preservation of small balances in Member's accounts.

Does a Director have a casting vote?

- 14.15 No Director of a Corporation acting as "Trustee" shall have a second or casting vote.

What rules apply to the office "Trustee"?

- 14.16.1 This Rule and the general Rules concerning the "Trustee" shall apply to this Fund because it is a Self Managed Superannuation Fund.
The "Trustee" may subject to the Superannuation Law, be a Constitutional Corporation that satisfies the requirements of rule 14.16.3 or comprise all the Members and:-
- 14.16.2 ***If the "Trustee" comprises all the Members then:-***
- 14.16.2.1 in the case that there is only one member of the Fund, the "Trustee" may be that person together with one other person who is an individual and who is a relative of the member or is a person who is an individual who is not a relative and the member is not an employee of that other "Trustee";
- 14.16.2.2 if there are two or more members of the Fund, all of the members must be "Trustee's";
- 14.16.2.3 there must not be any other "Trustee";
- 14.16.2.4 the "Trustee" or "Trustee's" must not receive any remuneration from any person for any duties or services performed by the "Trustee" or "Trustee's" in relation to the Fund.
- 14.16.3 ***If the "Trustee" is a Constitutional Corporation then:-***
- 14.16.3.1 if there is only one member of the Fund and the Constitutional Corporation is a single director Corporation, then that person must be the single Director and in the case that the "Trustee" is not a single Director Corporation, then the Corporation shall have two Directors, one of whom must be the member and one of whom may be a relative or a person who is not a relative, provided that the member is not an employee of that second unrelated Director;
- 14.16.3.2 if there are more than one member of the Fund, all the members must be Directors of the Constitutional Corporation;
- 14.16.3.3 there must be no Directors of the "Trustee" Corporation other than persons who are members of the Fund, except in the case described in 14.16.3.1;
- 14.16.3.4 the Directors of the "Trustee" Corporation must not receive any remuneration from any person for any duties or services performed by the "Trustee" in relation to the Fund;
- 14.16.3.5 there must not be any other "Trustee" of the Fund.

What must the Trustee be if the Fund is Regulated Fund?

- 14.17 If the Fund is a regulated Superannuation Fund or intends to become a regulated Superannuation Fund (as defined in Section 19 of the "Act") then:-
- 14.17.1. if rule 25 applies and the Fund is a Pension Fund the "Trustee" may be a Corporation or the member as provided in rule 14.16; or
- 14.17.2 if rule 25 does not apply and the Fund is an Accumulation Fund proposing to pay benefits in the form of a lump sum payment then the "Trustee" must be a Corporation that satisfies the requirements of rule 14.16.3.

15. GENERAL POWERS OF THE "TRUSTEE"

What general powers does the "Trustee" have?

In addition to the powers which may by Law be conferred upon or which are provided for by these Rules, the "Trustee" shall have the following powers:

- 15.1 to settle, compromise or submit to mediation or arbitration any claims, matters or things relating to the Fund or to the rights of Members or any other person making any claims upon the Fund;
- 15.2 to commence, carry on and defend proceedings relating to the Fund or to the rights of any Members, former Members or any beneficiaries under the Fund;
- 15.3 to insure or re-insure risks, contingencies or liabilities of the Fund with any insurance company, mortgage insurance company, re-insurance company or other superannuation fund;
- 15.4 to underwrite or sub-underwrite any risks, contingencies or liabilities under any superannuation arrangement conducted by any participating Employer where there exists the possibility of transfers of employees to the Fund;
- 15.5 to retain the services of such professional or other advisers in relation to the management, administration or investment of the Fund and to pay out all expenses properly incurred and incidental to the management and administration and investment of the Fund;
- 15.6 to indemnify or to undertake to indemnify any person in respect of any claim matter or thing relating to the Fund or to the rights of any Member, former Member or beneficiary in respect of the Fund;
- 15.7 generally to do all acts, things and matters as the "Trustee" may consider necessary and expedient for the proper administration, maintenance and preservation of the Fund including the making of an election to be a Regulated Superannuation Fund.

16. ALTERATIONS TO RULES

How can these rules be altered?

- 16.1 These Rules may from time to time whether prospectively or retrospectively be altered, repealed or added to by the "Trustee" by Deed or resolution and such alterations or additions may in like manner be altered, repealed or added to **PROVIDED HOWEVER** that no amendment shall detrimentally effect the benefits which have already been provided under the Fund in respect of any Member from contributions made by that Member and in respect of that Member to the date of such amendment unless such amendment is made in conformity with these Rules and either with the consent in writing first had and obtained from all the Members of the Fund or the Regulator. No amendment shall be made which has the effect of creating a re-settlement of this Superannuation Trust.
- 16.2 Any amendment made shall be binding on each Member of the Fund whether or not such Member has executed a Deed of Adoption before or after such amendment and shall take effect as and from the date of the Deed or resolution or as and from such earlier or later date as may be specified for that purpose in the Deed or Resolution and shall be of the same validity as if it had been originally contained in these Rules.
- 16.3 As soon as practicable after such amendment the "Trustee" shall give to each of the Members a written statement explaining the nature and purpose of the alteration and the effect (if any) of the alteration on the entitlements of Members.
- 16.4 In the event that the "Trustee" shall become aware that any of the provisions of these rules offend against the Superannuation Law, the "Trustee" shall, within 30 days of becoming aware, cause this Deed to be amended so as to remedy that breach.

17. SERVICE OF NOTICES

How may notices be served?

Every notice or other communication whatsoever to be made or given by the "Trustee" a Member or an Employee shall be in writing, signed by an officer appointed by the "Trustee" or Employer or by the Member (and if the notice be given on behalf of a group of Members then by a nominee of the group) and shall be sent by post or electronic means to the last advised address of the person to whom the notice is sent

18. INSPECTION OF RULES

Who may inspect these Rules?

- 18.1 A copy of these Rules shall be kept by the "Trustee" at the "Trustee's" office and shall be open to inspection by any Member at all reasonable times.
- 18.2 Every Member upon request to the "Trustee" shall be supplied with a copy of this Deed and Rules of the Fund.

19. DEDUCTION OF TAXES AND EXPENSES

What expenses can the "Trustee" deduct?

- 19.1 The "Trustee" may deduct from any benefit or payment under these Rules
 - 19.1.1 any taxes payable from or in respect of it whether by the person entitled thereto or the Fund and shall thereupon pay the taxes deducted to the Commissioner of Taxation or such other person entitled to receive the same.
 - 19.1.2 the costs or expenses incurred in locating and determining the identity of any person entitled to benefit hereunder and any costs or expenses in determining the amount of any benefit payable hereunder.
- 19.2 A person entitled under the Fund shall be entitled to receive only the benefits or payments due after the deduction or deductions have been made.

20. MONEY OWING TO FUND OR AN EMPLOYER

What must happen if a Member owes money to the Fund or an Employer?

Subject to the Superannuation Law, where a Member at the time he or she ceases to be an employee owes any money to the Fund or to an Employer (including costs of any prosecution or civil proceedings together with interest on those monies at a rate determined by the "Trustee") or if the Member has committed any fraud upon an employer or is guilty of dishonesty, defalcation or serious misconduct such that the monies are owing to the Employer, the Member shall be deemed to have forfeited his or her rights to receive a sum equivalent to the money owing to the Fund or the Employer (as the case maybe) from that part of the benefit payable which does not represent Members' vested contributions or preserved payment benefits and the "Trustee" shall

- 20.1 if the monies are owed to the Fund, retain them in the Fund; or
- 20.2 if the monies are owed to the Employer, retain them in the Fund or pay them to the Employer or as the Employer directs.

21. TERMINATION OF FUND

An Employer may cease to be a contributor?

- 21.1 An Employer may cease to be a contributor and participant in the Fund upon giving written notice to the "Trustee" of an intention to cease to be a contributor and participant from such date.

X Member may continue to contribute?

- 21.2 A Member who is an employee of an Employer contributing to the Fund that has ceased to be a participant and contributor in the Fund may continue to be a Member. No benefit shall be paid to such Member during the period that his or her full time employment with the former participating Employer continues unless the Member shall be more than 70 years of age (or the Superannuation Law permits it).

When must the Fund be wound up?

- 21.3 The Fund shall be wound up:-
 - 21.3.1 if in the opinion of the "Trustee" there are circumstances affecting the Fund that make it necessary for the Fund to be wound up; or
 - 21.3.2 if the Superannuation Law requires that it be wound up; or
 - 21.3.3 if The Regulator requires that it be wound up; or
 - 21.3.4 if there is no person to whom a benefit is or may be payable; or
 - 21.3.5 if the liabilities of the Fund at any time exceed the assets of the Fund (other than for a temporary short term).

Is the liability of an Employer or Member affected by a winding up?

- 21.4 In the event of a winding up of the Fund any liability of any Employer or any Member or other person to make contributions shall cease and determine (save and except to the extent of any payment the liability for which has arisen but in respect of which payment has not been made) and the "Trustee" shall distribute amongst the Members or former Members or their dependents the assets of the Fund in accordance with these Rules either as a death benefit or a withdrawal benefit or a permanent disablement benefit or by way of payment to another Fund as appropriate provided that the "Trustee" shall have the absolute discretion to vary such benefits in such circumstances and on a basis that the "Trustee" considers reasonable having regard to the circumstances and the provisions of the Superannuation Law. No benefit shall be paid to a Member whilst the Member is in full time employment except as permitted by the Superannuation Law.

What happens to money remaining in Fund?

- 21.5 If any amount remains in the Fund after all the Members' entitlements have been paid the amount so remaining shall be paid to the Employers and/or the Members in such proportions as the "Trustee" considers to be appropriate or to such other persons or Corporation as the Regulator may require.

22. MISCELLANEOUS

What is the purpose of the Fund?

- 22.1 This Fund is an indefinitely continuing Fund and shall be maintained solely for either or all of the following purposes:
- 22.1.1 the provision of benefits for each Member of the Fund in the event of the retirement of the Member from any business, trade, profession, vocation, calling, occupation or employment;
 - 22.1.2 the provision of benefits for dependents of each Member of the Fund in the event of the death of Member;
 - 22.1.3 for such ancillary purpose as the Regulator may from time to time approve.

Can the "Trustee" provide different benefits etc?

- 22.2 In the event that at any time the provisions of the Superannuation Law shall permit a benefit to be provided or an investment to be made or some action to be take or done that is in the opinion of the "Trustee" more beneficial to the recipient or the Fund than a benefit, investment or action permitted by these rules, the "Trustee" shall be permitted (but not obliged unless required so to do by the Regulator) to provide the benefit to the recipient or make an investment or take or do the action that is permitted by the Superannuation Law.

Must the "Trustee" have regard to Superannuation Law

- 22.3 The "Trustee" shall at all times whilst exercising a discretion, exercise the discretion having regard to the provisions of the Superannuation Law, the Tax Act any other relevant legislation and prudent business and investment practice.

Must the "Trustee" act as a Trustee?

- 22.4 Notwithstanding the provisions of any of these Rules or any other Rule of Law, any right acquired or action taken by the "Trustee" in the terms of these Rules shall be deemed to be acquired or taken by the "Trustee" in a capacity of Trustee and any monies payable to the "Trustee" shall be received and disbursed by the "Trustee" as such "Trustee" as provided by these Rules and shall not form part of the personal or separate assets of the "Trustee".

May the "Trustee" take any action permitted by the Superannuation Law?

- 22.5 The "Trustee" may take any action, make any payment or investment, establish any Fund or Sub-Fund, divide the Fund into any number of parts, exercise any discretion, pay any benefit or pension and give effect to any request made by a Member, Member's Dependant or other beneficiary as shall be permitted by the Superannuation Law.

23. COVENANTS AND REQUIREMENTS DEEMED TO BE INCORPORATED IN THESE RULES

To the extent that they are not incorporated in these Rules -

23.1 The covenants set out and the standards prescribed by the Superannuation Law and any additions to or modifications of those requirements, covenants and standards that may become operative at any time after the date of this Deed, shall be **DEEMED TO BE INCLUDED IN THESE RULES** and where any inconsistency exists between any matter or thing contained in or referred to in these Rules and the covenants and standards so prescribed and any other regulation and any additions to or modifications of those covenants, standards, requirements and regulations that may become operative at any time after the date of this Deed such covenant, standard, requirement, or regulation, shall take precedence and **SHALL BE DEEMED** to be incorporated in these Rules as and from the date upon which such amendment, addition or modification shall take effect.

24. "TRUSTEE" NOT IN CONTRAVENTION

The "Trustee" shall not be taken to be in contravention of these Rules or to be in breach of trust if the "Trustee" does anything, or fails to do anything, which is in contravention of the Superannuation Law or any provision of these Rules if:

- 24.1 the contravention is permitted by the Superannuation Law, or
- 24.2 the contravention is approved by the Regulator or the person or persons (if any) specified for that purpose, in accordance with the Superannuation Law, or
- 24.3 the contravention is rectified within 28 days, or (where applicable) such other period allowed by the Superannuation Law, from the date the "Trustee" became aware of the contravention; or
- 24.4 the Fund ceases to be a Self Managed Superannuation Fund and within six months of so ceasing the Members appoint an Approved Trustee or the "Trustee" winds up the funds.

25. CIRCUMSTANCES IN WHICH FUND DEEMED TO BE A PENSION FUND

In the event that this Fund shall be described in the Schedule as a pension fund, or if not so described but the "Trustee's" are individuals then the primary (but not necessarily the sole) purpose of the Fund shall be the provision of old age pensions and benefits shall be paid in the form of an income stream unless the Superannuation Law permits otherwise.

26. INTERPRETATIONS

The purpose of these definitions is to assist the "Trustee".

The interpretations of these Rules shall be in accordance with the Laws of the State of residence of the "Trustee" and if more than one the majority of "Trustee's" and the requirements of the Superannuation Law.

In these "Rules" and for the administration of the Fund and for a better understanding of Superannuation Law the following words and expressions shall unless the context otherwise requires have the following meaning and if any meaning given in this interpretation Rule shall be inconsistent with a meaning given in the "Superannuation Law" then the meaning given in the Superannuation Law shall prevail:-

"Act" means the Supervision Industry (Supervision) Act 1993.

"Actuary" means the Actuary for the time being appointed pursuant to these Rules.

"Assets" means the cash, investments and other property of the Fund held by the "Trustee" on the trusts established by or under this Deed, including:

- any amount standing to the credit of the Fund on or after the date when this Deed commences,
- a contribution made by a Member,
- a contribution may be an employer,
- contributions allowed by these Rules that are lawfully made by another person,
- interest, dividends, distributions, profits and other benefits of any kind arising from investments and accumulation of income,
- the proceeds of any annuity or insurance policy,
- the value of any annuity or insurance policy,

money, investments and other property received by the "Trustee" as a roll over payment, shortfall, components and financial assistance received by the "Trustee"

"Beneficiary" means a person immediately and absolutely entitled to a benefit from this Fund. It does not include a Member except where that Member is immediately and absolutely entitled to a benefit from this Fund in respect of another Member.

"Benefit" means any amount paid or payable by the "Trustee" out of the Fund to or in respect of a Member or Member's Dependant.

"Binding Death Benefit Notice" means a notice given by a Member or beneficiary to the "Trustee" in accordance with Regulation 6.17A of the Superannuation Industry (Supervision) Regulations and with these Rules.

"Child" includes a step-child, a legally adopted child or a person recognised by the "Trustee" as a de facto adopted child of a Member or a Dependant or any person who, in the sole discretion of the "Trustee", is or was at any relevant date a child in respect of whom a Member is or was standing in Loco Parentis.

"Commencement Date" means the date upon which this Deed is executed by the "Trustee".

"Complying Superannuation Fund" means a Complying Superannuation fund under Superannuation Law.

"Contributions" means payments to the Fund by Members and Employers permitted by these Rules and as permitted by the Superannuation Law.

"Co-Contribution" means a payment made pursuant to the Superannuation (Government co-Contribution for Low Income Earners) Act 2003.

"Corporation" means a Constitutional Corporation under the Corporations Law.

"Dependant" means the spouse, former spouse and any "child" of a Member and any person who in the opinion of the "Trustee" is or was at the relevant date wholly or partially dependent on the Member.

"Doctor" means a registered Medical Practitioner.

"Disability" means physical or mental disablement which the "Trustee" considers will render the Member unable to perform his or her duties to his or her Employer or engage in gainful employment.

"Employee", "Employer" and "Employed" have their ordinary meaning as modified by Section 15A of the Superannuation Industry (Supervision) Act 1993 and includes the Principal Employer or any Participating Employer and wherever appearing means the Employer by which the Member is for the time being employed. For the purposes of determining whether or not a person is an employee of an employer sponsor of the Fund, the term employee shall also be taken to mean a person who is an employee of another person if the employer-sponsor is:

a relative of the other person; or

either of the following:

a body corporate of which the other person, or a relative of the other person, is a director; or

a body corporate related to that body corporate; or

the Trustee of a trust of which the other person, or a relative of the other person, is a beneficiary; or

a partnership; where:

the other person, or a relative of the other person, is a partner in the partnership; or

the other person, or a relative of the other person, is a director of a body corporate that is a partner in the partnership; or

the other person, or a relative of the other person, is a beneficiary of a trust, if the "Trustee" of the trust is a partner in the partnership.

"Full-time in relation to being gainfully employed" means gainfully employed for at least 30 hours each week or as provided from time to time in the Regulations.

"Income Stream" has the same meaning as "Pension"

"Member Financed Benefits" means a Member's contributions and investment earnings thereon less any expenses applicable to those amounts but excludes any salary sacrifice contributions.

"Membership" means Membership of this Fund and any previous fund accepted by the "Trustee" as Membership for the purposes of this Fund.

"Membership Period" in relation to a Member means the latest continuous period of Membership expressed in years and any fraction of a year, in respect of which contributions

have been made or are deemed to have been made in relation to a Member and shall include any additional or varied Membership Period granted to a Member by the "Trustee".

"Normal Retirement Age" means the Member's sixty-fifth birthday or such age as is agreed between the Member and the "Trustee" and is in accordance with the Superannuation Law.

"Non-binding nomination" means a notice given to a "Trustee" by a Member that does not meet the requirements of Regulation 6.17A.

"Part-time in relation to being gainfully employed" means gainfully employed for at least 10 hours and less than 30 hours each week or as provided from time to time in the Regulations.

"Participating Employer" means any corporation person or firm which has applied to participate such application being in any manner that may be approved by the "Trustee" and which the "Trustee" has exercising unfettered discretion admitted to participate in the Fund.

"Payment Split" means a payment split under Part VIII B of the Family Law Act 1975.

"Pension" means a benefit payable by way of an Income Stream at a yearly rate by instalments, in a manner that complies with the Regulations.

"Pensioner" means a person receiving a pension/income stream.

"Permanent Incapacity" means an incapacity, disability or invalidity which is either total or partial which in the opinion of the "Trustee", after considering a certificate or certificates signed by two registered medical practitioners, renders a Member incapable of engaging in any employment for which he or she is reasonably qualified by education, training or experience or where the benefit payable on permanent incapacity or invalidity is insured, a permanent incapacity or invalidity as defined in any policy effecting such insurance for the Member.

"Permitted Age" means the age at which the Superannuation Law permits benefits to be paid to a Member.

"Reasonable Benefits Limit" shall be the amounts which shall from time to time be fixed pursuant to the Superannuation Law that may be paid to a Member and be taxed at a concessional rate.

"Regulated Superannuation Fund" has the meaning given by Section 19 of the Superannuation Industry (Supervision) Act 1993.

"Regulations" mean the Superannuation Industry (Supervision) Regulations.

"Regulation" means a Regulation in the Superannuation Industry (Supervision) Regulations.

"Regulator" means the person or authority for the time being carrying out the duties of ensuring that the provisions of the Superannuation Law are complied with by this Fund.

"Relative" means in relation to an individual a parent, child, grandparent, grandchild, sibling, aunt, uncle, great aunt, great uncle, niece, nephew, first cousin or second cousin of the individual or of his or her spouse or former spouse or some other individual having such a relationship to the individual or his or her spouse or former spouse because of adoption or remarriage or the spouse or former spouse of one of those individuals or by reason of some provision in the Superannuation Law and if permitted by the Superannuation Law a person falling into any of the above categories by reason of the existence of a bon-fide domestic relationship between persons of the same gender.

"RSA Regulations" means the Retirement Savings Accounts Regulations.

"Salary" means in relation to a Member his or her salary or remuneration as advised by the Employer or if the Member is self employed the Member from time to time and includes (where the context requires) Final Average Salary.

"Self Managed Superannuation Fund" means a Superannuation Fund that satisfies the definition of Self Managed Superannuation Fund in Section 17A of the "Act".

"Spouse" means the wife or husband of a Member and includes the widow or widower of the Member or any other person accepted by the "Trustee" as being in a bona fide domestic relationship with a member or former member which shall include a same gender relationship (if the Superannuation Law so permits).

"Tax Act" means the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 (as amended) and any amendment or re-enactment thereof for the time being in force.

"The Superannuation Law" means the law which collectively deals with any aspect of Superannuation or the taxation of Superannuation in Australia.

"Transfer Value" in relation to a Member means the amount (if any) transferred to the Fund from another Fund.

"Trustee" means the "Trustee" for the time being of this Fund whether original additional or substituted.

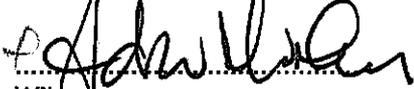
"Trust Deed" means the foregoing of which these Rules form part including any amendments.

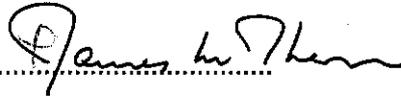
Words importing the singular or plural number shall (where the context permits) include the plural or singular number respectively and words importing one gender shall include other genders; all references to "the Rules" shall be deemed to be the Rules for the time being in operation and any reference to an individual shall include a Corporation and vice a versa.

EXECUTED as a Deed on the day stated in the Schedule as the date of execution.

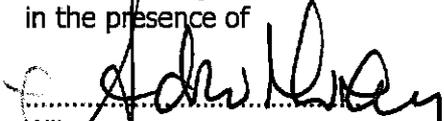
THE TRUSTEES:

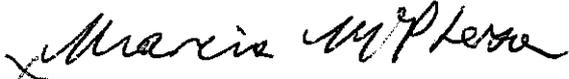
Signed sealed and delivered by
James Murdoch McPHERSON
in the presence of


.....
Witness

)
)
) 
.....

Signed sealed and delivered by
Marcia Georgina McPHERSON
in the presence of


.....
Witness

)
)
) 
.....

THE
SCHEDULE HEREINBEFORE REFERRED TO

1. Date of making this deed: 12 October 2006

2. Name of this Fund: MCPHERSON FAMILY
SUPER FUND

3. Trustees: James Murdoch McPHERSON
39 Jamieson Street
GRANVILLE
New South Wales, 2142

Marcia Georgina McPHERSON
39 Jamieson Street
GRANVILLE
New South Wales, 2142

Type of Fund: The primary purpose of the Fund is the payment of Pensions upon the retirement of members. This does not however preclude the Trustee from paying benefits in the form of a Lump Sum.

New or Existing:

If Existing

Date of Commencement:

If amending -

Amending Clause No.:

If previously amended

Date of amendment: