

**RESOLUTION OF THE DIRECTORS OF
DAME SUPER PTY LTD ACN 152-194-726
AS TRUSTEE FOR
DAME SUPERANNUATION FUND
ADOPTING A DEATH BENEFIT POLICY**

We, the undersigned, being all the Directors of Dame Super Pty Ltd ACN 152-194-726 at the date hereof, in the Company's capacity as Trustee for Dame Superannuation Fund, pursuant to the Constitution of the Company **RESOLVE:**

**ADOPTING A
DEATH BENEFIT
POLICY**

The Trustee noted that the Rules of the Fund allow a member to make a binding death benefit nomination or to request the Trustee to implement a death benefit rule and that the superannuation laws require the Trustee to provide a member with information that the Trustee reasonably believe that the member reasonably needs for the purpose of understanding the right of the member to make a binding death benefit nomination.

That the Trustee adopts the Fund's death benefit policy as attached to satisfy this aim and forward a copy to all members of the Fund informing them of their death benefit rights.

SIGNED this 29 day of MAY 2018

MELITA JANE SMITH



DAVID IAN SMITH



DEATH BENEFIT POLICY TO MEMBERS OF DAME SUPERANNUATION FUND

Introduction

It is a requirement under the rules of your Fund that you, as a member of the Fund, consider your SMSF estate plan. Upon your death, the trustee must decide how to disburse your member entitlements in the Fund. The payment of any benefit by the trustee in respect of a deceased member is known as a death benefit payment.

Payment of Death Benefits

1. Who is the Dependant?

In general the trustee has complete discretion as to how much and to whom death benefit payments are to be made. The only proviso under the superannuation laws is that a beneficiary must be your dependant or your legal personal representative. A dependant includes your spouse (legal or defacto), any child irrespective of age or financial circumstances or someone with whom you may have an interdependent relationship. Quite simply an interdependent relationship is generally one in which 2 people (whether related or not):

- have a close personal relationship; and
- they live together; and
- one or each of them provides the other with financial support; and
- one or each of them provides the other with domestic support and personal care.

Two people will still be interdependent where they have a close personal relationship but one or both of them may suffer from a physical, intellectual or psychiatric disability that means that the other conditions stated above are not met.

New rules introduced as part of the *Simpler Super* reforms now restrict the payment of death benefits where paid as a pension or as the continuation of an existing pension (a reversionary pension) to your children. This means that a death benefit MUST be paid as a lump sum to a dependant where that person is a child aged 25 years or older. A death benefit paid as a pension to your child (where aged less than 25 and financially dependant at the time of your death) must be cashed to a lump sum when they turn age 25 unless they suffer from a permanent disability as defined in the *Disability Services Act 1986*.

2. Who is your Legal Personal Representative?

Upon death your legal personal representative will be either the executor of your will or the administrator of your deceased estate.

Choice of Death Benefit Payments by Member

As a member of your SMSF you can choose how you would like your benefits to be distributed upon your death. Rules 30-44 of the Fund provide a guide for the member and trustee in respect of their death benefit entitlements.

If you have any doubt as to whether a person you wish to nominate to receive any part of your death benefit is a dependant, you should obtain specific advice from a SMSF expert or estate planning lawyer before submitting the nomination or death benefit rule request.

It is preferred that you seek professional SMSF advice before making any nominations or consideration of what may happen to your benefits in the event of your death. The trustee is not licensed to provide such advice pursuant to the *Corporations Act 2001* and the following is only a summary of what may happen to your benefits in the event of your death.

There are four choices available to you as a member of the Fund in respect of your death benefit entitlements:

- i. **No Nomination** – make no death benefit nomination as to what is to be done with your member benefits. In such circumstances, when you die the trustee has complete discretion in respect of the distribution of your benefits;
- ii. **Death Benefit Nomination** – upon becoming a member of the Fund Rule 43 entitles you to provide the trustee with a nomination as to the proportion of your death benefits to be split amongst your dependants or deceased estate. However such a nomination is non-binding on the trustee. The trustee has complete discretion with respect to the distribution of your member entitlements;

- iii. **Binding Death Benefit Nomination** – Rule 43.2 allows you to submit a binding death benefit nomination to the trustee. This requires the trustee to provide death benefits in such proportions and to the dependants or legal personal representative that are noted in the binding death benefit nomination form.
- iv. **Death Benefit Rule** – Rule 43.2 authorises the trustee to implement a death benefit rule at your request. If accepted the death benefit rule will bind the trustee to pay your benefits after your death as you request. In simple terms it is like your self managed superannuation fund will as it enables you to specify the way in which you would like the death benefits to be paid. A death benefit rule forms part of the governing rules of the Fund and cannot be revoked or amended without your consent.

Making a Binding Death Benefit Nomination

The rules of the Fund allow you to submit a binding death benefit nomination in which you specify a proportion of your member benefits to be paid to the dependant or dependants or legal personal representative nominated in the form.

A binding death benefit nomination is subject to the following conditions:

- you can only direct the trustee to pay the death benefit either to your estate or to the dependants that you specify on the nomination (or both);
- if you nominate a person who is not a dependant (as described above) or your legal personal representative, your nomination will be void and of no effect and the trustee will be required to decide who to pay your death benefit to;
- the binding death benefit nomination must be submitted in a form approved by the trustee that includes all particulars as set out in Rule 43;
- the death benefit will be paid as a pension or lump sum or combination of both. The type of benefit payable will be determined by the trustee at that time in consideration of the prevailing circumstances, superannuation and taxation laws;
- any pension established on your death will be an account based pension only unless the superannuation laws allow other pensions;
- the trustee reserves the right to pay any lump sum death benefits in cash or in specie by way of transfer of assets from the Fund;
- for the nomination to be effective, it must be signed and dated by you in the presence of two witnesses who are both at least 18 years old and neither of the witnesses can be a person who you have nominated to receive a part of your death benefit;
- the binding death benefit nomination ceases to have effect on the date three years after it was first signed or last confirmed or updated by you. If the direction ceases to have effect, the trustee will have a discretion to decide who to pay the death benefit to;
- you can confirm, amend or revoke the nomination at any time by giving written notice to the trustee.

Requesting a Death Benefit Rule

The rules of the Fund allow members to request a death benefit rule to be implemented on their behalf by the trustee. Upon acceptance by the trustee the death benefit rule will form part of the governing rules of the Fund.

The implementation of a death benefit rule is subject to the following conditions:

- you can only direct the trustee to pay a death benefit either to the dependants that you specify in the request or to your legal personal representative (or both);
- if you nominate a person who is not a dependant (as described above) or your legal personal representative, your request will be void and you will be required to resubmit the request;
- the request must contain sufficient detail as to the manner and form of benefits and any special conditions attached thereto that you wish to be paid upon your death;
- any death benefit can be paid to your dependants or legal personal representative as a pension or lump sum or combination of both subject to the restrictions imposed on the payment of a pension benefit as described above;
- any pension established on your death will be an account based pension only unless the superannuation laws

allow other pensions;

- you can direct the trustee to pay any lump sum death benefit in cash or in specie by way of transfer of assets from the Fund;
- a death benefit rule may not be implemented where there is already an effective binding death benefit nomination in place; and
- you can amend or revoke the death benefit rule request at any time by giving written notice to the trustee.

Any completed binding death benefit nomination form or death benefit rule request that has met the above conditions is to be submitted to the trustee for consideration. The trustee is required to assess the cash flow requirements, the superannuation and taxation implications that may be faced by the Fund in the event of a member's death and any death benefit becoming payable. The trustee may assess the Fund's insurance plan and increase any life insurance cover if required.

You will be notified in writing of acknowledgement of receipt and acceptance by the trustee of your binding death benefit nomination or death benefit rule. If any amendment is require the trustee will notify you as soon as possible.

Signed on Behalf of the Trustee this 29 day of MAY 2018

MELITA JANE SMITH



DAVID IAN SMITH

