



HERBERT  
SMITH  
FREEHILLS

# Consolidated Working Copy of the Trust Deed for The Challenger Retirement Fund

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Challenger Retirement and Investment Services  
Limited (**Trustee**)

Explanatory Notes:

This Deed was prepared by amending the Consolidated Trust Deed set out at Schedule 4 to the Confirming Deed Poll executed by the Trustee on 27 June 2013 to incorporate amendments made by:

1. An Amending Deed Poll dated 13 September 2013;  
and
2. A Deed of Amendment executed on 13 May 2014



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## Trust Deed for The Challenger Retirement Fund

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<b>Trustee</b>	<b>Challenger Retirement and Investment Services Limited</b> ABN 80 115 534 453
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Operative provisions	<ol style="list-style-type: none"> <li>1 The Trustee is the trustee of the Challenger Retirement Fund ("<b>Fund</b>").</li> <li>2 The rules attached to this deed ("<b>Rules</b>") form part of the deed.</li> <li>3 This deed can be amended as set out in the Rules.</li> <li>4 The Trustee can be replaced as set out in the Rules.</li> <li>5 The Trustee holds the assets of the Fund on trust to apply them in the manner set out in the Rules.</li> </ol>
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## 1 Definitions and interpretation

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1.1 Unless the contrary intention appears:

**Acquisition Date:** in relation to a Unit, the later of:

- (a) the date on which the Trustee accepts a contribution or other amount for a Member; or
- (b) the date on which the Trustee processes the paperwork (or any relevant electronic information) relating to that contribution or other amount.

However, if the contribution or other amount is not received or the paperwork (or any relevant electronic information) not processed before 4.00pm on a business day, then the Acquisition Date is taken to be the next business day.

**Acquisition Unit Price:** in relation to a Unit, the value of the Unit determined under rule 8.3.

**Assets:** all the property, rights and income of the Fund.

**Award:** an agreement certified or award made on or after 1 July 1986 or any other arrangement which the Employer and the Trustee agree should be treated as an Award.

**Beneficiary:**

- (a) a Member; or
- (b) any other person entitled to receive immediate benefits from the Fund,

and who has not ceased to be a Beneficiary under rule 3.10. A Beneficiary does not include a Non-Member Spouse, unless that person has been admitted as a Member of the Fund in accordance with rule 3.4A.

**Benefit Direction:** a written notice given by a Member to the Trustee under a provision of a Schedule directing the Trustee to pay a Death Benefit of the Member:

- (a) as a pension and/or lump sum; and
- (b) to the Dependant named in the notice.

**Benefit Nomination:** a written notice under a provision of a Schedule, nominating the Dependents to whom the Member wishes all or part of a Death Benefit of the Member to be paid.

**Binding Nomination:** a nomination by a Member of one or more persons to receive all or part of the Member's Death Benefit which complies with section 59(1A) of SIS in a form and manner, and subject to any conditions, determined by the Trustee.

**Challenger Lifetime Pension Plan:** the category of membership described in rule 2.1(g) and covered by Schedule G.

**Challenger Term Allocated Pension:** a pension payable under rule E3. The value of a Challenger Term Allocated Pension is that part of the Withdrawal Benefit the Trustee considers is referable to that pension.



**Challenger Term Allocated Pension Plan:** the category of membership described in rule 2.1(e) and covered by Schedule E.

**Child:** has the same meaning as in SIS;

**Constitutional Corporation:** has the same meaning as in the Superannuation Industry (Supervision) Act 1993.

**Death Benefit:** in relation to a Member, a benefit payable following the death of the Member.

**Deed:** this deed governing the operation of the Fund and includes the Rules.

**Dependant:** of a Beneficiary includes:

- (a) a Spouse;
- (b) a Child;
- (c) any other person who the Trustee believes is, or was at the date of death, wholly or partially dependent on the Beneficiary.

**Discretionary Request:** a notice in a form and manner determined by the Trustee and given to the Trustee by a Member requesting the Trustee to pay all (or part of) the Member's Death Benefit to one or more persons (including the Member's legal personal representative) in the proportions stated in the nomination.

**Disposal Unit Price:** in relation to a Unit, the value of the Unit determined under rule 8.4.

**Employee:** a person nominated as an Employee by the person's Employer.

**Employer:** an employer:

- (a) which is admitted to the Fund under rule C1.3; and
- (b) whose participation in the Fund has not been terminated under rule C1.7.

In relation to an Employee or an Employer-sponsored participant, a reference to an Employer means the Employer currently employing or retaining the services of that Employee or that Member or as otherwise determined by the Trustee.

**Employer Application:** the application made under rule C1.4 (as altered under rule C1.5) and in relation to an Employer-sponsored participant, means the Employer Application of that Member's Employer.

**Employer-sponsored participant:** a Member who is entitled to participate in the Employer-sponsored Plan and who has not ceased to be entitled to do so under rule 3.11.

**Employer-sponsored Plan:** the category of membership described in rule 2.1(c) and covered by Schedule C.

**Financial Year:** the 12 month period ending on 30 June in a year.

**Flexible Income:** a pension payable under rule B3. The value of a Flexible Income means that part of the Withdrawal Benefit the Trustee considers is referable to that pension.

**Flexible Income Plan:** the category of membership described in rule 2.1(b) and covered by Schedule B.

**Fund:** the Challenger Retirement Fund.

**GST:** a goods and services tax, value added, tax, consumption tax or any similar tax or tax on services only introduced by a government.



**Guaranteed Income Pension Plan:** the category of membership described in rule 2.1(f) and covered by Schedule F.

**Investment Option:** a separate portfolio of Assets and Liabilities within the Fund under rules 2.5 to 2.8.

**Investment Transaction Costs:** the Trustee's estimate of the total costs, charges and expenses of acquiring all of the Assets of the Fund.

**Liabilities:**

- (a) all liabilities of the Fund including:
  - (i) any tax;
  - (ii) any costs, charges and expenses relating to any investment or investment product in which the Fund's assets are invested;
  - (iii) liabilities accrued but not yet paid;
  - (iv) amounts payable to the Trustee; and
- (b) any provision which the Trustee considers should be taken into account in determining the liabilities of the Fund.

**Life Company:** the issuer of a Life Insurance Policy.

**Life Insurance Act:** the Life Insurance Act 1995 (Cth).

**Life Insurance Policy:** a contract in respect of business relating to the payment of annuities that has been declared by the Insurance and Superannuation Commissioner or Australian Prudential Regulation Authority to be treated for the purposes of the Life Insurance Act as if it were included in the class of ordinary business or otherwise treated as life insurance business pursuant to former section 12 or current section 12A of the Life Insurance Act.

**Maximum Splittable Amount:** has the same meaning as in SIS.

**Member:** a person who has been admitted as a member of the Fund under rule 3.4 or rule 3.4A and has not ceased to be a Beneficiary under rule 3.10.

**Nomination:** a Binding Nomination or a Non-Lapsing Nomination.

**Non-Lapsing Nomination:** a nomination by a Member of one or more persons to receive all (or part of) the Member's Death Benefit in a form and manner, and subject to any conditions, determined by the Trustee and that is not a Binding Nomination or Discretionary Request.

**Non-Member Spouse:** has the same meaning as in section 90MD of the Family Law Act 1975.

**Payment Flag:** has the same meaning as in section 90MD of the Family Law Act 1975.

**Payment Split:** has the same meaning as in section 90MD of the Family Law Act 1975.

**Personal Super and Roll-over Plan:** the category of membership described in rule 2.1(a) and covered by Schedule A.

**Plan:** in relation to a Member, a category of membership identified under rule 2.1 to which the Member is admitted or transferred.

**Requests for Information:** refers to the request for information that may be made by interested parties pursuant to section 90MZB of the Family Law Act 1975.

**Rules:** the provisions set out in the rules attached to the Deed.

**Schedule:** a schedule attached to the Rules.



**Shortfall Component:** has the same meaning as in the Superannuation Guarantee (Administration) Act 1992.

**SIS:** the Superannuation Industry (Supervision) Act and Regulations.

**Splittable Contribution:** has the same meaning as in SIS;

**Spouse:** has the same meaning as in SIS;

**Superannuation Authority:** the Australian Prudential Regulation Authority, the Australian Securities and Investments Commission, or any other governmental authority responsible for administering the laws or any other rules governing superannuation funds or the availability of income tax concessions to superannuation funds.

**Superannuation Law:** any requirements under SIS or any other law, or by a Superannuation Authority:

- (a) imposed on the Trustee, including the Family Law Act 1975; or
- (b) which the Fund must satisfy to qualify as a complying superannuation fund as defined in section 995-1 of the Income Tax Assessment Act 1997, or
- (c) which the Trustee or the Fund must satisfy to avoid a penalty.

**Term Life Plan:** the category of membership described in rule 2.1(d) and covered by Schedule D.

**Trustee:** means the trustee of the Fund.

**Unit:** is an undivided beneficial interest in the Fund.

**Withdrawal Benefit:** at a time, in respect of a Beneficiary means the total of:

- (a) the sum or the amounts calculated by multiplying the Units allocated to the Beneficiary in relation to each Investment Option by the Disposal Unit Price of the Units at that time; plus
- (b) the amounts held in any accounts for the Beneficiary under rule 12.

However, where the term 'Withdrawal Benefit' is used in a Schedule, it only refers to the amount referable to the Beneficiary's participation in the Plan which is covered by that Schedule.

**Withdrawal Transaction Costs:** the Trustee's estimate of the total costs, charges and expenses of selling all of the Assets of the Fund.

1.2 Unless the contrary intention appears:

- (a) a reference to the Deed or the Rules or a Schedule or any other document includes any variation or replacement of any of them;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) the singular includes the plural and vice versa;
- (d) a power to appoint includes a power to vary or cancel the appointment;
- (e) headings and marginal notes are for convenience only and do not affect the interpretation of the Rules;
- (f) a reference to an amount is to the amount in Australian currency;
- (g) **amend** includes delete or replace;



- (h) **business day** means a day other than a Saturday or a Sunday on which the Trustee is open for business in Sydney;
  - (i) **costs, charges and expenses** includes internal expenses of the Trustee incurred in connection with the Fund, including, without limitation:
    - (i) costs of appointing and maintaining staff employed in connection with the Fund;
    - (ii) any amount charged to the Trustee by any person by way of or as reimbursement for GST; and
    - (iii) amounts paid by the Trustee to related bodies corporate for services provided to the Trustee in connection with the Fund.
  - (j) **including** when introducing a list of items does not exclude a reference to other items whether of the same class or genus or not;
  - (k) **person** includes a firm, a body corporate, an unincorporated association or an authority;
  - (l) **tax** includes all kinds of taxes, deductions, duties, levies and charges imposed by a government, together with interest and penalties;
  - (m) **transfer** includes roll-over.
- 1.3 The provisions contained in a Schedule apply to the benefits and Beneficiaries attributable to the Plan to which the particular Schedule refers.

## Severability

- 1.4 If the whole or any part of any rule or the Deed is void, unenforceable or illegal in a jurisdiction, it is severed for that jurisdiction. The remainder of the rule or the Deed (as appropriate) has full force and effect and its validity or enforceability in any other jurisdiction is not affected. This rule has no effect if the severance alters the basic nature of the Fund or is contrary to public policy.

## 2 The Fund

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### Plans

- 2.1 The Fund may provide benefits in respect of a Beneficiary in one or more of the following categories of membership:
- (a) Personal Super and Roll-over Plan;
  - (b) Flexible Income Plan;
  - (c) Employer-sponsored Plan;
  - (d) Term Life Plan;
  - (e) Challenger Term Allocated Pension Plan;
  - (f) Guaranteed Income Pension Plan; and
  - (g) Lifetime Pension Plan.

## **Beneficiary's interest**

- 2.2 Except in relation to those Investment Options dealt with under rule 12, the beneficial interest in the Fund is divided into Units. A Unit does not confer any interest in a particular Asset but only an interest in the Assets of the Fund as a whole.
- 2.3 Units may be consolidated or divided as determined by the Trustee.

## **Restrictions**

- 2.4 A Beneficiary must not:
- (a) interfere with any rights or powers of the Trustee;
  - (b) exercise any right in respect of an Asset, lodge a caveat or other notice affecting an Asset or otherwise claim an interest in any particular Asset;
  - (c) require an Asset to be transferred to the Beneficiary.

## **Investment Options**

- 2.5 The Fund includes the Investment Options which are named by the Trustee when it executes this deed. The Trustee may establish a new investment option and naming it.
- 2.6 The Trustee must maintain the Investment Options in such a way as to identify the Assets and Liabilities of the Fund which are attributed to each Investment Option.

## **Change of name of Investment Option**

- 2.7 The Trustee may change the name of any Investment Option.

## **Restructuring any Investment Option**

- 2.8 The Trustee may:
- (a) combine two or more Investment Options;
  - (b) split one or more Investment Options; or
  - (c) close any Investment Option; and
- in any of those cases, reallocate Beneficiaries and the Units in or interests relating to the Investment Option or Options to other Investment Option or Options chosen by it.

## **Liability to pay Beneficiaries**

- 2.9 Despite any other provision of the Deed, the liability of the Trustee to pay benefits to a person relates to all the Assets of the Fund and is not attributable to any particular Investment Option.

## 3 Eligibility and membership

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### Eligibility

- 3.1 Any person who satisfies the criteria set by the Trustee may apply to the Trustee to become a Member of the Fund and participate in one or more Plans.

### Trustee may reject application

- 3.2 The Trustee has an absolute discretion to accept or reject an application to:
- (a) become a member of the Fund;
  - (b) participate in a Plan; or
  - (c) participate as an Employer under Schedule C.
- 3.3 If the Trustee rejects an application the Trustee may:
- (a) notify the person accordingly, and
  - (b) if permitted by Superannuation Law, return to the person any money submitted to the Trustee in connection with the application.

### Membership

- 3.4 A person becomes a Member of the Fund:
- (a) on the date when the Trustee has approved the person's application; or
  - (b) on some other date agreed with or determined by the Trustee; or
  - (c) if rule C1.1(b) applies, on the date directed by the Employer.
- The Trustee, the Employer (if applicable) and the Member may agree that the Member is to be regarded as having become a Member on a different date.
- 3.4A The Trustee may admit a Non-Member Spouse to become a Member of the Fund, on the date determined by the Trustee.

*Marginal note: a Non-Member Spouse is not a Beneficiary unless admitted by the Trustee as a Member pursuant to rule 3.4A. An interest may be created for such a Member in the Personal Super and Roll-over Plan, on the occurrence of a Payment Split in relation to an interest of his or her former spouse in any Plan.*

### Beneficiary bound

- 3.5 Each Beneficiary and each Employer is bound by the Rules.

### Change of Plan

- 3.6 A Beneficiary may ask the Trustee to change the whole or part of a benefit of the Beneficiary under a Plan to another Plan. The Trustee may do all things it considers appropriate to make the change if:
- (a) the Trustee approves of the change;
  - (b) the Beneficiary satisfies the requirements of the Schedule for the other Plan; and



- (c) the Employer approves of the change where:
- (1) the Beneficiary is an Employee and the other Plan is the Employer-sponsored Plan; or
  - (2) the Beneficiary is an Employer-sponsored participant of that Employer and the change is from the Employer-sponsored Plan.

### **Transfer to the Fund**

- 3.7 The Trustee may make arrangements it considers appropriate to transfer assets to the Fund so as to provide benefits in respect of a person.

### **Transfer from the Fund**

- 3.8 If a Beneficiary is or is eligible to be a member of another superannuation fund or approved deposit fund holds or is eligible to hold a retirement savings account or owns or is eligible to purchase an annuity, the Trustee may transfer Assets to the fund or annuity, if:
- (a) the transfer is not more than the Beneficiary's Withdrawal Benefit; and
  - (b) the Employer approves where the Beneficiary is an Employer-sponsored participant of that Employer.
- 3.9 The transfer satisfies the Beneficiary's entitlement to any benefit in respect of the Assets transferred. The Trustee is not responsible for the manner in which the trustee of the other fund, the retirement savings account provider or the issuer of the annuity deals with the Assets transferred.

### **Ceasing to be a Beneficiary**

- 3.10 A person ceases to be a Beneficiary when:
- (a) all benefits which are or may be payable in respect of the Beneficiary have been paid; or
  - (b) a transfer is made under rule 3.8 in satisfaction of all the Beneficiary's entitlement to benefits; or
  - (c) all the Beneficiary's entitlement to benefits is terminated.

### **Ceasing to be entitled to participate in a Plan**

- 3.11 A Member ceases to be entitled to participate in a Plan once:
- (a) all benefits which are or may be payable in respect of the Member in relation to that Plan have been paid; or
  - (b) the entitlement to benefits is transferred to one or more other Plans.





## 4 Contributions

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### Manner and times

- 4.1 Each Beneficiary, Employer or other person may contribute to the Fund for a Beneficiary as agreed with the Trustee.

### General

- 4.2 The Trustee:
- (a) must refuse to accept or must return (as the case may be), in accordance with the law, all or part of a contribution that it receives in a manner inconsistent with Superannuation Law; and
  - (b) to the extent permitted by law, may refuse to accept or may return (as the case may be) all or part of a contribution that it receives,

without giving any reason. The Trustee is not required to take any action to recover contributions from any person nor is the Trustee required to notify any person if contributions have not been made or are in arrears.

- 4.3 If the Trustee refuses to accept or returns all or part of a contribution under rule 4.2, then it is authorised to adjust the amount to be returned, including by taking any action described in regulation 7.04(4)(b) of the Superannuation Industry (Supervision) Regulations 1994.
- 4.4 If a cheque or payment order in respect of a contribution or transfer to the Fund is dishonoured, the contribution or transfer is to be regarded as never having been made and the Trustee may amend the records of the Fund as the Trustee considers appropriate.
- 4.5 The Trustee may in accordance with Schedule A, this Deed, and SIS, provide a service that allows a Member to transfer or allot an amount to his or her spouse representing Splittable Contribution.
- Marginal note: Rule 1.2(m) states that the term "transfer" includes "rollover".*
- 4.5A If the Member has a right to return a financial product under the Corporations Act 2001 (Cth), the Trustee must:
- (a) comply with the Member's request and return the financial product in accordance with the Corporations Act 2001 (Cth); and
  - (b) repay the amount calculated in accordance with the Corporations Act 2001 (Cth) in satisfaction of the request.

The Trustee may, at its discretion, extend the time period within which a Member, who last became a Member prior to 1 August 2007, has the right to return a financial product under the Corporations Act 2001 (Cth).



## 5 Benefit Entitlement

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### Benefits

- 5.1 A Beneficiary is entitled to the benefits under the Schedule applicable to each of the Beneficiary's Plans.

### Preservation

- 5.2 If the Trustee considers it necessary under Superannuation Law to preserve any part of a Member's benefit, then the Trustee may;
- (a) pay that part of the benefit under rule 6.2, 6.3 or 6.4 to a fund or organisation which deals with it as Superannuation Law requires; or
  - (b) retain it in the Fund until it may be paid under Superannuation Law; or
  - (c) otherwise deal with it as the Trustee considers appropriate.

### Retained benefits

- 5.3 If any part of a Member's benefit is retained under rule 5.2, the Trustee may transfer that benefit to another Plan:
- (a) as it considers appropriate; and
  - (b) with or without the Member's consent.
- 5.4 If the Trustee transfers a benefit under rule 5.3, the Investment Options to which the benefit is attributable must remain the same until altered in accordance with the Rules.
- 5.5 If the Member dies before the benefit is paid in full then the Trustee must pay the remainder of the benefit as a Death Benefit.

### Trustee determinations

- 5.6 A benefit is only payable if the Rules permit it.
- 5.7 The Trustee may act on any proofs or presumptions which it considers satisfactory whether or not they are strictly legal proofs or presumptions.

### Assignments

- 5.8 The Trustee is not bound to recognise any assignment or purported assignment or charge or a benefit, except to the extent required by Superannuation Law.

## 6 Payment of benefits

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### Payment

- 6.1 For any benefit or instalment of a benefit which a person is entitled to be paid or have applied on the person's behalf, the Trustee may defer payment for:
- (a) 30 days from the time the entitlement arose; or
  - (b) any greater period, if the Trustee considers appropriate.

### Annuity

- 6.2 On the request of a Beneficiary entitled to a lump sum benefit, the Trustee may apply all or part of that benefit to purchase an annuity in the name of the Beneficiary, or of the Beneficiary and one or more Dependants.

### Payment to other fund

- 6.3 On the request of a person entitled to a lump sum benefit, the Trustee may pay all or part of that benefit to another fund or organisation if the payment complies with Superannuation Law.
- 6.4 The Trustee may pay all or part of a benefit to another fund without the consent of the person entitled to it.

### Reversionary nomination

#### 6.5 Reversionary nomination

- (a) The Trustee may provide a Member with a facility to nominate a reversionary beneficiary within the meaning of regulation 1.06 of SIS to whom the pension is payable on the death of the Member.
- (b) Such reversionary nomination, if valid and accepted by the Trustee, will take effect to the exclusion of any Nomination or Discretionary Request and operate subject to rule 6.5(c).
- (c) If a person is:
  - (1) nominated under a reversionary nomination that was valid and accepted by the Trustee; and
  - (2) a Dependant of the Member at the time of the Member's death,but a pension cannot be paid to that person on the death of the Member under Superannuation Law, the Trustee must pay the Member's Death Benefit as a lump sum to that person.

### Death Benefit nominations

- 6.6 The Trustee:
- (a) may provide a Member or a group of Members with a facility and guidelines to make a:
    - (1) Binding Nomination, subject to rule F7.4(b); or



- (2) Non-Lapsing Nomination; and
  - (b) must permit Members to make a Discretionary Request.
- 6.7 The Trustee may provide its consent to the exercise of a Member's discretion in a Non-Lapsing Nomination:
- (c) on an individual basis; or
  - (d) on a general basis with effect from the time that the Non-Lapsing Nomination is processed by or on behalf of the Trustee where the discretion is exercised in accordance with guidelines that the Trustee determines in accordance with clause 6.8 from time to time.
- 6.8 For the purposes of rule 6.7(b), the guidelines comprise the following:
- (a) a Nominated Beneficiary of the Member must be:
    - (1) a Dependant or the legal personal representative of the Member; or
    - (2) if there is no Dependant or legal personal representative nominated by the Member, any other natural person to whom the Death Benefit of the Member may be paid under SIS;
  - (b) the Nomination must deal with all or part of the Death Benefit of the Member; and
  - (c) such other or such varied conditions determined by the Trustee from time to time.
- 6.9 Subject to rules 6.11 and 6.12, the Trustee:
- (a) must, in the case of a Binding Nomination;
  - (b) must, in the case of a Non-Lapsing Nomination to which the Trustee has consented pursuant to clause 6.7; and
  - (c) may, in the case of a Discretionary Request,
- give effect to the Nomination or Discretionary Request in accordance with its terms.
- 6.10 If a Member gives the Trustee a Nomination or Discretionary Request:
- (a) any prior Nomination or Discretionary Request is taken to be revoked on the date of the Trustee's acceptance of that later Nomination or Discretionary Request; and
  - (b) the later Nomination or Discretionary Request given by the Member and accepted by the Trustee replaces any prior Nomination or Discretionary Request.
- 6.11 If a Nomination or Discretionary Request specifies a person as a beneficiary who is not eligible under the Superannuation Law or the Trustee's guidelines (**ineligible beneficiary**) to receive the portion of the benefit specified in the Nomination or Discretionary Request, the Trustee:
- (a) must, in the case of a Nomination; and
  - (b) may, in the case of a Discretionary Request,
- pay the specified portion of the benefit referable to the ineligible beneficiary:
- (1) to the remaining Nominated Beneficiary, or, if more than one, to the remaining Nominated Beneficiaries in the same proportion, but as to the whole, that they shared in the portion of the Death Benefit payable to them in accordance with the Nomination or Discretionary Request: or



- (2) if there is no remaining eligible Nominated Beneficiary, to the legal personal representative of the Member.
- 6.12 A Non-Lapsing Nomination ceases to be valid if the Trustee has actual knowledge that the Member has, after giving the Trustee a Non-Lapsing Nomination:
- (a) married;
  - (b) entered into a de facto or like relationship with a person of either gender;
  - (c) separated on a permanent basis from their spouse or partner; or
  - (d) had a child with a person other than their spouse or partner.
- 6.13 If the Trustee is required to pay or has decided to pay a Death Benefit, or a portion of a Death Benefit, to a legal personal representative of a Member and a legal personal representative is not appointed or the Trustee is unable to identify the legal personal representative, within 90 days of the date of death or any later date the Trustee considers reasonable, the Trustee must pay the whole or the part of the Death Benefit:
- (a) to such one or more of the Dependants of the Member; or
  - (b) if none, to any other person or persons in accordance with the Superannuation Law, as the Trustee determines.
- 6.14 Where the whole or part of a Death Benefit is payable and none of the previous clauses apply in relation to the whole or the part, the Trustee may pay the relevant amount to such one or more of the Member's Dependants and legal personal representative as the Trustee determines, or if none, to any other person or persons in accordance with the Superannuation Law, as the Trustee determines.
- 6.15 Subject to rule 6.2, the Trustee may pay a Death Benefit as a lump sum, pension or annuity, or in any other form, as it considers appropriate.
- 6.16 The Trustee may impose additional conditions and make additional rules and procedures for the payment of a Death Benefit in circumstances not contemplated or dealt with by rules 6.6 to 6.15 inclusive including where a Nomination or Discretionary Request is wholly or partly invalid.
- 6.17 Rules 6.5 to 6.16 inclusive apply to Members of the Guaranteed Income Pension Plan, subject to rule F4.7(e).

### **Transfer of assets**

- 6.18 The Trustee may pay a benefit to a person entitled to that benefit by transferring Assets of equivalent value to the person or the person's nominee.

### **Trustee's discharge**

- 6.19 The Trustee is discharged from all obligations in respect of a benefit if the Trustee pays it in good faith to or on behalf of a person who the Trustee believes to be entitled to it.

### **Financial incapacity**

- 6.20 If the Trustee believes that a person who is entitled to a benefit is unable to manage his or her financial affairs, the Trustee may:



- (a) pay the benefit to another person to be used for the advantage of the person entitled to it; and
- (b) accept the other person's receipt as a good discharge.

The Trustee is not responsible for the application of the benefit by the person to whom it is paid.

## **Tax**

- 6.21 The Trustee may deduct from a payment from the Fund any amount which it is required to deduct for tax.

## **Costs of death benefit**

- 6.22 The Trustee is entitled to deduct from the amount payable on the death of a person, all costs, charges and expenses arising from any actual or threatened dispute in relation to the death benefit.

## **Release authorities**

- 6.23 If the Trustee receives a release authority (or transitional release authority) concerning excess contributions tax in respect of a Member, the Trustee must pay an amount from the Fund in respect of that Member in accordance with Superannuation Law.
- 6.24 Subject to Superannuation Law, the Trustee may adjust any amount, benefit or entitlement that a Member has in the Fund in order to give effect to a payment under rule 6.23.

## **7 Valuation of the Fund**

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### **Time**

- 7.1 The Trustee may cause each Investment Option to be valued at times which the Trustee considers appropriate. This value is net of all Liabilities the Trustee deems prudent to deduct in relation to the Investment Option. However, for each Investment Option not dealt with under rule 12:
- (a) in relation to the Acquisition Unit Price, "Liabilities" does not include any amounts the Trustee deducts under rule 9.2(a); and
  - (b) in relation to the Disposal Unit Price, "Liabilities" does not include any amounts the Trustee adds under rule 10.2(a).

### **Valuer**

- 7.2 The Trustee may instruct any person, who the Trustee considers to be appropriately qualified and experienced, to value any Asset or Liability.

### **Valuation principles**

- 7.3 The Trustee may set and change the principles for valuing the whole or any part of the Fund.



## Valuation periods

- 7.4 The Trustee may determine, as it considers appropriate for an Investment Option not dealt with under rule 12:
- (a) the period during which an Acquisition Unit Price is to apply;
  - (b) the period during which a Disposal Unit Price is to apply;
  - (c) the time of valuation under rule 7.1 which is to apply to each of the periods in paragraphs (a) and (b) of this rule.

## 8 Unit Value

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### Application

- 8.1 This rule 8 applies only to Investment Options not dealt with under rule 12.

### Units of equal value

- 8.2 All Units in an Investment Option have an equal value. The first Units issued in each Investment Option have an Acquisition Unit Price value of \$1 for the period determined by the Trustee under rule 7.4(a).

### Acquisition Unit Price

- 8.3 Otherwise, the Acquisition Unit Price of a Unit in an Investment Option for a period determined under rule 7.4(a) is:

$$\frac{VAP + ITC}{U}$$

where:

VAP = the value of the Investment Option determined under rule 7.1 and applicable for the period;

ITC = The share of the Investment Transaction Costs which the Trustee considers appropriate to apportion to the Investment Option;

U = the number of Units issued in the Investment Option.

### Disposal Unit Price

- 8.4 The Disposal Unit Price of Units in an Investment Option for a period determined under rule 7.4(b) is:

$$\frac{VAP - WTC}{U}$$

where:



- VAP = the value of the Investment Option determined under rule 7. 1 and applicable for the period;
- WTC = the share of Withdrawal Transaction Costs which the Trustee considers appropriate to apportion to the Investment Option;
- U = the number of Units issued in the Investment Option.

8.5 The amounts in rules 8.3 and 8.4 may be rounded as the Trustee considers appropriate.

### **Time of Unit price determinations**

8.6 The Acquisition Unit Price and Disposal Unit Price of Units in an Investment Option may be determined by the Trustee at any time (including more than once a day).

### **Change to pricing**

8.7 The Trustee may change the method for calculating the Acquisition Unit Price and the Disposal Unit Price from time to time.

### **Net Earnings**

8.8 The Trustee may calculate the earnings of the Fund or part thereof (which may be positive or negative) to the extent those earnings are not already taken into account in the calculation of the Unit value and price pursuant to the previous provisions of this Rule 8.

## **9 Issue of Units**

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### **Choice of Investment Option**

- 9.1 Except for amounts to be allocated to the Investment Options dealt with under rule 12, on receipt of a contribution or other amount in respect of a Member, the Trustee must allocate Units to a Member in the Investment Option or Investment Options:
- (a) in the case of a Beneficiary other than an Employer-sponsored participant, notified to the Trustee by the Member and permitted by the Trustee; or
  - (b) in the case of an Employer-sponsored participant, notified to the Trustee by the Employer or the Member (in accordance with the Employer Application) and permitted by the Trustee;
  - (c) if no Investment Option is notified, which the Trustee considers appropriate.

### **Number of Units**

- 9.2 The number of Units in an Investment Option to be allocated to a Member is determined by dividing:
- (a) the amount applied to the Investment Option less any contributions tax that is or may become payable in respect of that amount, other taxes, costs, charges and expenses or fees which the Trustee may deduct in respect of the amount; by
  - (b) the Acquisition Unit Price of Units in that Investment Option on the Acquisition Date.





The Trustee may round the number of Units to a fraction of a Unit if the Trustee considers appropriate.

## 10 Cancellation of Units and deductions from non-unitised Investment Options

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### Cancellation

10.1 The Trustee may:

- (a) cancel any Units (including fractions of Units) allocated to a Beneficiary; or
- (b) deduct any amount from a Beneficiary's account under rule 12,

to:

- (c) pay any benefit to the Beneficiary, or make any transfer or allotment from the benefits of a Beneficiary; or
- (d) meet any fees, costs, charges and expenses, taxes, or outgoings that the Trustee considers appropriate in relation to the Member.

10.2 The number of Units to be cancelled on a particular day is determined by dividing:

- (a) the amount of the benefit under rule 10.1(c) plus any taxes, costs, charges and expenses or fees which the Trustee may apply in respect of the benefit or the Beneficiary; by
- (b) the Disposal Unit Price of Units on that day.

The Trustee may round the number of Units to a fraction of a Unit if the Trustee considers appropriate.

### Order of cancellation/deductions

10.3 If:

- (a) two or more Investment Options are attributable to a Beneficiary (other than an Employer-sponsored participant); and
- (b) the Trustee permits,

the Beneficiary may choose the order in which Units are cancelled (or amounts are deducted) from those Investment Options to meet payments or deductions in respect of the Beneficiary (including liabilities).

10.4 The choice in rule 10.3 must be in writing in a manner approved by the Trustee.

10.5 If two or more Investment Options are attributable to an Employer-sponsored participant and the Trustee permits, the choice of the order in which Units are cancelled (or amounts are deducted) in those Investment Options to meet payments in respect of the Member (including Liabilities) must be determined in accordance with the Employer Application.

### **Choice withdrawn**

- 10.6 If any choice under rule 10.3 or 10.5 cannot be satisfied for any reason, the choice is taken to be withdrawn.

### **Trustee revoke choice**

- 10.7 The Trustee may revoke a choice made under rules 10.3 or 10.5 by notifying in writing:
- (a) the Beneficiary, where rule 10.3 applies; or
  - (b) the Employer-sponsored participant and the Employer where rule 10.5 applies.

### **Default choice**

- 10.8 If there is no current choice under rule 10.3 or 10.5, the Trustee may determine the order in which Units are cancelled (or amounts are deducted) from the Investment Options.

## **11 Switching**

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### **Election**

- 11.1 A Beneficiary may switch amounts between Investment Options allocated to the Beneficiary, if the Trustee permits the switch and the manner in which it is to take place.
- 11.2 An Employer may switch amounts between Investment Options allocated to the Employer if:
- (a) the Trustee approves of the switch and the manner in which it is to take place; and
  - (b) it is consistent with the Employer Application.

### **Issue/cancel Units**

- 11.3 An amount switched must be treated as an amount paid to and from the Fund for the purposes of issuing and cancelling Units in the Investment Options and determining fees under rule 15.

### **Trustee switching**

- 11.4 The Trustee may switch some or all of the amounts allocated to an Investment Option to a different Investment Option chosen by the Trustee. The Trustee may set and publish rules from time to time setting out the circumstances in which the Trustee will do this.

## **12 Non-unitised Investment Options**

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- 12.1 The Trustee may decide that one or more Investment Options are not to be divided into units and are instead to be dealt with in accordance with rule 12.
- 12.2 Investment Options dealt with under this rule 12 are not unitised. The interest of a Beneficiary in respect of those Investment Options is determined by reference to the Rules governing the



category of membership applicable to the Beneficiary and may (but need not) be represented by amounts recorded in one or more accounts for that Beneficiary.

- 12.3 The Trustee must record in each account kept for a Beneficiary under rule 12.2;
- (a) insurance proceeds, contributions and other amounts received;
  - (b) benefits paid;
  - (c) amounts transferred to and from other funds, organisations or Plans, and transfers and allotments to and from the account of another Beneficiary of the Fund;
  - (d) amounts for taxes, costs, charges and expenses, fees, premiums and losses and provisions for any of these;
  - (e) the earnings which the Trustee has agreed to pay in respect of the Beneficiary;
  - (f) amounts switched to or from Investment Options,
- in respect of the Beneficiary which the Trustee considers appropriate to record in that account
- 12.4 On receipt of a contribution or other amount in respect of a Member in respect of an Investment Option dealt with under this rule, the Trustee must record in an account kept for a Beneficiary under rule 12.2 the Investment Option:
- (a) in the case of a Beneficiary other than an Employer-sponsored participant, notified to the Trustee by the Member and permitted by the Trustee; or
  - (b) in the case of an Employer-sponsored participant, notified to the Trustee by the Employer or the Member (in accordance with the Employer Application) and permitted by the Trustee;
  - (c) if no Investment Option is notified, which the Trustee considers appropriate.

## 13 Investments

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### Investments

- 13.1 The Trustee may invest the Fund in any manner in which it could invest as if it were personally entitled to it.
- For example, the Trustee may acquire and dispose of any legal or equitable estate or interest in real or personal property of any kind and enter into all types of contracts (whether of a speculative nature or not).
- 13.2 The Trustee may:
- (a) mix investments with investments of other people or trusts; and
  - (b) vary, replace, encumber and deal with the investments,
- as if it were dealing with its own property.



## 14 Trustee

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### Nature

14.1 The Trustee must be a Constitutional Corporation.

### Trustee may retire

14.2 Trustee may retire if:

- (a) the Trustee (or Citicorp Life Insurance Limited) has arranged for a Constitutional Corporation to become the new Trustee; and
- (b) the retirement is consistent with Superannuation Law.

14.3 A new Trustee must be appointed by either:

- (a) Citicorp Life Insurance Limited (if permitted by Superannuation Law); or
- (b) if paragraph (a) does not apply, the retiring Trustee.

### Assets of Fund to vest in new Trustee

14.4 On retirement the retiring Trustee must:

- (a) vest the Fund or cause it to be vested in the new Trustee; and
- (b) deliver to the new Trustee all books, documents, records and other property relating to the Fund.

The costs and expenses incidental to the change may be recouped from the Fund.

### Effect of appointment

14.5 From the date of appointment, the retiring Trustee is released from all further obligations under the Rules except:

- (a) in relation to any antecedent neglect by or default of the retiring Trustee; or
- (b) any failure by the retiring Trustee to transfer the Fund to the new Trustee.

The new Trustee may exercise all the powers and enjoy all the rights of the Trustee as fully as though the new Trustee had been originally named as a party to the Deed.

### Delegation

14.6 The Trustee may delegate any of its powers, duties and discretions to any person on terms which the Trustee considers appropriate, including a custodian or a manager appointed under rule 14.7 or 14.8.

### Custodian

14.7 The Trustee may appoint a person to perform custodial functions in relation to any Assets on terms which the Trustee considers appropriate.



## Manager

- 14.8 The Trustee may appoint any person to administer the Fund or to manage investments of the Fund (or both) on terms which the Trustee considers appropriate.

## Trustee's powers

- 14.9 The Trustee has all the powers in respect of the Fund that it is possible to confer on a trustee as though the Trustee was the absolute owner of the Fund and acting in its personal capacity.

For example, the Trustee may borrow (whether or not on security) and may incur all types of obligations and liabilities.

- 14.10 The Trustee may do anything it considers appropriate to administer the Fund and comply with Superannuation Law.

- 14.11 Without limiting rules 14.9 and 14.10, the Trustee may:

- (a) make and give effect to rules for rounding off contributions and benefits;
- (b) make and give effect to rules in relation to minimum amounts for:
  - (i) benefit payments;
  - (ii) transfers;
  - (ia) Payment Splits;
  - (iii) switches;
  - (iv) changes of Plan;
  - (v) changes of pension benefits under the Flexible Income Plan, the Challenger Term Allocated Pension Plan or the Guaranteed Income Pension Plan;
  - (vi) Units or amounts allocated to a Beneficiary in an Investment Option, Plan or the Fund transfers;
  - (vii) accounts to be allocated to an Investment Option dealt with under rule 12; and
  - (viii) contributions;
- (c) make and give effect to rules about what happens if an amount is less than a minimum amount set under (b) above;
- (d) transfer the liability for any tax;
- (e) allocate Assets and Liabilities to an Investment Option as it considers appropriate;
- (f) change the allocation of Assets and Liabilities between the Investment Options as it considers appropriate;
- (g) declare any part of the Fund to be a sub-plan under regulation 2.07 of SIS;
- (h) make and give effect to rules relating to which Investment Options the interests of a Beneficiary will be allocated (and the conditions relating to that allocation) where the Beneficiary does not make a valid choice:
  - (i) of Investment Options; or
  - (ii) within the choices offered for a particular Investment Option; and



- (i) determine that the interests of Beneficiaries over an age prescribed by the Trustee must not be allocated to certain Investment Options. If it does so, the Trustee may also make and give effect to rules to deal with those interests which are inconsistent with that determination.

## Meetings

14.12 The Trustee may:

- (a) convene and conduct meetings of Beneficiaries or groups of Beneficiaries; and
- (b) set down rules for convening and conducting those meetings.

14.13 A decision of the majority of Members binds every Beneficiary.

## Apportionment of tax

14.14 The Trustee may, as it considers appropriate:

- (a) apportion any current or future tax benefit, liability or credit, superannuation surcharge tax liability (or provisions for those amounts) between the Beneficiaries;
- (b) adjust the interests of the Beneficiaries having regard to the apportionment including:
  - (i) issue additional Units to a Beneficiary; and
  - (ii) cancel Units held by a Beneficiary; and
  - (iii) adjusting the amounts held in a Beneficiary's account under rule 12.

## Apportionment of Liabilities

14.15 The Trustee may apportion Liabilities between the Beneficiaries as the Trustee considers appropriate.

## Trustee's discretions

14.16 The Trustee and any officer of the Trustee may exercise individually or jointly a power or discretion even though that person has another interest in the result of the exercise or owes other duties in respect of it.

14.17 The Trustee is completely unrestricted in the exercise of its powers and discretions.

14.18 Nothing in this Deed restricts the Trustee or its associates from:

- (a) dealing with each other or any Beneficiary;
- (b) being interested in any contract or transaction with the other of them or any Beneficiary or retaining for its own benefit any profits or benefits derived from that contract or transaction; or
- (c) acting in the same or a similar capacity in relation to any other scheme.

## Trustee's liability

14.19 The Trustee is only liable for its acts or omissions which are dishonest or constitute an intentional or reckless failure to exercise the degree of care and diligence required of it.

## Trustee's Indemnity

- 14.20 The Trustee may recover from the Fund any liability incurred in relation to the Fund unless:
- (a) it results from the Trustee's dishonesty or an intentional or reckless failure to exercise the degree of care and diligence required of it; or
  - (b) the law prevents it.

## Payments from Fund

- 14.21 The Trustee may pay from the Fund any liability in connection with the Fund or the performance by the Trustee of its obligations under this Deed.
- 14.22 Rules 14.20 and 14.21 include (without limitation) costs, charges and expenses connected with:
- (a) this Deed or any amending deed of the Fund;
  - (b) any disclosure or marketing document made available in respect of the Fund;
  - (c) the sale, purchase, insurance, custody and any other dealing with any Asset;
  - (d) any proposed investment or the costs associated with Investment Options;
  - (e) the administration, management or promotion of the Fund or the Assets and Liabilities;
  - (f) convening and holding meetings of Beneficiaries, implementation of any resolutions and communications with Beneficiaries;
  - (g) communications with Employers;
  - (h) tax and bank fees;
  - (i) the engagement of agents, valuers, advisers and contractors;
  - (j) preparation and audit of the taxation returns and accounts of the Fund and any other document or process required by law to be prepared, audited or lodged;
  - (k) termination of the Fund and the retirement or removal of the Trustee and the appointment of a new trustee; and
  - (l) any court proceedings, arbitration or other dispute concerning the Fund.
- 14.23 The Trustee may defer reimbursement of any or all costs, charges and expenses under rule 14.22.
- 14.24 A Beneficiary or Employer must indemnify the Trustee for:
- (a) any Liability incurred; or
  - (b) any overpayment made; or
  - (c) any failure to provide for tax,
- as a result of the Trustee relying on information given to it by that Beneficiary or Employer or which should have been given to it by that Beneficiary or Employer under the Rules or Superannuation Law.
- 14.25 The benefit of rules 14.19, 14.20 and 14.24 also applies to:
- (a) any directors of the Trustee;
  - (b) any former Trustee or director,

as if references to "Trustee" were references to the person entitled to the benefit of those rules.

### **Beneficiary authorisation**

- 14.26 The Trustee may treat an authorisation or dealing purported to be given or made by a Beneficiary as given or made by the Beneficiary.

### **Employer authorisation**

- 14.27 The Trustee may treat a written or oral authorisation or dealing given or made, or purported to be given or made, by a director of, or other person who the Trustee believes to be appropriately authorised by, an Employer as a valid authorisation or dealing by the Employer.

## **15 Fees and expenses**

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### **Entry fee**

- 15.1 The Trustee is entitled to an entry fee in respect of each contribution and transfer to the Fund equal to 5% of the amount contributed or transferred.

### **Trustee fee**

- 15.2 The Trustee is entitled to a fee of 4.0% per annum of the value of each Investment Option.
- 15.3 The fees under rules 15.1 and 15.2 are to be calculated, accrued and be payable at times determined by the Trustee, which may be daily.

### **Switching fee**

- 15.4 The Trustee may charge a fee for each Member in respect of:
- (a) each commutation under Schedule E or rule B3.11;
  - (b) each switch under rule 11.1, 11.2 or 11.4;
  - (c) each change in the pension level under Schedule E or rule B3.8, B3.9 or B3.10;
  - (d) each transfer or allotment of an amount representing Splittable Contributions, implemented under Rule A3;
  - (e) each pension payment; and
  - (f) any time that the Member's Withdrawal Benefit falls below any minimum set by the Trustee.
- 15.5 The Trustee is entitled to a fee for each switch by a Beneficiary between Investment Options. The fee is the difference between what would have been payable under rule 15.1 had the amount been contributed to the Fund to be allocated to the new Investment Option less the entry fee already paid in respect of that amount.





## **Exit fee**

15.6 The Trustee is entitled to an exit fee of 5% of each amount withdrawn from the Fund.

## **Early withdrawal fee**

15.7 The Trustee is entitled to an early withdrawal fee of an amount agreed between Trustee and Member or the Employer (as appropriate) for each amount withdrawn from an Investment Option with a guaranteed earning rate if the withdrawal is made:

- (a) before the end of the period which was set for that guaranteed earning rate; or
- (b) within 60 days of the amount being allocated to that Investment Option.

## **Investment margin fee**

15.8 The Trustee is entitled to an investment margin fee for all amounts invested in each Investment Option identified by the Trustee as capital guaranteed.

15.9 The amount of the investment margin fee is the difference between:

- (a) the earnings received by the Trustee (net of tax, fees and other Liabilities) in respect of the Investment Option; and
- (b) the amount that the Trustee has agreed (with the Members and Employers whose interests are attributable to the Investment Option) to allocate to Members.

## **Family Law fees**

15.9A The Trustee is entitled to a fee for any administrative or other process associated with the provisions of the Family Law Act 1975, including (but not limited to) a Request for Information, a Payment Split or a Payment Flag.

15.9B Subject to Superannuation Law, the allocation of any fees payable pursuant to rule 15.9A as between the relevant Member and Non-Member Spouse will be in such proportions as determined by the Trustee.

## **Changes to fees**

15.10 For any one or more Beneficiaries or Non-Member Spouses, the Trustee may at any time change:

- (a) the amount of any fee;
- (b) the basis on which the fee is payable;
- (c) the time at which the fee is payable;
- (d) the period over which the fee is payable; or
- (e) any two or more of (a) to (d).

In doing so, the Trustee may discriminate between Beneficiaries.

## Retention of fees

- 15.11 All fees set out in rules 15.1 to 15.10 are payable to the Trustee for the Trustee's own use. The Trustee may retain those fees as they fall due from:
- (a) the Fund;
  - (b) payments made from the Fund;
  - (c) payments made to the Fund.

## Transaction costs

- 15.12 The Trustee may at any time it considers appropriate:
- (a) apportion Investment Transaction Costs and Withdrawal Transaction Costs between the Beneficiaries or Investment Options; and
  - (b) cancel Units held for a Beneficiary to the value calculated in (a) above.

## Goods and services tax (GST)

- 15.13 The amounts payable to the Trustee under rule 15 do not include any amount referable to GST. If the Trustee becomes liable to pay GST in respect of any matter arising under this Deed, then, in addition to any other amount which the Trustee can recover from the Fund, the Trustee is also entitled to recover from the Fund the amount of the GST.

# 16 Administration

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## Information

- 16.1 Every person applying to participate or participating in the Fund or claiming a benefit must give the Trustee any information or documents that the Trustee requires to administer the Fund.
- 16.2 The Trustee may require a Member or prospective Member to have a medical examination.

## Notices

- 16.3 Any notice or other written communication in connection with the Fund is given to a person if it is:
- (a) handed to the person; or
  - (b) delivered to the person's last known address; or
  - (c) posted by ordinary post from within Australia to the person's last known address.
- 16.4 If the notice or communication is posted, it is taken to be received on the third business day after it is posted and proof of actual receipt is not required.

## Power of attorney

- 16.5 Each Beneficiary irrevocably appoints the Trustee as the Beneficiary's attorney to do all things which the Trustee considers appropriate in connection with the Fund.

## Governing law

- 16.6 The Fund and the Deed are governed by the law in force in New South Wales.

## Other rights unaffected

- 16.7 The Rules may not be used in any proceedings against an Employer relating to a termination of employment.

## Employer not fiduciary

- 16.8 An Employer may exercise any power or discretion given to it under the Rules in its own interest. It is not under any fiduciary or other obligation to any person in exercising that power or discretion.

## 17 Termination of fund

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### Termination

- 17.1 The Fund must be terminated if the Trustee determines for any reason that the Fund should be terminated.
- 17.2 The Trustee must notify:
- (a) all Employers and all persons the Trustee believes to be Beneficiaries at the time of the notice; and
  - (b) inform them that the Fund will be wound up on a specified date ("**Closure Date**").

### Application of Fund

- 17.3 On termination, the Trustee must apply the Assets in the following order of priority:
- (a) to provide for all Liabilities (other than benefits) for which the Trustee is or may become liable in respect of the Fund;
  - (b) in respect of each Beneficiary:
    - (i) for Beneficiaries other than those whose category of membership is the Lifetime Pension Plan, to provide the Withdrawal Benefit which became payable before the Closure Date;
    - (ii) for Beneficiaries other than those whose category of membership is the Lifetime Pension Plan, if paragraph (i) does not apply, to provide a benefit equal to the Beneficiary's Withdrawal'



- (iii) for Beneficiaries whose category of membership is the Lifetime Pension Plan, to provide for the Trustee to make arrangements for the Beneficiary that are designed, to the extent practicable, to allow the Beneficiary to continue to be paid a benefit similar to the Pension that was being paid to the Beneficiary under the Rules set out in Schedule G, including, without limitation:
  - (A) arrangements under which the Trustee negotiates with the issuer of the Policy referred to in Schedule G to transfer the Policy in respect of each Beneficiary to the Beneficiary if permitted by Superannuation Law or to replace the Policy with individual policies to be issued directly to each Beneficiary;
  - (B) arrangements under which the Trustee purchases an annuity for each Beneficiary as nearly as possible of the same amount and payable on the same terms and for the same period as the Pension that would have been payable to the Beneficiary under Schedule G; or
  - (C) arrangements under which the Trustee pays an amount to each Beneficiary where the amount to be paid is the amount which the Trustee, having regard to the advice of an actuary, considers represents the present value of the expected future payments of the Beneficiary's Pension as at the Closure Date;
- (c) to increase any benefits of Employer-sponsored participants from any Units allocated to the Employer as the Trustee and the Employer agree;
- (d) if any amount remaining relates to Employer-sponsored participants of an Employer, to provide for that amount to be transferred a fund nominated by that Employer (or if none is nominated, to a fund chosen by the Trustee);
- (e) to pay the benefits to former Members and their Dependants in proportions which the Trustee determines are equitable.

## **Payment of benefits**

- 17.4 If a person dies before receiving a benefit provided under rule 17.3, the Trustee must pay it as a Death Benefit

## **18 Amendment of Deed**

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### **Power to amend**

- 18.1 The Trustee may amend any of the provisions of the Deed including this rule 18.

### **Form of amendment**

- 18.2 An amendment must be in writing.



## Date of Effect

18.3 An amendment may take effect from a date before or after the time it is made.

## Limitation of power

18.4 No amendment may:

- (a) breach the requirements of Superannuation Law;
- (b) have the effect of:
  - (i) reducing the amount of a benefit calculated on the basis of contributions to the Fund and earnings on those contributions that has accrued, or become payable, before the date of amendment; or
  - (ii) reducing the amount of the benefit, other than a benefit referred to in paragraph (i), that is, or may become, payable in relation to a period before the date of amendment,

unless:

- (c) the reduction is required because of, and does not exceed the value of, any tax payable on the taxable income of the Fund; or
- (d) the reduction is required to enable the Fund to comply with Superannuation Law; or
- (e) the Member affected approves in writing of the reduction; or
- (f) the Superannuation Authority approves in writing of the reduction.

## 19 Savings provision

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If a provision of the Deed or the Rules would otherwise be void because it:

- (a) subjects the Trustee to direction by another person; or
- (b) permits a person to exercise a discretion without the consent of the Trustee,

then the Trustee's consent is required for the giving of the direction or the exercise of the discretion.

## 20 Compliance provisions

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### Application

20.1 Rules 20.2 to 20.5 do not apply:

- (a) to any person who last became a Member after the date this rule 20 was first inserted; and
- (b) in relation to each amount held in the Fund on the date this rule 20 was first inserted for a person who last became a Member before the date rule 20 was inserted



(adjusted for credits and debits attributable to the amount) if the person has consented to rule 20 not applying to that amount.

20.1A Rule 20.1 shall have no effect to the extent that it conflicts with Part 6 of the *Superannuation Industry (Supervision) Act 1993* (Cth).

## **Superannuation Law**

20.2

- (a) The provisions of the Deed are to be read as subject to Superannuation Law and if there is any inconsistency between the provisions of this Deed and Superannuation Law, the requirements of Superannuation Law prevail.
- (b) The Trustee is authorised to comply with or act in accordance with any provisions of Superannuation Law as amended from time to time which are not requirements, including allowing the Trustee to do anything necessary or desirable in connection with these provisions in whole or in part.
- (c) To the extent of any inconsistency in whole or in part between:
  - (i) Rule 20.2(a) and any other Rule, Rule 20.2(a) overrides that other Rule in whole or in part;
  - (ii) Rule 20.2(b) and any other Rule (other than Rule 20.2(a)) Rule 20.2(b) overrides that other Rule in whole or in part.

However, rule 20.2(a) is not to be read or construed and no such provision is to be read or construed if to do so would constitute a breach of the power to amend the Deed under rule 18.

## **Discrimination law**

20.3 In exercising its powers and discretions under the Deed, the Trustee must not discriminate in a manner that will infringe any Commonwealth, State or Territory law that applies to the Fund in respect of discrimination.

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## Schedule A – The Personal Super and Roll-over Plan

### A1 Eligibility

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- A1.1 The Trustee may agree that a Member may participate in the Personal Super and Roll-over Plan if:
- (a) Superannuation Law permits:
    - (i) the Member to contribute to the Fund;
    - (ii) the Member to transfer an amount to the Fund; or
    - (iii) contributions to be made for the Member by any other person; or
    - (iv) the creation of an interest for a Member, following a Payment Split; and
  - (b) the Member has applied to the Trustee to participate in the Plan in a manner approved by the Trustee.
- A1.2 This Schedule only applies to a Member who participates in the Personal Super and Roll-over Plan under rule A1.1

### A2 Benefits

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#### Conditions of Release

- A2.1 A Member who requests a benefit which Superannuation Law permits or requires to be cashed is entitled to a benefit equal to the lesser of:
- (a) the Member's Withdrawal Benefit; and
  - (b) the amount which Superannuation Law permits or requires to be cashed.

#### Death

- A2.2 On the death of a Member, a Death Benefit equal to the Member's Withdrawal Benefit is payable in respect of the Member.

#### Family Law

- A2.3 The Trustee may vary the interest or entitlement of a Member in the Personal Super & Roll-over Plan if that Member's interest or entitlement is subject to a Payment Split.
- A2.4 Where a Member's interest or entitlement is varied pursuant to rule A2.3, the Trustee may create an interest or entitlement for the relevant Non-Member Spouse in the Personal Super and Roll-over Plan, on such terms as are consistent with the Payment Split, where that Non-Member Spouse has been admitted as a Member pursuant to rule 3.4A.



## A3 Contributions

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### Contributions Splitting

- A3.1 A member may, subject to Superannuation Law, apply on or after 22 May 2006 to the Trustee, in a manner approved by the Trustee, to transfer or allot an amount of benefits that is not subject to a Payment Split or to the operation of a Payment Flag, for the benefit of the Member's Spouse.
- A3.2 The application may not be in respect of an amount that exceeds the amount of the Splittable Contributions made by, for, or on behalf of the Member in:
- (a) the last financial year that ended before the application; or
  - (b) the financial year in which the application is made – where the Member's entire benefit is to be transferred in that year,
- and may not be in respect of an amount that exceeds the Maximum Splittable Amount.
- A3.3 The Trustee may accept an application made pursuant to Rule A3.1 in its absolute discretion, including after the application of any conditions it considers appropriate, subject to SIS. If the Trustee accepts an application it must implement it in accordance with SIS.





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## Schedule B – The Flexible Income Plan

### B1 Eligibility

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#### Eligibility

- B1.1 The Trustee may agree that a Member may participate in the Flexible Income Plan if:
- (a) either:
    - (i) the Member participates in another Plan in relation to which a benefit be paid or commence to be paid; or
    - (ii) Superannuation Law permits the Member to:
      - (A) transfer or contribute an amount to the Fund; and
      - (B) be paid or commence to be paid a benefit in respect of that amount; and
  - (b) the Member has applied to participate in the Plan in a manner approved by the Trustee.
- B1.2 This Schedule only applies to a Member who participates in the Flexible Income Plan under B1.1.

### B2 Contributions

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- B2.1 A Member may contribute (or transfer), or arrange to have contributions (or transfers) made on the Member's behalf, to the Fund:
- (a) as agreed between the Member and the Trustee; and
  - (b) as permitted by Superannuation Law.
- B2.2 Without limiting rule B2.1, for a pension commenced on or after 1 July 2007, the capital supporting a pension must not be added to by way of contribution or rollover after the pension has commenced, unless Superannuation Law permits.
- B2.3 The Trustee may:
- (a) accept a contribution, rollover or transfer prior to the commencement of a pension; and
  - (b) delay commencement of a pension until contributions, rollovers or transfers are received.

### B3 Flexible Income Benefits

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#### Flexible Income

- B3.1 Unless the Trustee determines otherwise, the Trustee must pay each Member a separate pension from each contribution and transfer received under the Flexible Income Plan for the Member. The pension must:



- (a) commence on the date agreed between the Member and the Trustee; and
- (b) terminate when the value of the Member's Flexible Income reaches zero.

### **Frequency of payment**

- B3.2 The Trustee must pay the pension to a Member at the times and in the manner agreed between the Trustee and the Member.
- B3.3 A Member may change the frequency of the pension payments if the change:
- (a) is approved by the Trustee; and
  - (b) is in a manner approved by the Trustee.
- B3.4 The Trustee may pay an irregular pension payment to a Member, if:
- (a) the Member requests or the Trustee otherwise determines; and
  - (b) the payment complies with Superannuation Law.
- B3.5 Subject to rule B3.6, if at any time a Member has not made a selection as to the frequency of the pension payments, pension payments will be paid at a frequency determined by the Trustee from time to time.
- B3.6 For so long as the pension is payable, the Trustee must ensure that at least one payment is made during each Financial Year, unless Superannuation Law permits otherwise.

### **Selecting pension level**

- B3.7 Subject to rules B3.7A, B3.7B and B3.7C, for each Financial Year (or part of a Financial Year), the pension payments to a Member must not be:
- (a) larger than the maximum limits, nor
  - (b) smaller than the minimum limits,
- set out in Superannuation Law for pension benefits of this kind.
- B3.7A For a pension commenced on or after 1 July 2007, for each Financial Year (or part of a Financial Year), the pension payments to a Member must not be smaller than the minimum limits set out in Superannuation Law for the type of pension specified in paragraph 1.06(9A)(a) of the Superannuation Industry (Supervision) Regulations 1994 as in force on 1 July 2007.
- B3.7B For a pension commenced before 1 July 2007, if and when permitted by the Trustee, a Member may select and notify the Trustee whether their pension payments are subject to:
- (a) the limits in rule B3.7; or
  - (b) the limits in rule B3.7A.
- The selection must be made and notified to the Trustee in a manner approved by the Trustee.
- B3.7C For a pension commenced before 1 July 2007, if a Member has not made a selection under rule B3.7B approved by the Trustee, the Trustee must apply the limits set out in rule B3.7.
- B3.8 If and when permitted by the Trustee, a Member may select the level of pension payments to apply for each pension during one or more Financial Years. The selection must be in a manner approved by the Trustee, and as permitted by Superannuation Law.



## Default pension level

B3.9 If at any time during a Financial Year:

(a) no selection has been made for a pension for that year under rule B3.8 and that pension was being paid in the previous Financial year; or

(b) the selection is inconsistent with rule B3.7,

the Trustee must either:

(c) pay the pension for the current year calculated according to any existing agreement between the Trustee and the Member; or

(d) if there is no agreement, continue to pay a pension at the level prevailing at the end of the previous Financial Year.

However:

(a) for a pension commenced before 1 July 2007, the Trustee may:

(i) adjust the level up to the minimum or down to the maximum so as to comply with rule B3.7; and

(ii) adjust the level up to the minimum so as to comply with rule B3.7A if the Member has made a selection in accordance with rule B3.7B;

(b) for a pension commenced on or after 1 July 2007, the Trustee may adjust the level up to the minimum so as to comply with rule B3.7A.

B3.10 If there is no existing agreement between the Trustee and the Member as to the pension level and rule B3.9 does not apply, the Trustee may pay a pension at the minimum level required under rule B3.7.

## Commutation

B3.11 To the extent permitted by Superannuation Law, the whole or a part of any pension of a Member may be commuted:

(a) by the Trustee on the request of the Member (if that request satisfies the rules set by the Trustee under rule 14.11); or

(b) by the Trustee, if:

(i) the value of the Member's Flexible Income for that pension falls below any minimum determined by the Trustee; or

(ii) the Member or the Flexible Income fails to meet any rule made under rule 14.11(i).

B3.12 On a Member fully commuting the Member's pension, the Trustee must pay a lump sum benefit to the Member equal to:

(a) the value of the Member's Flexible Income for that pension after paying any minimum pension under rule B3.7; less

(b) any tax, fees, costs, charges and expenses the Trustee considers appropriate to deduct.

B3.13 On a Member partially commuting a pension, the Trustee must pay a lump sum benefit to the Member equal to:



- (a) the amount commuted which must not exceed the value of the Member's Flexible Income for that pension; less
- (b) any tax, fees, costs, charges and expenses the Trustee considers appropriate to deduct.

B3.13A If a Member dies on or after 1 July 2007, the balance of a Death Benefit being paid in the form of a Flexible Income to a child of the deceased Member must be paid as a lump sum on the day the child attains age 25 or:

- (a) earlier if Superannuation Law requires; or
- (b) later if Superannuation Law permits and the Trustee so determines.

### **Termination of pension**

B3.14 A pension will terminate in respect of a Member as at the date on which the value of the Member's Flexible Income reduces to zero.

## **B4 Death Benefit**

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### **Lump sum benefit**

B4.1 If a Death Benefit in respect of a Member is to be paid wholly as a lump sum, the Trustee must pay a benefit equal to the value of the Member's Flexible Income less any taxes (or provision for taxes) as the Trustee considers appropriate,

### **Pension benefits**

B4.2 Despite any other provisions of this Deed, a Death Benefit must only be paid wholly or partially as a pension if Superannuation Law permits. If a Death Benefit in respect of a Member is to be paid wholly or partially as a pension, then after the Trustee has paid any lump sum benefit, the Trustee must commence paying the pension to the person entitled to it according to the provisions set out in rules B3.1 to B3.14. In those circumstances, references to the Member in those rules must be read as references to the person entitled to the pension.

## **B5 Miscellaneous**

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B5.1 Where the Trustee pays a pension under this Flexible Income Plan then:

- (a) the capital value of the pension and the income from it must not be used as security for a borrowing unless Superannuation Law permits; and
- (b) the pension must not be transferred to another person unless permitted by Superannuation Law.

### **Family Law**

B5.2 The Trustee may vary the interest or entitlement of a Member in the Flexible Income Plan if that Member's interest or entitlement is subject to a Payment Split.



- B5.3 Where a Member's interest or entitlement is varied pursuant to rule B5.2, the Trustee may create an interest or entitlement for the relevant Non-Member Spouse in the Personal Super and Roll-over Plan, on such terms as are consistent with the Payment Split, where that Non-Member Spouse has been admitted as a Member pursuant to rule 3.4A.



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## Schedule C – The Employer-Sponsored Plan

### C1 Eligibility and Participation

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#### Employer-sponsored participant

- C1.1 The Trustee may agree that an Employee is eligible to participate in the Employer-sponsored Plan if:
- (a) the Employer invites the Employee and the Employee applies to the Trustee in accordance with the Employer Application; or
  - (b) the Employer directs the Trustee to admit the Employee without an application and that direction:
    - (i) is in accordance with the Employer Application; and
    - (ii) is permitted by Superannuation Law.
- C1.2 The Employee may participate as a Member in the type of membership which is set out in the Employer Application and specified in the invitation or direction. If no type is specified, then as the Trustee determines.

#### Employer

- C1.3 An employer who has:
- (a) applied in a manner approved by the Trustee; and
  - (b) lodged the application with the Trustee either at its registered office or as the Trustee determines; and
  - (c) agreed to be bound by the Rules,
- may become an Employer. The employer becomes an Employer once the Trustee has approved its Employer Application.

#### Employer Application

- C1.4 The application of the Employer under rule C1.3(a) must set out all matters agreed between the Trustee and the Employer in relation to:
- (a) the Employer's participation in the Fund; and
  - (b) benefits for the Employer's Employees.
- The agreement must be consistent with the Rules. To the extent of any inconsistency, the Rules prevail.
- C1.5 If the Trustee agrees, the Employer may alter the details set out in its application at any time by notice in writing to the Trustee.
- C1.6 Any alteration of the Employer Application must not:
- (a) increase a Member's obligation to contribute; or



- (b) reduce a Member's accrued benefit, unless the Member consents in writing.

## **Ceasing to be an Employer**

C1.7 An Employer ceases to be an Employer if:

- (a) the Employer gives written notice of intended termination to the Trustee; or
- (b) the Employer ceases to employ any Employer-sponsored participants.

C1.8 The termination takes place on a date specified by the Trustee.

C1.9 On termination:

- (a) the Employer and its Employees who are Members must immediately pay any arrears of contributions up to the termination date but must make no further contributions; and
- (b) the Trustee must continue to pay benefits out of the Fund which have become payable on or before the termination date; and
- (c) the Trustee must transfer the amount representing the portion of the sum of each Employer-sponsored participant's Withdrawal Benefit and the Units held by the Trustee in respect of the Employer that the Trustee determines, to:
  - (i) another Plan nominated by the Employer or the Member;
  - (ii) a fund nominated by the Employer; or
  - (iii) if no fund or Plan is nominated within 90 days after the termination date, a fund or a Plan selected by the Trustee,in a manner consistent with Superannuation Law.

## **Application**

C1.10 The Schedule only applies to a Member or Employer who participates in the Employer-Sponsored Plan under rules C1.1 to C1.9.

## **C2 Membership**

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### **Temporary absences**

C2.1 If a Member:

- (a) leaves employment, but the Employer believes the Member is likely to return to employment within a reasonable period; or
- (b) takes unpaid leave,

the Employer and the Trustee may make arrangements they consider appropriate concerning contributions and benefits for the Member for the period of absence.

## Transfer of Service

C2.2 The transfer of a Member from employment with one Employer in a group of Employers (nominated on the Employer Application) to employment with another Employer in that group is not a termination of employment unless the current Employer and the Trustee declare it to be.

## C3 Contributions

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### Member contributions

- C3.1 A Member must contribute at the rate required by the Employer Application if the Employer Application states that these contributions are compulsory. Otherwise the Member may contribute any amounts agreed with the Trustee.
- C3.2 A Member may contribute any further amount if the Trustee and the Employer agree.
- C3.3 Unless the Member and the Employer agree otherwise, the Employer may deduct the Member's contributions from the Member's remuneration. The Employer must pay the contributions to the Trustee:
- (a) in the manner and at the times agreed between the Employer and the Trustee; and
  - (b) within any time limit imposed by law.

### Employer contributions

- C3.4 An Employer may contribute to the Fund in respect of a Member as agreed with the Trustee. The Employer may after the contribution arrangements at any time by written notice to the Trustee.
- C3.5 An Employer may contribute any further amount if the Trustee agrees.
- C3.6 If an Employer makes contributions to the Fund for a Member in relation to a period and:
- (a) the contributions are intended to satisfy the Employer's obligations under any Award in relation to the period; and
  - (b) the contributions do not count towards satisfying the Award in relation to the period, then rule C3.7 applies.
- C3.7 If rule C3.6 applies to contributions, the Trustee must:
- (a) allocate Units to or credit an account for the Employer; or
  - (b) transfer the contributions to a fund that satisfies the Award,
- at the request of the Employer and as Superannuation Law permits. The Trustee may cancel any Units issued to a Member or debit an account of the Beneficiary under rule 12 in respect of those contributions.
- C3.8 If any amounts have been transferred to the Fund and the Trustee is satisfied that:
- (a) the contributions towards those amounts were intended to satisfy an Award in relation to a period;
  - (b) those contributions did not count towards satisfying the Award in relation to that period; and





- (c) the Employer is now liable to contribute additional amounts to satisfy the Award in relation to that period,

then rule C3.9 applies.

C3.9 If rule C3.8 applies to those amounts, the Trustee must:

- (a) allocate Units to or credit an account for the Employer; or  
(b) transfer the amounts to a fund that satisfies the Award,

at the request of the Employer and as Superannuation Law permits. The Trustee may cancel Units issued to or debit an account of a Member under rule 12 in respect of those amounts.

### **Shortfall Component**

C3.10 The Trustee may accept a Shortfall Component as a contribution in respect of a Member.

### **Allocations and credits to Employer**

C3.11 The Trustee may allocate Units to or credit an account for an Employer in respect of contributions by an Employer or amounts transferred to the Fund from another fund in respect of the Employer or any part of a Member's Withdrawal Benefit which is no longer required to pay benefits to the Employer's Member, to the extent that those contributions or amounts are not applied to issue Units to Members at that time.

C3.12 Any Units allocated to or amount credited to an account for the Employer under rule C3.11 must be attributed to the Investment Option or Options:

- (a) set out in the Employer Application; or  
(b) otherwise determined by the Trustee as it considers appropriate.

C3.13 The Trustee may cancel Units allocated to or debit an account for an Employer for one or more of the following purposes:

- (a) replacement of contributions otherwise payable by the Employer or Member;  
(b) additional benefits for Members of the Employer;  
(c) payment to the Employer;  
(d) other purposes which the Trustee determines.

However, the Trustee may only apply amounts as approved by the Employer and permitted by Superannuation Law, and must apply all amounts within any time limit imposed by Superannuation Law.

## **C4 Benefit entitlement**

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### **Conditions of release**

C4.1 A Member who:

- (a) ceases to be employed by an Employer; and  
(b) who requests payment,



if the Member is permitted to be paid a benefit under part 1 of schedule 1 to SIS is entitled to a benefit;

- (c) in the circumstances set out in, and in the amount set out in the Employer application (which must be no more than the Member's Withdrawal Benefit);
- (d) if (c) does not apply, equal to the Member's Withdrawal Benefit.

### **Insured benefits**

C4.2 If the Trustee receives the proceeds of any insurance policy which the Trustee determines are attributable to the Employee Sponsored Plan in respect of a Member, the Trustee must issue Units to or credit an account under rule 12 for the Member in respect of those proceeds on terms which the Trustee considers appropriate having regard to:

- (a) the amount of the proceeds;
- (b) when the proceeds are received;
- (c) any expenditure incurred by the Trustee in collecting and paying the proceeds; and
- (d) the conditions applicable to the policy.

### **Death**

C4.3 On the death of a Member a Death Benefit equal to the Member's Withdrawal Benefit will be payable.

### **Deposit arrangements**

C4.4 Any Units issued to or amounts credited to an account under rule 12 for a Member which are attributable to any amount transferred to the Fund are, subject to Superannuation Law, payable to the Member at the Member's request if that is consistent with the arrangements made in relation to the transfer to the Fund.

### **Change of Plan**

C4.5 If an Employer-sponsored participant has become entitled to a benefit, the Trustee may transfer that benefit to another Plan:

- (a) as it considers appropriate; and
- (b) with or without the Member's consent.

C4.6 If the Trustee transfers the benefit under rule C4.5, the Investment Options attributed to the Members' benefits will continue to be attributed to the Members' benefits.

### **Family Law**

C4.7 The Trustee may vary the interest or entitlement of a Member in the Employer-Sponsored Plan if that Member's interest or entitlement is subject to a Payment Split.

C4.8 Where a Member's interest or entitlement is varied pursuant to rule C4.7, the Trustee may create an interest or entitlement for the relevant Non-Member Spouse in the Personal Super and Roll-over Plan, on such terms as are consistent with the Payment Split, where that Non-Member Spouse has been admitted as a Member pursuant to rule 3.4A.



## C5 Policy Committee

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### **Establishment**

C5.1 If required by Superannuation Law, the Trustee must establish a policy committee for each group of Members required by Superannuation Law.

### **Functions**

C5.2 The functions of a policy committee are determined by agreement between the members of the policy committee and the Trustee. However the Trustee may limit those functions to relate to the part of the Fund involving:

- (a) a particular Employer; or
- (b) a particular group of Employer-sponsored participants; or
- (c) both.

### **Trustee may attend meetings**

C5.3 The Trustee (or its representative) may attend meetings of each policy committee.

### **Conduct of meetings**

C5.4 Each policy committee may regulate its meetings as its members consider appropriate:

- (a) with the approval of the Trustee; and
- (b) in accordance with Superannuation Law.

### **Minutes to Trustee**

C5.5 Each policy committee must give a copy of the minutes of each meeting of the policy committee to the Trustee.

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## Schedule D – The Term Life Plan

### D1 Eligibility

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- D1.1 The Trustee may agree that a Member may participate in the Term Life Plan if:
- (a) Superannuation Law permits:
    - (i) the Member to contribute to the Fund; or
    - (ii) the Member to transfer an amount to the Fund; or
    - (iii) contributions to be made for the Member by any other person; and
  - (b) the Member has applied to the Trustee to participate in the Plan in a manner approved by the Trustee.
- D1.2 This Schedule only applies to a Member who participates in the Term Life Plan under rule D1.1

### D2 Benefits

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- D2.1 If the Trustee receives the proceeds of any policy insuring the life of a Member which the Trustee determines are attributable to the Term Life Plan, the Trustee will record in an account for the Member in accordance with rule 12.3(a) an amount which the Trustee considers appropriate having regard to:
- (a) the amount of the proceeds;
  - (b) when the proceeds are received;
  - (c) any expenditure incurred by the Trustee in collecting and paying the proceeds; and
  - (d) the conditions applicable to the policy.
- D2.2 Upon a condition of release under part 1 of schedule 1 to SIS being satisfied in relation to the Member, the Trustee will pay to (or, in respect of) the Member the balance of the account in rule 12 which the Trustee determines is attributable to the Term Life Plan adjusted in accordance with the Rules.

### Family Law

- D2.3 The Trustee may vary the interest or entitlement of a Member in the Term Life Plan if that Member's interest or entitlement is subject to a Payment Split.
- D2.4 Where a Member's interest or entitlement is varied pursuant to rule D2.3, the Trustee may create an interest or entitlement for the relevant Non-Member Spouse in the Personal Super and Roll-over Plan, on such terms as are consistent with the Payment Split, where that Non-Member Spouse has been admitted as a Member pursuant to rule 3.4A.



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## Schedule E – The Challenger Term Allocated Pension Plan

### E1 Eligibility

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- E1.1 The Trustee may agree that a Member may participate in the Challenger Term Allocated Pension Plan if:
- (a) Either:
    - (i) the Member participates in another Plan in relation to which a benefit may be paid or commence to be paid; or
    - (ii) Superannuation Law permits:
      - (A) the Member to contribute to the Fund; or
      - (B) the Member to transfer an amount to the Fund; or
      - (C) contributions to be made for the Member by any other person;and permits the Member to be paid or commence to be paid a benefit in respect of that amount; and
  - (b) The Member has applied to the Trustee to participate in the Plan in a manner approved by the Trustee.
- E1.2 This Schedule only applies to a Member who participates in the Challenger Term Allocated Pension Plan under rule E1.1.

### E2 Contributions

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- E2.1 A Member may contribute or transfer or arrange to have contributions or transfers made on the Member's behalf to the Fund:
- (a) as agreed between the Member and the Trustee; and
  - (b) as permitted by Superannuation Law.

### E3 Challenger Term Allocated Pension Benefits

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#### Challenger Term Allocated Pension

- E3.1 Unless the Trustee determines otherwise, the Trustee must pay each Member a separate pension from each contribution and transfer received under the Challenger Term Allocated Pension Plan for the Member. The pension must:
- (a) commence on the date agreed between the Member and the Trustee and the first payment must relate to the period commencing on the date the Member's interest in the pension is issued; and



- (b) terminate when the value of the Member's Challenger Term Allocated Pension reaches zero.

### Frequency and term of payment

E3.2 The Trustee must pay the pension to a Member at the times and in the manner agreed between the Trustee and the Member. The term of the pension must be for:

- (a) a period equal to the primary beneficiary's life expectancy on the commencement day of the pension, rounded up to the next whole number if the primary beneficiary's life expectancy does not consist of a whole number of years; or
- (b) a period equal to the primary beneficiary's life expectancy on the commencement day of the pension, calculated as if the primary beneficiary were up to 5 years younger on the commencement day (his or her 'notional life expectancy'), rounded up to the next whole number if the primary beneficiary's notional life expectancy does not consist of a whole number of years; or
- (c) if:
  - (i) the pension is a reversionary pension that reverts to a surviving spouse on the death of the primary beneficiary; and
  - (ii) the term of the pension is not calculated by reference to the primary beneficiary's life expectancy or notional life expectancy; and
  - (iii) the life expectancy of the primary beneficiary's spouse is greater than the life expectancy of the primary beneficiary;

a period equal to the life expectancy of the spouse on the commencement day, or that life expectancy calculated as if the spouse were up to 5 years younger on the commencement day (his or her 'notional life expectancy'), rounded up to the next whole number if the life expectancy or notional life expectancy of the spouse does not consist of a whole number of years.

E3.3 A member may change the frequency of the pension payments if the change:

- (a) is approved by the Trustee; and
- (b) is in a manner approved by the Trustee.

E3.4 The Trustee may pay an irregular pension payment to a Member, if:

- (a) the Member requests or the Trustee otherwise determines; and
- (b) the payment complies with Superannuation Law.

E3.5 If at any time a Member has not made a selection as to the frequency of the pension payments, the Trustee must pay the pension annually.

E3.6 For so long as the pension is payable, the Trustee must ensure that at least one payment is made during each Financial Year, unless Superannuation Law permits otherwise.

*Marginal note: where the commencement day of the pension is on or after 1 June in a financial year, regulation 1.06(9) of the Superannuation Industry (Supervision) Regulations 1994 permits no payment to be made for that financial year. If the relevant superannuation fund rules so provide. Under rule 14.11(b), the Trustee may establish express rules which coincide with the provisions of this regulation.*

### Selecting pension level

E3.7 For each Financial Year (or part of a Financial Year), the pension payments to a Member must be in accordance with the formula set out in Superannuation Law for pension benefits of this kind,



incorporating the prescribed payment factors at Schedule 6 of the *Superannuation Industry (Supervision) Regulations 1994*.

## Commutation

E3.8 To the extent permitted by Superannuation Law, the whole or part of any pension of a Member may be commuted:

- (a) by the Trustee on the request of the member (if that request satisfies any rules set by the Trustee under rule 14.11); or

*Marginal note: the requirements of regulation 1.06(8)(d)(i) or (iv), and regulation 1.07C of the Superannuation Industry (Supervision) Regulations 1994 must also be satisfied for the commutation to be permitted under Superannuation Law.*

- (b) by the Trustee:

- (i) on the death of the primary beneficiary and, where rule E3.2(c) applies, any reversionary beneficiary;
- (ii) to pay a superannuation contributions surcharge;
- (iii) to give effect to an entitlement of a Non-Member Spouse under a Payment Split.

E3.9 On the Trustee fully commuting the Member's pension, the Trustee must pay a lump sum benefit to or in respect of the Member equal to:

- (a) the amount commuted which must not exceed the value of the Member's Challenger Term Allocated Pension; less
- (b) any tax, fees, costs, charges and expenses the Trustee considers appropriate to deduct.

E3.10 On the Trustee partially commuting a pension, the Trustee must pay a lump sum benefit to or in respect of the Member equal to:

- (a) the amount commuted which must not exceed the value of the Member's Challenger Term Allocated Pension; less
- (b) any tax, fees, costs, charges and expenses the Trustee considers appropriate to deduct.

## Termination of pension

E3.11 A pension will terminate in respect of a Member as at the date on which the value of the Member's Challenger Term Allocated Pension reduces to zero. If at the end of its term, the Member's pension's value is positive, a payment equal to that amount must be made within 28 days after the end of the term.

## E4 Death Benefit

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### Lump sum benefit

E4.1 If a Death Benefit in respect of a Member is to be paid wholly as a lump sum, the Trustee must pay a benefit equal to the value of the Member's Challenger Term Allocated Pension less any taxes (or provision for taxes) as the Trustee considers appropriate.



## Pension benefits

E4.2 If a Death Benefit in respect of a Member is to be paid wholly or partially as a pension, then after the Trustee has paid any lump sum benefit, the Trustee must commence paying the pension to the person entitled to it according to the provisions set out in rules E3.1 to E3.11. In those circumstances, references to the Member in those rules must be read as references to the person entitled to the pension.

## E5 Miscellaneous

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E5.1 Where the Trustee pays a pension under this Challenger Term Allocated Pension Plan then:

- (a) the pension must not have a residual capital value;
- (b) 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) must be determined in accordance with Schedule 6 of the *Superannuation Industry (Supervision) Regulations 1994*;
- (c) if the pension reverts - it must not have a reversionary component greater than 100% of the account balance immediately before the reversion;
- (d) if the pension is commuted - the commutation amount must not exceed 100% of the account balance immediately before the commutation;
- (e) the capital value of the pension and the income from it must not be used as security for a borrowing unless Superannuation Law permits; and
- (f) the pension must not be transferred to another person unless permitted by Superannuation Law.

E5.2 The Trustee may vary the interest of a Member in the Challenger Term Allocated Pension Plan if that Member's interest or entitlement is subject to a Payment Split.

E5.3 Where a Member's interest or entitlement is varied pursuant to rule E5.2, the Trustee may create an interest or entitlement for the relevant Non-Member Spouse in the Personal Super and Roll-over Plan, on such terms as are consistent with the Payment Split, where that Non-Member Spouse has been admitted as a Member pursuant to rule 3.4A.





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## Schedule F – Guaranteed Income Pension Plan

### F1 Definitions

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Unless set out below, the definitions set out in Rule 1.1 shall apply to this Schedule F.

<b>Term</b>	<b>Meaning</b>
<b>Affected Policy</b>	<p>a Life Insurance Policy:</p> <ul style="list-style-type: none"><li>(a) whose policy owner was the trustee of a Previous Fund; and</li><li>(b) in respect of which Challenger Life No. 2 Limited became the issuer pursuant to a Scheme; and</li><li>(c) which is governed by the terms confirmed by the Court under that Scheme.</li></ul>
<b>Benefit Arrangement</b>	<p>another fund or a benefit arrangement:</p> <ul style="list-style-type: none"><li>1 to which assets may be paid or transferred from the Fund; or</li><li>2 from which assets may be received into the Fund.</li></ul>
<b>Fund Expenses</b>	<p>the costs and expenses of and incidental to the establishment, operation, management, administration, investment and termination of the Fund, including insurance costs and any fees or charges imposed on, or paid by, the Trustee and includes without limitation any other cost, expense or fee provided for under Rules 14.21 or 14.22, excluding Tax.</p>
<b>Governing Rules</b>	<p>the terms and conditions of:</p> <ul style="list-style-type: none"><li>1 the Deed (including this Schedule F); and</li></ul> <p>any other terms and conditions which apply pursuant to Rule F2.2 and Rule F6.</p>

<b>Net Earnings</b>	<p>the return (whether positive or negative) of:</p> <p>1 the Fund; or</p> <p>the Plans including this Plan; or</p> <p>an Investment Option,</p> <p>as determined by the Trustee in accordance with Rule 8.8.</p>
<b>Participation Agreement</b>	contains the terms and conditions of a Special Arrangement.
<b>Pensioner</b>	a person who has been admitted as pensioner pursuant to Rule F3.1(a) or a Reversionary Pensioner, whichever is appropriate.
<b>Pensioner Account</b>	an account maintained by the Trustee for a Pensioner and/or Beneficiary pursuant to the Rules of this Schedule F.
<b>Previous Disclosure Document</b>	<p>the product disclosure statement, key features statement or other disclosure document :</p> <p>(a) issued to a Transferring Pensioner by the trustee of the Previous Fund; and</p> <p>(b) which has been provided to the Trustee by the trustee of the Previous Fund prior to a person becoming a Member of the Fund.</p>
<b>Previous Fund</b>	a regulated superannuation fund which held an Affected Policy or Affected Policies immediately prior to that policy or those policies being held by the Trustee.
<b>Reversionary Pensioner</b>	a person nominated by a Pensioner in the manner and form set out in the Governing Rules to whom a pension is payable upon the death of that Pensioner or of another Reversionary Pensioner.
<b>Scheme</b>	a scheme under Part 9 of the Life Insurance Act.
<b>Special Arrangement</b>	special conditions or an arrangement imposed by the Trustee on a Pensioner or on a group of Transferring Pensioners under Rule F3.1(b)(2) or Rule F3.1(b)(3).

**Tax** includes any Commonwealth or State or Territory of Australia tax, surcharge, levy, impost or duty (including any additional interest, fine, penalty or charge on those amounts) which is or might become payable in connection with the Fund, income of the Fund, payments or transfers of property to or from the Fund, this Deed or anything done or which may be done under this Deed.

**Transferring Pensioner** a Member who:

- 1 immediately prior to being admitted as a Member of this Fund was a member of a Previous Fund; and

whose benefit in the Previous Fund was secured by an Affected Policy.

## F2 Overriding provisions for this Schedule F

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### F2.1 Paramount provisions

- (a) For avoidance of doubt, Rule 20.2 is a paramount provision and will override this Rule F2.
- (b) Where the Trustee determines to issue a pension from the Fund on the basis that it qualifies as a pension (or a particular type of pension) under Superannuation Law, any condition, standard or requirement of the Superannuation Law which is required to be satisfied in order for the pension to qualify as a pension (or as a type of pension) under the Superannuation Law is deemed to be included in this Schedule F for so long as it is so required.

### F2.2 Terms and conditions of pensions

- (a) Notwithstanding any provision of the Governing Rules (other than Rule F7.3(e)), where a benefit is payable in the form of a pension, the Trustee shall pay the pension on the basis of the terms and conditions:
  - (1) set out in the Previous Fund deed;
  - (2) set out in the Affected Policy, to the extent that the such terms and conditions are not inconsistent with the terms and conditions referred to in Rule F2.2(a)(1);
  - (3) set out in the Previous Disclosure Document, to the extent that such terms and conditions are not inconsistent with the terms and conditions referred to in Rule F2.2(a)(1) and Rule F2.2(a)(2);
  - (4) set out in any Special Arrangement, to the extent that the terms and conditions are not inconsistent with the terms and conditions referred to in Rule F2.2(a)(1), Rule F2.2(a)(2) and Rule F2.2(a)(3);
  - (5) as provided for under any of these Governing Rules:
    - (A) to the extent not otherwise set out in, and to the extent consistent with, the terms and conditions referred to in Rule F2.2(a)(1), Rule F2.2(a)(2), Rule F2.2(a)(3) or Rule F2.2(a)(4); or



- (B) if the Trustee otherwise determines for the purposes of ensuring compliance with Rules F2.1(a) or F2.1(b), on the basis of terms and conditions the Trustee considers to be necessary or desirable in order to comply with the requirements of the Superannuation Law.
- (b) In order to comply with Rule F2.2(a), the Trustee has the power to adjust in any way the operation of the provisions of the Governing Rules as the Trustee determines necessary or desirable.

### **F2.3 Commutations of pensions**

Notwithstanding any provision of the Governing Rules, the Trustee shall not commute or agree to arrange for the commutation of any pension payable under the Governing Rules in any way which would contravene Superannuation Law or lose or reduce the beneficial tax status of the Fund.

### **F2.4 Various pensions**

The Trustee may offer to provide Members benefits in the form of a pension which is:

- (a) a benefit whether described as an allocated pension, an account based pension or which otherwise is taken to be a pension for the purposes of SIS by virtue of it complying with the standards set out in SIS Regulation 1.06(1) or other applicable SIS Regulation; or
- (b) any other form of pension which complies with Superannuation Law and which is set out in the Governing Rules.

## **F3 Eligibility**

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### **F3.1 Membership**

- (a) The Trustee may admit as a Pensioner:
  - (1) any person to whom the Trustee may pay a pension without breaching Superannuation Law in the manner and form set out in the Governing Rules;
  - (2) a person or a group of persons subject to a Special Arrangement; or
  - (3) a Transferring Pensioner.
- (b) The Trustee may:
  - (1) reject an application;
  - (2) impose special conditions when accepting an application; or
  - (3) impose special conditions on a group of Transferring Pensioners.
- (c) Each Pensioner is bound by the Governing Rules.

### **F3.2 Special Arrangements**

The Trustee may set out the terms and conditions of a Special Arrangement in a Participation Agreement or deed of successor fund transfer.

### **F3.3 Terms of Special Arrangements**

- (a) To the extent of any inconsistency, between the Governing Rules and a Special Arrangement, the Special Arrangement prevails with the exception of Rule 20.2 which is a paramount provision and will prevail over all other provisions of the Deed and any Special Arrangement.
- (b) Subject to the Superannuation Law and the terms of the Special Arrangement, a Special Arrangement may be altered by the Trustee at any time.

### **F3.4 Cessation of membership**

A person ceases to be a Pensioner:

- (a) in the circumstances set out in the Governing Rules; or
- (b) in accordance with Rule 3.10,

whichever is the earlier.

## **F4 Contributions, rollovers and transfers**

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- (a) Subject to Superannuation Law, the Trustee may accept into this Plan:
  - (1) the rollover or transfer of benefits from another Benefit Arrangement or another Plan in respect of a Pensioner;
  - (2) contributions in respect of the Pensioner from any person where permitted by Superannuation Law (including without limitation eligible spouse contributions in respect of the Pensioner); or
  - (3) any contributions, rollovers or transfers on the terms and conditions which the Trustee sets out in the Governing Rules.
- (b) The Trustee may repay contributions to or for the benefit of the relevant Pensioner or to a person who has made the contribution on the Pensioner's behalf:
  - (1) where such contributions have been received contrary to Superannuation Law; or
  - (2) where such contributions were paid by mistake,in which case:
  - (3) an adjustment shall be made to the Pensioner's Account to the extent permitted under Superannuation Law for Tax, Net Earnings or Fund Expenses and any other matters set out in the Governing Rules; and
  - (4) the person shall be deemed not to have become a Pensioner in the case of contributions first made in respect of that person.

## **F5 Pensioner Account**

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Upon the admission of a Pensioner to participate in this Plan, the Trustee may establish and maintain in respect of the Pensioner, one or more Pensioner Accounts to which:



- (a) the Trustee shall credit:
- (1) any contributions made to this Plan under Rule F4 in respect of the Pensioner;
  - (2) such amounts as are rolled over or transferred to this Plan under Rule F4 in respect of the Pensioner;
  - (3) such amounts as the Trustee determines to transfer from other Plans in the Fund;
  - (4) such amounts as set out in the Governing Rules;
  - (5) any amount paid under a Life Insurance Policy in respect of the Pensioner; and
  - (6) any other amounts which the Trustee determines from time to time to credit to the Pensioner Account; and
- (b) the Trustee shall debit:
- (1) any benefit payments made in respect of a Pensioner under this Schedule F;
  - (2) any amount paid directly to the Pensioner under the Life Insurance Policy;
  - (3) any Fund Expenses which the Trustee determines to debit to the Pensioner Account from time to time;
  - (4) any Tax which the Trustee determines to debit to the Pensioner Account from time to time;
  - (5) any amounts which the Trustee determines to transfer to one or more reserve accounts, provision accounts or any other accounts maintained by the Trustee for the purposes of the Fund;
  - (6) such amounts as are rolled over or transferred to another Benefit Arrangement or another Plan in accordance with the terms and conditions set out in the Governing Rules;
  - (7) such other amounts as set out in the Governing Rules; and
  - (8) any other amounts which the Trustee determines from time to time to debit the Pensioner Account.
- (c) Where the Trustee credits contributions or the rollover or transfer of benefits to this Plan in respect of a Pensioner to one or more Pensioner Accounts under Rule F5(a) after the date the Trustee has commenced to pay the Pensioner's pension, the Trustee must credit that contribution to a new pension Pensioner Account from which a new and separate pension shall be paid in accordance with the provisions of the Governing Rules.

## F6 Benefit entitlement and cessation of pension

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- (a) The Trustee may formulate rules in relation to the benefit entitlements of the Pensioners of this Plan, including rules as to when the right to be paid a pension ceases.
- (b) These rules must be contained in the documents which form part of the Governing Rules.

## F7 Payment of benefits

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### F7.1 Form of payment

Subject to the Superannuation Law, the Trustee may pay a benefit to a Pensioner in the form of:

- (a) a pension; or
- (b) a lump sum on commutation; or
- (c) by transferring the assets to or for the benefit of the Pensioner to another Benefit Arrangement, or another Plan; or
- (d) in any other manner set out in the Governing Rules.

### F7.2 Timing of payment

- (a) Subject to the Superannuation Law, the Governing Rules and any Special Arrangement, the Trustee must make pension payments to the relevant Pensioner with such frequency and at such intervals and times as the Trustee determines.
- (b) Subject to Superannuation Law:
  - (1) the Trustee may alter the frequency with which pension payments are to be made:
    - (A) at any time the Trustee considers appropriate; or
    - (B) at any time agreed between the Pensioner and the Trustee; and
  - (2) subject to Rule F8 the Trustee may, on the request of the Pensioner, make lump sum payments from the Pensioner's Pensioner Account.

### F7.3 Amount of payment

- (a) Subject to any limits described in Rule F7.3(c), the Trustee may allow a Pensioner to nominate the value of the pension payments to be paid under a pension during a Financial Year.
- (b) Where a Pensioner does not nominate the value of a pension payment, the Trustee must make pension payments:
  - (1) calculated according to any previous agreement relating to pension payments between the Trustee and the Pensioner, adjusted (if necessary) to meet the minimum level stipulated in the Governing Rules; or
  - (2) in the absence of such agreement, in accordance with any Special Arrangement agreed to by the Trustee; or
  - (3) in the absence of such an agreement or Special Arrangement, at the minimum level stipulated in the Governing Rules.
- (c) Where there are minimum and/or maximum limits on the sum of pension payments the Trustee may make to a Pensioner within a Financial Year, the Trustee must disclose these limits in the Governing Rules.
- (d) The Trustee may at any time and without prior notice to the Pensioner adjust the value of pension payments paid to a Pensioner to such a level that complies with the Superannuation Law.



- (e) The amount of pension payments the Trustee is required to make to a Pensioner is limited to the amount of the payments required to be made to the Trustee under the corresponding Life Insurance Policy relating to the Pensioner.
- (f) Where a Life Company makes a pension payment directly to the Pensioner in accordance with a direction from the Trustee, the Trustee's obligation to pay that pension payment to the Pensioner is discharged.

#### **F7.4 Death Benefit Nominations**

- (a) A Pensioner is permitted to make death Benefit Nominations and Benefit Directions as set out in the Governing Rules.
- (b) The Trustee may permit a Pensioner to nominate a Reversionary Pensioner in the manner and form set out in the Governing Rules provided that the nomination is in accordance with Superannuation Law.
- (c) The Trustee must act upon a death Benefit Nomination or Benefit Direction given to a trustee of a Previous Fund by a Transferring Pensioner as if that death Benefit Nomination or Benefit Direction were given by the Transferring Pensioner to the Trustee, provided that:
  - (1) the Trustee receives notification of such death Benefit Nominations or Benefit Directions from the trustee of the Previous Fund; and
  - (2) the death Benefit Nomination or Benefit Direction is in accordance with Superannuation Law; and
  - (3) a Pensioner may change, amend or vary the death Benefit Nomination or Benefit Direction by notifying the Trustee in accordance with Superannuation Law and the Governing Rules.
- (d) The Trustee must act upon a nomination of a Reversionary Pensioner or subsequent Reversionary Pensioner or both given to a trustee of a Previous Fund by a member of the Previous Fund as if that nomination were given to the Trustee, provided that:
  - (1) the Trustee receives notification of the nomination from the trustee of the Previous Fund; and
  - (2) the nomination of Reversionary Pensioner or subsequent Reversionary Pensioner is in accordance with Superannuation Law.
- (e) To the extent that:
  - (1) rules 6.5 to 6.16 operate to remove any rights of a Pensioner under this rule F4.7, this rule F4.7 prevails; and
  - (2) rule F7.4(e)(1) does not apply, rules 6.5 to 6.16 prevail.

#### **F8 Commutation**

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The Trustee may permit a Pensioner to commute all or any part of that Pensioner's pension in the manner and form set out in the Governing Rules provided that the commutation complies with the Superannuation Law.





## F9 Remuneration

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The Trustee shall be entitled to deduct from the Pensioner's Account:

- (a) any fees, costs or charges as set out in the Governing Rules; and
- (b) any reimbursement or amount required to satisfy a right of indemnity of the Trustee in relation to any Fund Expenses or Tax in the manner set out in the Governing Rules.

## F10 Family Law

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- (a) The Trustee may vary the interest or entitlement of a Member in the Plan if that Member's interest or entitlement is subject to a Payment Split.
- (b) Where a Member's interest or entitlement is varied pursuant to rule F10(a), the Trustee may create an interest or entitlement for the relevant Non-Member Spouse in the Personal Super and Roll-over Plan, on such terms as are consistent with the Payment Split, where that Non-Member Spouse has been admitted as a Member pursuant to rule 3.4A.

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## Schedule G – Lifetime Pension Plan

### G1 Definitions

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Unless set out below, the definitions set out in Rule 1.1 shall apply to this Schedule G.

Term	Meaning
<b>Benefit Arrangement</b>	<p>another fund or a benefit arrangement:</p> <ol style="list-style-type: none"> <li>1. to which assets may be paid or transferred from the Fund; or</li> <li>2. from which assets may be received into the Fund.</li> </ol>
<b>Governing Rules</b>	<p>the terms and conditions of:</p> <ol style="list-style-type: none"> <li>1. the Deed (including this Schedule G); and</li> <li>2. any other terms and conditions which apply pursuant to Rule G3.2 and Rule G5.</li> </ol>
<b>Indexation</b>	a mechanism for increasing or decreasing the pension payable to a Pensioner.
<b>Initial Pension Amount</b>	<p>the annual amount of the pension payable to a Pensioner on commencement of the pension being:</p> <ol style="list-style-type: none"> <li>(a) in the case of an Initial Pensioner the amount specified in the Pension Schedule for the Pensioner; or</li> <li>(b) in the case of a Reversionary Pensioner, the amount determined under Rule G6.3(b).</li> </ol>
<b>Initial Pensioner</b>	a person who has been admitted as pensioner pursuant to Rule G3.1(a).
<b>Participation Agreement</b>	contains the terms and conditions of a Special Arrangement.
<b>Pensioner</b>	Initial Pensioner or a Reversionary Pensioner, whichever is appropriate.



<b>Pension Schedule</b>	<p>a document which sets out, for each Initial Pensioner, the following information:</p> <ol style="list-style-type: none"><li>1. the Pensioner's full name;</li><li>2. the Pensioner's date of birth;</li><li>3. the Pensioner's gender;</li><li>4. the Initial Pension Amount;</li><li>5. whether a reversionary pension is potentially payable and if so, the Reversionary Percentage;</li><li>6. if a reversionary pension is potentially payable, the name, date of birth and gender of the Reversionary Pensioner to whom the reversionary pension would be paid;</li><li>7. whether the Pensioner's pension is to be subject to Indexation and if so, a description of the applicable basis on which Indexation would apply;</li><li>8. whether the Pensioner has any rights to commute the pension, whether the whole or a part of the pension, and if so, on what terms; and</li><li>9. such other information as the Trustee may require.</li></ol>
<b>Policy</b>	<p>any life insurance contract acquired by the Trustee for the purpose of providing pensions to Pensioners under the Rules of this Plan. If the Policy is effected as a group policy, the expression means, in relation to a Pensioner, the particular assurance or insurance on their life, and "Policies" has a corresponding meaning.</p>
<b>Reversionary Pensioner</b>	<p>a person to whom a pension is payable upon the death of an Initial Pensioner being the person named in the Pension Schedule for the Pensioner.</p>
<b>Reversionary Percentage</b>	<p>the percentage of the pension paid to the Initial Pensioner that would be paid as a reversionary pension to the Reversionary Pensioner as specified in the Pension Schedule for the Initial Pensioner.</p>
<b>Special Arrangement</b>	<p>special conditions or an arrangement imposed by the Trustee on a Pensioner or on a group of Pensioners under Rule G3.1(b)(2).</p>



## G2 Overriding provisions for this Schedule G

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### G2.1 Paramount provisions

- (a) For avoidance of doubt, Rule 20.2 is a paramount provision and will override this Rule G1.
- (b) Where the Trustee determines to issue a pension from the Fund on the basis that it qualifies as a pension (or a particular type of pension) under Superannuation Law, any condition, standard or requirement of the Superannuation Law which is required to be satisfied in order for the pension to qualify as a pension (or as a type of pension) under the Superannuation Law is deemed to be included in this Schedule G for so long as it is so required.

### G2.2 Terms and conditions of pensions

- (a) Notwithstanding any provision of the Governing Rules (other than Rule G5.3(e)), the Trustee shall pay pensions under the Rules of this Plan on the basis of the terms and conditions:
  - (1) set out in the Policy;
  - (2) set out in the applicable Pension Schedule;
  - (3) set out in any Special Arrangement; and
  - (4) as provided for under any of these Governing Rules, however, if the Trustee otherwise determines for the purposes of ensuring compliance with Rules G2.1(a) or G2.1(b), on the basis of terms and conditions the Trustee considers to be necessary or desirable in order to comply with the requirements of the Superannuation Law.
- (b) In order to comply with Rule G2.2(a), the Trustee has the power to adjust in any way the operation of the provisions of the Governing Rules as the Trustee determines necessary or desirable.

### G2.3 Commutations of pensions

Notwithstanding any provision of the Governing Rules, the Trustee shall not commute or agree to arrange for the commutation of any pension payable under the Governing Rules in any way which would contravene Superannuation Law or lose or reduce the beneficial tax status of the Fund.

### G2.4 Borrowings

Notwithstanding any provision of the Governing Rules, the Trustee shall not use or agree to use the capital value of any pension payable under the Governing Rules and the income from the pension as security for any borrowings.

## G3 Eligibility

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### G3.1 Membership

- (a) The Trustee may admit as an Initial Pensioner:



- (1) any person to whom the Trustee may pay a pension without breaching Superannuation Law in the manner and form set out in the Governing Rules; or
- (2) a person or a group of persons subject to a Special Arrangement.
- (b) The Trustee may:
  - (1) reject an application; or
  - (2) impose special conditions when accepting an application.
- (c) Each Pensioner is bound by the Governing Rules.
- (d) On or before admitting a person as an Initial Pensioner, a Pension Schedule must be prepared for the Pensioner.

### **G3.2 Special Arrangements**

The Trustee may set out the terms and conditions of a Special Arrangement in a Participation Agreement or deed of successor fund transfer.

### **G3.3 Terms of Special Arrangements**

- (a) To the extent of any inconsistency, between the Governing Rules and a Special Arrangement, the Special Arrangement prevails with the exception of Rule 20.2 which is a paramount provision and will prevail over all other provisions of the Deed and any Special Arrangement.
- (b) Subject to the Superannuation Law and the terms of the Special Arrangement, a Special Arrangement may be altered by the Trustee at any time.

### **G3.4 Cessation of membership**

A person ceases to be a Pensioner:

- (a) in the circumstances set out in the Governing Rules; or
  - (b) in accordance with Rule 3.10,
- whichever is the earlier.

## **G4 Rollovers and transfers**

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- (a) Subject to Superannuation Law, the Trustee may accept into this Plan:
  - (1) the rollover or transfer of benefits from another Benefit Arrangement or another Plan in respect of an Initial Pensioner; or
  - (2) any rollovers or transfers on the terms and conditions which the Trustee sets out in the Governing Rules.
- (b) The Trustee may repay amounts to or for the benefit of the relevant Pensioner or to a person who has paid the amount on the Pensioner's behalf:
  - (1) where such amounts have been received contrary to Superannuation Law; or
  - (2) where such amounts were paid by mistake,



in which case the person shall be deemed not to have become a Pensioner in the case of amounts first paid in respect of that person.

- (c) Notwithstanding any other provision of the Governing Rules, the capital supporting a pension payable to a Pensioner cannot be added to by way of contribution or rollover after the pension has commenced.

## **G5 Benefit entitlement and cessation of pension**

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- (a) The Trustee may formulate rules in relation to the benefit entitlements of the Pensioners of this Plan, including rules as to when the right to be paid a pension ceases.
- (b) These rules must be contained in the documents which form part of the Governing Rules.

## **G6 Payment of benefits**

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### **G6.1 Form of payment**

Subject to the Superannuation Law, the Trustee must pay a benefit to a Pensioner in the form of a pension.

### **G6.2 Timing of payment**

- (a) Subject to the Superannuation Law, the Governing Rules and any Special Arrangement, the Trustee must make pension payments to the relevant Pensioner with such frequency and at such intervals and times as the Trustee determines, but at least annually.
- (b) Subject to Superannuation Law, the Trustee may alter the frequency with which pension payments are to be made:
  - (1) at any time the Trustee considers appropriate; or
  - (2) at any time agreed between the Pensioner and the Trustee.

### **G6.3 Amount of payment**

- (a) Subject to Rule G6.3(c), the Trustee will make the following pension payments to an Initial Pensioner during the Pensioner's lifetime:
  - (1) if the pension is not subject to Indexation, an annual pension equal to the Initial Pension Amount; and
  - (2) if the pension is subject to Indexation, an annual pension equal to the Initial Pension Amount or such greater or lesser amount as may result from the application of Indexation from time to time to the Initial Pension Amount.
- (b) On the death of a Pensioner in receipt of a pension under Rule G6.3(a), leaving a Reversionary Pensioner, the Trustee will pay to the Reversionary Pensioner a pension during the Reversionary Pensioner's lifetime. The Initial Pension Amount of a Reversionary Pensioner's pension is the annual pension that was payable to the Pensioner at the date of the Pensioner's death multiplied



by the Reversionary Percentage. If the Pensioner's pension was subject to Indexation, the Reversionary Pensioner's pension will be subject to Indexation on the same basis.

- (c) Subject to Rule G6.3(d), the Trustee may at any time and without prior notice to the Pensioner adjust the value of pension payments paid to a Pensioner to such a level that complies with the Superannuation Law.
- (d) The amount of pension payments the Trustee is required to make to a Pensioner is limited to the amount of the payments required to be made to the Trustee under the corresponding Policy relating to the Pensioner.
- (e) Where a Life Company makes a pension payment directly to the Pensioner in accordance with a direction from the Trustee, the Trustee's obligation to pay that pension payment to the Pensioner is discharged.
- (f) Notwithstanding any provision of the Governing Rules, the pension payable to an Initial Pensioner or Reversionary Pensioner shall have no residual capital value and cannot be transferred by the Pensioner to another person.

## G7 Commutation

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If the Pension Schedule so provides, the Trustee must permit a Pensioner to commute all or any part of that Pensioner's pension in the manner and form set out in the Pension Schedule and the Governing Rules (where applicable) provided that the commutation complies with the Superannuation Law. For the avoidance of doubt, where there is inconsistency between the Pension Schedule and the Governing Rules in respect of the manner and form of commutation, the Pension Schedule applies.

## G8 Family Law

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- (a) The Trustee may vary the interest or entitlement of a Pensioner in the Plan if that Pensioner's interest or entitlement is subject to a Payment Split.
- (b) Where a Pensioner's interest or entitlement is varied pursuant to Rule G8(a), the Trustee may create an interest or entitlement for the relevant Non-Member Spouse in the Personal Super and Roll-over Plan, on such terms as are consistent with the Payment Split, where that Non-Member Spouse has been admitted as a Member pursuant to Rule 3.4A.