
Participation Schedule – General Part

1 Sub-Division Employers

The Sub-Division Employers are the Principal Employer and any Associated Employers.

2 Status of Parts

2.1 Overriding effect of Parts within Participation Schedule

The Clauses of Part 1 and Part 2 shall be read and construed and have the same force and effect as if set out in the General Part of this Participation Schedule, except that:

- (1) if there is a conflict between a:
 - (A) Clause in the General Part and
 - (B) Clause of Part 1 or Part 2,the relevant Clause in the General Part prevails to the extent of the conflict; and
- (2) if there is a conflict between a Clause in Part 1 and a Clause in Part 2, the relevant Clause in Part 2 prevails to the extent of the conflict.

2.2 Overriding effect of Participation Schedule

- (1) This Participation Schedule overrides the provisions of Division F of the Fund Rules to the extent of any conflict.
- (2) If there is a conflict between Division AAA and any other provision of the Fund Rules or this Participation Schedule or the Participation Agreement, Division AAA prevails to the extent of the conflict.
- (3) Without limiting Clause 2.2 (1) of this General Part:
 - (A) Rule F2.2 is not applicable to this Sub-Division;
 - (B) Rule F3.3 is not applicable to this Sub-Division;
 - (C) Clause 4.3 of this General Part applies in place of Rule F3.4;

- (D) Clause 1.10 of Part 1 applies in place of Rule F6.1;
and
- (E) Clause 4.1 of this General Part applies in place of
Rule F6.5(a).

3 Definitions

3.1 Terms that are defined in the Fund Rules, but which are not defined in this Participation Schedule, have the meaning given to them in that definition.

3.2 The following terms are defined for the purpose of this Participation Schedule:

"Clause" means a Clause of this Participation Schedule. For the avoidance of doubt, a Clause does not mean a Clause of the Participation Agreement that is not a Clause in the Participation Schedule. "Clauses" has a corresponding meaning.

"Eligible Employee" means an Employee who is approved for the time being by the Principal Employer (either generally or in any particular case) for membership of the Fund.

"Fund Expenses" means the costs and expenses of and incidental to the establishment, operation, management, administration and investment of the Fund.

"General Part" means the General Part of this Participation Schedule.

"Insurance Company" means such insurer, insurers or re-insurance companies as the Trustee may from time to time determine.

"Legal Personal Representative" means the executor or administrator of the deceased Member's estate.

"Minimum Benefits" means the minimum benefits of a Member within the meaning of the Benefit Protection Standards contained in Part 5 of the *Superannuation Industry (Supervision) Regulations 1994*.

"Policy" means a term policy or other policy or contract of insurance.

"Preservation Requirements" means the restrictions on the payment of a benefit in cash to a Member as prescribed by the Relevant Law; and "Preserved" shall have a corresponding meaning.

"Rate of Interest" means the rate or interim rate of interest (positive or negative) declared from time to time by the Trustee as determined having regard to the rate of investment return earned on the assets or subgroups of assets of the Sub-Division allowing for such averaging of investment returns, investment fluctuation reserves, administration expenses, insurance costs, Tax whether actual or contingent and other relevant matters as are appropriate in the opinion of the Trustee provided that a different Rate of Interest may apply for different sub-groups of Members.

"Superannuation Authority" means the Australian Prudential Regulation Authority or the Australian Securities and Investments Commission, as the case permits or requires, or any successor body to either of them.

4 Other matters that override or supplement the Fund Rules in Division F for this Employer

4.1 Insurance Arrangements

- (1) The Trustee may (and shall to the extent, if any, specified in the Fund Rules) enter into or otherwise acquire any type of insurance policy or like arrangement (including any reinsurance arrangement or trustee indemnity insurance with any person or fund) or any right or interest in respect thereof and with or subject to any option, right, benefit, term, condition or provision. The Trustee may vary, surrender, terminate, assign or otherwise howsoever deal with such policy or arrangement as the Trustee may think fit.
- (2) Subject to the Relevant Law:
 - (A) if the application for the granting of any insurance under the Policy on the life of a Member or of any increase in the amount of the insurance is not accepted by the relevant Insurance Company on its standard terms; or
 - (B) if the amount (if any) of the insurance under the Policy is limited by the relevant Insurance Company at any time or is not paid or is paid as a reduced amount by the relevant Insurance Company in terms of the Policy;

then the benefit payable under the Sub-Division on the Member's death or disablement shall (unless the Trustee otherwise determines) be adjusted as the Trustee considers equitable having regard to the amount (if any) of the insurance granted by the relevant Insurance Company under the Policy and the conditions relating to it or the amount (if any) of the insurance not paid by the relevant Insurance Company under the Policy.

- (3) All of the premiums and other outgoings in respect of a policy or arrangement under Clause 4.1(1) of this General Part which are not paid by an Employer shall be paid out of the relevant Employer Benefit Account **PROVIDED THAT** all or part of those premiums and other outgoings may be paid by the Principal Employer at its discretion.

4.2 Replacement of Principal Employer

If any of the circumstances set out in Rule A13.1 of the Fund Rules occurs in relation to the Principal Employer, the Trustee may agree with an Associated Employer for it to assume the office of Principal Employer. Such an agreement shall be in a form acceptable to the Trustee and shall be binding on all interested persons.

4.3 Termination, Non-payment or Inadequacy of Employer Payments

- (1) The Employer may by written notice to the Trustee, terminate or suspend payment of its contributions either for the period specified in the notice or indefinitely. Such termination or suspension is effective from the date specified in the notice or 90 days after delivery of the notice to the Trustee, whichever is the later, or an earlier date as agreed by the Employer and the Trustee, and the notice may be given either:

- (A) generally; or
- (B) with respect to any person or identified class of persons.

A termination or suspension of payment of contributions under this Clause 4.3 does not affect an obligation to pay a contribution that arose prior to the date the termination or suspension becomes effective.

- (2) Where the Trustee determines that an Employer has failed to pay any amount to the Fund as and when required under the Fund Rules or to contribute at the rate advised to the Trustee by the Actuary, the Trustee may:

- (A) suspend payment of Benefits (other than a Benefit payable in respect of an accumulation interest within the meaning of regulation 1.03 of the Superannuation Industry (Supervision) Regulations 1993) to or in respect of any person affected by the failure until the relevant amount has been paid; and
- (B) determine that this Clause 4.3 shall apply while payments are suspended under Clause 4.3(2) as if the Employer had given written notice to the Trustee of the suspension of its contributions pursuant to Clause 4.3 with effect from the day of the Trustee's determination under Clause 4.3(2).

- (3) Suspension for an unbroken two-year period of an Employer's contributions concerning a Member will be treated by the Trustee as constructive notice of termination of those Employer contributions under Clause 4.3 effective at the end of the two-year period.

- (4) Where actual or constructive notice under Clause 4.3 has been given, or the Actuary has investigated the Fund and advised the Trustee to act under this Clause, the Trustee may:

- (A) refuse to admit new Members to the Sub-Division; and/or
 - (B) refuse to receive contributions from or other amounts payable by or for, Members; and/or
 - (C) to the extent permitted or not prohibited by the Relevant Law, adjust any Benefits affected by the relevant notice or Actuary's advice as it sees fit, which Benefits shall as adjusted be provided in full satisfaction of any Benefit which would have been payable in the absence of such adjustment.
- (5) The Trustee may:
- (A) impose conditions on an Employer relating to the revocation of a notice given under Clause 4.3, the rectification of a failure to pay as described in Clause 4.3 (2), or rectification of the grounds for the Actuary's advice under Clause 4.3(4), and any revocation or rectification will, unless the Trustee determines otherwise, occur subject to payment of all unpaid Employer contributions and earnings on them at the Agreed Rate;
 - (B) after considering the advice of the Actuary concerning the matter, adjust to the extent permitted or not prohibited by the Relevant Law the rights, entitlements and obligations of the persons affected by a revocation or rectification referred to in Clause 4.3(5). Any adjusted benefit may be provided in such manner and form, by way of such arrangements and subject to such conditions as the Trustee may think fit either generally or in any particular case, and shall be in lieu of and in full satisfaction of any benefit which would or might have been or become payable from the Fund but for the operation of this Clause 4.3(5).
- (6) If an Employer has suspended contributions, the Employer must pay all unpaid Employer contributions and earnings on them at the Agreed Rate with respect to that Member or those Members, if a Benefit relating to the Member or any of those Members becomes payable during the suspension period.
- (7) Adjusted benefits payable under Clause 4.3(5) of this Participation Schedule:

- (A) are provided in full satisfaction of any Benefit which would have been payable in the absence of the operation of Clause 4.3; and
 - (B) may not, unless the Employer consents, increase the Benefit which the Actuary has advised for a person up to the date of the adjustment.
- (8) Where contributions relating to a Member have terminated under this Clause, the Trustee may, subject to the consent of the Member's Employer, under the authority of this clause pay or transfer the Member's interest in the Sub-Division to the trustees or other entity responsible for an alternative Approved Benefit Arrangement or to the Personal Category of the Fund after obtaining the advice of the Actuary as to the value of the Member's interest in the Fund. The Trustee may impose such conditions as it thinks fit on the payment of the transferred amount and such payment will discharge the Trustee from all liability relating to that interest.

4.4 Amendment Powers and Procedures

Amendments to this Participation Schedule may be made only in compliance with Rule A12, as if the Participation Schedule formed part of the Fund Rules PROVIDED THAT:

- (1) no amendment shall take effect pursuant to this Clause without the consent of the Trustee if such consent is required under Relevant Law;
- (2) no amendment shall be made other than in accordance with Relevant Law;
- (3) subject to Relevant Law, an amendment requires the consent of the Principal Employer;
- (4) no amendment shall take effect in respect of a Member or Beneficiary unless:
 - (A) the Actuary (whose decision shall be final) determines that such amendment will not reduce the amount of the benefits presently or prospectively payable in respect of the Member or Beneficiary to the extent that such benefits have accrued or have or shall become payable in respect of the period up to the date the amending deed is executed or the resolution is made; or

- (B) such amendment is approved by the Superannuation Authority in writing or is required by Relevant Law; or
 - (C) such amendment is approved by that Member or Beneficiary in writing; and
- (5) clause 3 of Part 2 shall apply to any amendment to Part 2.

4.5 Where Sub-Division is more than Fully Funded

Subject to the Contribution and Funding Policy, the Employer may reduce its contributions to the Sub-Division if the Trustee advises the Employer after consulting the Actuary that the amount standing to the credit of the Sub-Division is more than sufficient for the Plan to be Fully Funded. Unless the provisions of Part 2 of the Participation Schedule provide to the contrary, the reduction in contributions by the Employer will have no bearing on contributions required to be made by Members of the Sub-Division.

4.6 Sub-Division a single fund

The Trustee will carry out investment management, reporting and accounting for the Sub-Division at a consolidated level with Part II, Part IIA, Part IIB and Life-Time Pensioners to be treated as a single fund with a single reserve. The Principal Employer acknowledges that the assets of the Sub-Division may be co-mingled with other Fund assets.

4.7 National superannuation

Subject to the Relevant Law, if the Trustee considers that by reason of any current or proposed government or legislative action the Benefits provided by the Fund are, or will be, no longer necessary, whether wholly or in part, for the welfare of the Members, after consulting with the Principal Employer and giving due consideration to the Principal Employer's opinions and recommendation the Trustee may arrange for one or more of the following;

- (1) a cessation of contributions of all Standard Employer Sponsors;
- (2) a reduction of contributions, whether of Members or of Standard Employer Sponsors, to such extent as the Trustee considers appropriate;
- (3) a reduction of Benefits, provided that the Trustee does not reduce a Benefit below the Minimum Benefit (if any);

- (4) a cessation of the accrual of Benefits;
- (5) an adjustment to the accrual of Benefits;
- (6) any other action which the Trustee considers appropriate.

Part 1

1 GENERAL PROVISIONS

1.1 Application of Part

This Part shall apply to all Members, subject to the Clauses in the General Part. If there is a conflict between:

- (1) a Clause in the General Part; and
- (2) a Clause of this Part 1,

the relevant Clause in the General Part prevails to the extent of the conflict. Unless the context otherwise requires, Clause references in this Part 1 are references to Clauses in this Part 1.

1.2 Part-time Employment or Non-eligibility

Subject to the Relevant Law, the Principal Employer may determine special terms, conditions and restrictions in relation to the contributions to be payable and the benefits to be provided in respect of a Member during and in respect of any period when in the opinion of the relevant Employer the Member is employed by the Employer in other than a full-time capacity or the Member remains in the employ of the Employer but is not a person who is classified as an Eligible Employee for the purposes of the Fund Rules. The Principal Employer shall notify the Trustee in writing of such a determination.

1.3 Interest Payments

The Trustee may, in its absolute discretion, increase a benefit payable pursuant to the Fund Rules by an amount calculated in accordance with the Agreed Rate in respect of the period between the date the benefit first became payable and the actual date of payment of the benefit.

1.4 Taxation

- (a) Subject to Relevant Law the Trustee with the approval of the Principal Employer may take such actions as the Trustee considers appropriate in taking account of any Tax, including without limitation:
 - (1) adjusting the amount of and conditions governing any benefit or other amount payable into or out of the Fund; and

- (2) making provisions in the accounts of the Fund and payments from the Fund to relevant governmental authorities.
- (b) The Trustee may at any time recalculate the Tax in respect of a person who is or has been a Member.
- (c) If the Tax in respect of a Member as recalculated is less than the Tax in respect of that person as previously determined the Trustee may;
 - (1) If the person is a Member when the Tax was calculated allocate the difference to the relevant Employer Contribution Account or Employer Compulsory Contribution Account as the Trustee determines;
 - (2) If the person is not a Member and was, when the Tax was calculated, a Member, pay an amount equal to the difference to the person from the Fund or to the relevant Employer Contribution Account or Employer Compulsory Contribution Account or some combination of them as the Trustee considers equitable.
- (d) If the Tax in respect of a Member as recalculated exceeds the Tax in respect of the person as previously determined the Trustee may allocate the difference to the relevant Employer Contribution Account or Employer Compulsory Contribution Account;
- (e) If the person is not a Member and was, when the Tax was calculated, a Member, the additional Tax:
 - (1) shall be paid from the relevant Employer Contribution Account or Employer Compulsory Contribution Account; or
 - (2) constitutes a debt due and payable by the person to the Trustee and the Trustee may sue for that debt; or
 - (3) shall be paid or dealt with in some combination of the above,as the Trustee considers equitable and determines.
- (f) If a person fails to provide the required information within 14 days of a request under Rule A10.8(a) of the Fund Rules, the Trustee may determine the Tax in respect of the person on the basis of any assumptions which, in the circumstances, are reasonable. The person has no claim against the Trustee or the Fund for any loss suffered as a result of any such assumptions being incorrect.
- (g) Where a person makes, or has made, a statement to the Trustee that is:

- (4) in the opinion of the Trustee relevant to the Trustee's determination of Tax in respect of the person; and
- (5) reasonably believed by the Trustee to be untrue or misleading either by misstatement or omission,

then the Trustee may recalculate the Tax in respect of the person having regard to what the Trustee reasonably considers to be the true circumstances of the person.

1.5 Employer Contributions

(a) Additional Voluntary Contributions

In addition to any contributions expressly provided for elsewhere in the Fund Rules, with the approval of the Trustee an Employer may contribute further amounts in respect of particular Members or groups of Members, and any such additional contributions shall be applied in respect of the Members concerned on such basis as the Principal Employer shall direct.

(b) Contributions Other than in Cash

Subject to Relevant Law the Trustee may accept contributions other than in cash including, without limitation, contributions arising as a result of a superannuation guarantee shortfall.

1.6 Member Contributions

(a) Manner and Timing of Payment

- (1) Unless the Principal Employer otherwise determines or the law does not so allow, the contributions, if any, payable by a Member shall be deducted by the Member's Employer from each payment of or on account of the Member's remuneration from that Employer, and shall be paid by the Employer to the Fund as agreed by the Trustee and the Employer and in accordance with the Relevant Law.
- (2) If the Principal Employer determines not to make deductions in respect of a Member's contributions or if the law does not allow the deduction of contributions, the Member shall pay contributions to the Fund as and when the Member receives each payment of or on account of the Member's remuneration in such manner as the Trustee may determine with the approval of the Principal Employer.
- (3) Unless otherwise specified in the Fund Rules or agreed between the Trustee, the Principal Employer and the Member concerned, no contributions shall be payable by a Member after the earlier of the date the Member ceases to

be in the employ of an Employer and the Normal Retirement Date (as defined in Part 2).

(b) Adjustments for Non-payment

Without prejudice to Clause 1.6(a), if the contributions payable by a Member are not paid to the Fund as and when required, the Trustee may impose such special terms, conditions and restrictions in respect of that Member's membership of and benefits under the Fund as the Trustee may consider appropriate.

(c) Reduction, Suspension or Waiver

- (1) Subject to such conditions as may be determined by the Principal Employer and approved by the Member concerned (including without limitation conditions upon which contributions otherwise payable by the Member and interest thereon shall be made up by and in respect of the Member and conditions as to how benefits to be provided for and in respect of the Member shall be adjusted to take account of such reduction, suspension or waiver), the Principal Employer may for such period as it determines reduce, suspend or waive the contributions otherwise payable by the Member.
- (2) Without prejudice to Clause 1.6(c)(1), subject to such conditions as it thinks fit the Principal Employer may determine that contributions which would have been paid by a Member but for the exercise of a discretion as provided in Clause 1.6(c)(1) shall be deemed to have been paid by that Member for the purpose of calculating the amount of or determining the eligibility for payment of any benefit payable pursuant to the Fund Rules the amount of or eligibility for which depends on the amount of the contributions paid by the Member or the period during which the Member has contributed.
- (3) The Principal Employer shall notify the Trustee of any such determination as soon as practicable thereafter.

(d) Amount to be Contributed

Each Member shall contribute to the Fund such amount or rate of contributions as is specified in the subsequent Part that applies to that Member.

(e) Government Co-Contributions and other Contributions

The Trustee may accept in respect of a Member a contribution made on behalf of the Member by the Commonwealth Government of Australia in accordance with the *Superannuation (Government Co-Contribution for Low Income Earners) Act 2003* and

contributions from any other source as permitted under Relevant Law.

1.7 Amount and Payment of Benefits

(a) Amount of Benefits

The benefit payable from the Fund to a Member shall be calculated in accordance with the provisions of the subsequent Part that applies to that Member.

(b) Payment of Benefits

A benefit payable from the Fund shall be payable at such place and in such manner (including payment in specie or in kind) as the Trustee shall determine or approve and every person to whom a benefit is payable (whether in that person's own right or for and on behalf of another person) shall upon request by the Trustee provide such information and do such acts and things as the Trustee may consider necessary, desirable or expedient.

(c) Proofs

Whenever it shall be necessary for the Trustee to decide questions of fact the Trustee may act upon such proofs or presumptions as the Trustee may deem satisfactory whether they are strictly legal proofs or legal presumptions or not.

1.8 No Claim Apart From Fund Rules

No Member or Beneficiary or person claiming in respect or on behalf of a Member or Beneficiary or as a Dependant or legal personal representative of a Member or Beneficiary shall be entitled to require any payment from the Fund except as may be expressly provided in the Fund Rules.

1.9 Proof of Qualification for Benefits

Any person appearing, purporting or claiming to be qualified or entitled to any benefit from the Fund shall on request produce to the Trustee or a nominee of the Trustee such evidence, do such acts and execute such documents as and when the Trustee may reasonably require. If a person fails to do so to the Trustee's reasonable satisfaction, the Trustee may refuse to consider any claim to a benefit or suspend or terminate a benefit, as the Trustee considers appropriate in the circumstances.

1.10 Special Arrangements and Adjustments

(a) Alternative Forms of Benefits

- (1) Subject to the agreement of the Trustee and the Principal Employer, and to such terms and conditions as the Trustee or the Principal Employer may impose:
 - (A) a Member or Beneficiary may elect that (in lieu of the normal or specified terms and conditions of payment) all or part of a benefit to which that person is or may otherwise become entitled shall be replaced by a benefit payable in other circumstances or in another manner and form, including, without limitation, the commutation of a pension benefit or may be paid upon other terms and conditions;
 - (B) any such election shall be final and binding on all interested persons (including without limitation all persons who may be or become contingently entitled to receive a benefit in respect of the Member or Beneficiary making such election); and
 - (C) in giving effect to and taking account of such an election, the Trustee may adjust the benefits which are or would or might otherwise become payable to or in respect of that Member or Beneficiary or any other person then or thereafter claiming under or in respect of the Member or Beneficiary in such manner and to such extent as the Trustee may think fit.
- (2) The Trustee, after obtaining the advice of the Actuary and with the approval of the Principal Employer, may unilaterally commute to a lump sum any pension or instalment benefit which is or would otherwise become payable from the Fund if, in the opinion of the Trustee, the amount of that benefit is or would be trivial.
- (3) Any benefit which pursuant to an election made under this Clause 1.10(a) is due and payable after the death of a person shall be payable by the Trustee in the manner provided in Clause 1.11 unless the terms and conditions on which that benefit was granted provide otherwise.
- (4) If a pension is paid from the Fund but the Superannuation Authority, in accordance with the Relevant Law, requests that all or part of the pension be commuted, the Trustee must comply with that request.
- (5) The factor used to calculate any commutation of any pension payable from the Fund must comply with the Relevant Law.

(b) **Augmentation of Benefits**

Subject to Relevant Law and such terms and conditions as the Principal Employer may determine, the Principal Employer may direct the Trustee to pay or provide a benefit or other amount greater than would be provided but for such a direction and the Principal Employer may rescind or vary such a direction. The Trustee shall act on such a direction **PROVIDED THAT** the Principal Employer shall obtain the approval of the Trustee if such approval is required by Relevant Law and **PROVIDED FURTHER THAT** if and to the extent that, in the opinion of the Trustee (after obtaining the advice of the Actuary), to act on such a direction would cause a deficiency in the relevant Employer Benefit Account, before acting on such a direction or in the course of doing so the Trustee may require an undertaking from the relevant Employer that it shall contribute to the Employer Benefit Account such additional amounts or rates of contribution and at such times as the Trustee shall determine after obtaining the advice of the Actuary. If any undertaking required by the Trustee as aforesaid is not given or, having been given, is not fulfilled to the satisfaction of the Trustee, the Trustee may refuse to pay or provide (or to continue to pay or provide) the greater benefit or amount to which the undertaking relates.

1.11 Payment of Death Benefits

The Trustee may permit a Member to nominate the person or persons that the Member would prefer to receive the Member's Benefit on or after the death of the Member. The Trustee shall be entitled, but in no way obliged, to act in respect of such a nomination.

1.12 Allocation of surplus or deficit

At no time shall the Trustee provide for an allocation of surplus or deficit in a manner which creates a debit balance in a Reserve Account maintained in respect of the Sub-Division.

PART I OF PART 2 - GENERAL PROVISIONS

1A Application of Part

This Part 2 shall apply to all Members, subject to the Clauses in the General Part. If there is a conflict between:

- (a) a Clause in the General Part; and
- (b) a Clause of this Part 2,

the relevant Clause in Part 2 prevails to the extent of the conflict. Unless the context otherwise requires, Clause references in this Part 2 are references to Clauses in this Part 2.

1 Interpretations, definitions and governing law

1.1 Interpretation

- (1) In this Part 2, unless the contrary intention appears:
 - (i) a reference to a "Rule" or "Part" is a reference to a Rule or Part of this Part 2.
 - (ii) a reference to "these Rules" is a reference to the whole of this Part 2, to the extent applicable:
 - (iii) a reference to a provision in a Division of the Fund Rules is a reference to that provision in a Division of the Fund Rules as it stands at commencement of the Sub-Division, as subsequently amended or replaced;
 - (iv) words defined in clause A1.3 of Division A of the Fund Rules (which are not defined in this Part 2) have the same meaning in this Part 2;
 - (v) a reference to a statute, regulation or provision of a statute or regulation (**Statutory Provision**) includes:
 - (A) subordinate legislation, determinations, rulings or guidelines made by any person under the authority of such a Statutory Provision;
 - (B) that Statutory Provision as amended or re-enacted from time to time; and
 - (C) a statute, regulation or provision enacted in replacement of that Statutory Provision;
 - (vi) wherever a power is conferred on the Trustee or any other person or persons, that power is exercisable by a delegate of that person at any time and from time to time unless the provision conferring the power provides otherwise;
 - (vii) a word or phrase appearing in a certain context which when used in a similar context in the Statutory Requirements would have a particular meaning, has that meaning in this Part 2 if it is not otherwise defined in

Rule A1.3 of Division A of the Fund Rules, Rule F1.2 of Division F of the Fund Rules or below;

- (viii) notwithstanding that for convenience and ease of reference this Part 2 may expressly provide that a particular provision of this Part 2 (the relevant provision) is subject to another specified provision of this Part 2 (the specific provision), the relevant provision may also be subject to another unspecified provision of this Part 2 and the express reference to the specified provision shall not of itself result in a contrary reference;
- (ix) references to contributions and liability to contribute shall be read as references to contributions (if any) and liability (if any) to contribute;
- (x) each gender includes each other gender and the singular includes the plural and vice versa;
- (xi) headings are inserted for ease of reference only and do not form part of this Part 2 and do not affect the construction of this Part 2;
- (xii) while for convenience particular words or groups of words defined in or by virtue of Rule 1.2 commence with capital or lower case letters, failure to use capital or lower case letters in those words or groups of words elsewhere in this Part 2 does not of itself mean that those words or groups of words bear meanings different from the meanings they have in or by virtue of Rule 1.2;
- (xiii) when a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning;
- (xiv) where:
 - (A) there is a reference to an authority, institution, association or body, whether statutory or otherwise (**Authority**); and
 - (B) the Authority is reconstituted, reconstructed, privatised, ceases to exist or is replaced or its powers or functions are transferred to another entity,the reference must be read as being to the reconstituted, reconstructed, or privatised entity or an entity established or constituted in replacement of or which succeeds to the relevant powers and functions of or which serves substantially the same purposes or has substantially the same objects as the Authority;
- (xv) a reference to a person shall be construed as a reference to an individual, firm, body corporate, partnership, joint venture, association, government or government authority;
- (xvi) a reference to a document (including the Fund Rules and this Part 2) includes a change or supplement to, or replacement or novation of that document;
- (xvii) a reference to investment returns, earnings or interest (or rate of investment returns, earnings or interest), howsoever described, includes a

reference to positive or negative investment returns, earnings or interest (or rate of investment returns, earnings or interest); and

(xviii) **including** and similar expressions are not words of limitation.

- (2) In the event of any inconsistency between the provisions of Part 2 and the provisions of the Fund Rules, the provisions of this Part 2 prevail to the extent of the inconsistency and to the extent permitted by the Relevant Requirements and the Fund Rules.
- (3) This Part 2 is to be read and construed on the basis that the Statutory Requirements are incorporated into this Part 2 to the extent that they apply to the Sub-Division and where there is an inconsistency between a Rule in this Part 2 and the Statutory Requirements, the latter prevail.
- (4) If any dispute or doubt arises as to the interpretation of this Part 2 or as to the rights of:
 - (i) a Member;
 - (ii) a Standard Employer Sponsor; or
 - (iii) any other personthen, except to the extent provided in the Fund Rules, the decision of the Trustee is final and conclusive against all persons subject to any overriding powers of a court or tribunal of competent jurisdiction.
- (5) For the purposes of interpreting any provisions of this Part 2, the Trustee may have regard to both the provisions of the trust deed of the Former Fund as it stood immediately before the Transfer Date and the provisions of the governing rules of AustralianSuper as they stood immediately before the Commencement Date.
- (6) If any provision in this Part 2 is unenforceable, illegal or void or makes the Deed or any part of it unenforceable, illegal or void, then that provision is severed and the rest of this Part 2 remains in force.
- (7) This Part 2 may be divided into various parts to provide for the benefits payable to different categories of membership.

1.2 Definitions

In this Part 2, unless the contrary intention appears:

- (a) terms that are defined in Rule A1.3 of Division A of the Fund Rules or Rule F1.2 of Division F of the Fund Rules, but which are not defined below, have the meaning given to them in that definition;
- (b) The definitions below shall apply to:
 - (i) Parts I, II, IIA and IIB of these Rules;
- (c) **Accrued Pension** means a pension calculated by reference to Rule 14.1;
- (d) **Actuary** means a person who:
 - (i) is a Fellow or an Accredited Member of the Institute of Actuaries of Australia; and

- (ii) has been appointed by the Trustee as the actuary of the Sub-Division or has otherwise been engaged by the Trustee to provide actuarial services in relation to the Sub-Division;
- (d1) **AS Plan** means the section of AustralianSuper known as the IBM Super Plan;
- (d2) **AS Plan Rules** means the rules governing the AS Plan;
- (d3) **AS Trustee** means AustralianSuper Pty Ltd;
- (e) **ASO Transfer Election** means where a Regular Member elected the Alternative Superannuation Option under Article 9A of the trust deed of the Former Fund to transfer membership from Part II to Part V of the Former Fund;
- (f) **Base Period** means the period 1 January 1992 to 31 December 1994;
- (g) **Benefit Arrangement** has the meaning given to "Approved Benefit Arrangement" in clause A1.3 of the Fund Rules;
- (g1) **Commencement Date** means 2 November 2016;
- (h) **Company** means IBM Australia Limited ABN 79 000 024 733, a company incorporated in New South Wales;
- (i) **Complying Superannuation Fund** means a complying superannuation fund as defined in the Tax Act;
- (j) **Continuous Service** means the time beginning with the date a Regular Employee begins to work for the Employer for which he is paid or entitled to payment for eligible Leave of Absence (Rule 11.2) under the Employer's personnel and payroll practices then in effect and continuing until the date his employment is terminated in the same period of employment for whatever cause or reason;
- (k) **Corporations Act** means the Corporations Act 2001 (Cth);
- (l) **Declared Benefits** means the benefits payable under a Government Superannuation Scheme or under any other superannuation arrangement to which the Employer is liable to make contributions pursuant to an order or award of an industrial tribunal, or a registered or unregistered industrial agreement or a statute as are from time to time designated as such by the Company for the purpose of this Part 2;
- (m) **Declared Non-Subsidiary** means any Non-Subsidiary Company which has been admitted to the Sub-Division by the Company in accordance with Rule 5;
- (n) **Declared Subsidiary** means a Subsidiary which has been admitted to the Sub-Division by the Company in accordance with Rule 5;
- (o) **Employer** means the Company, any Declared Non-Subsidiary and any Declared Subsidiary;
- (p) **Family Law Requirements** means any requirements imposed upon the Trustee under the Family Law Act 1975 (Cth), the SIS Act and the Tax Act, relating to superannuation and family law;
- (q) **[deleted]**

- (r) **[deleted]**
- (s) **Former Fund** means The IBM Australia Limited Superannuation Fund which commenced on 4 October 1960;
- (t) **Former Regular Employee** means a person whose employment terminated prior to retirement but who has a right to an income pursuant to Rule 16 or on whose behalf the payment of a Withdrawal Payment pursuant to Rule 17 has not been made;
- (u) **Former Trustee** means Coonara Superannuation Services Pty Limited ABN 64 065 116 752;
- (v) **Future Service** means the number of years from the date of death or Total and Permanent Disablement to the member's 65th birthday, with part years measured in days;
- (w) **Government Superannuation Scheme** means a governmental scheme or fund providing old age, retirement, death or other benefits which is from time to time designated as such a scheme by the Company for the purpose of this Part 2;
- (x) **Group** means International Business Machines Corporation, IBM World Trade Corporation, IBM World Trade Americas/Far East Corporation, IBM World Trade Europe/Middle East/Africa Corporation, the Company and their respective Subsidiaries;
- (y) **Group Salary Continuance Plan** means a Total and Permanent Disablement Plan or Group Salary Continuance Plan or Sickness & Accident Plan or Permanent Disability Plan of the Employer that provides a regular income on disability and that Trustee and Company agree is to be considered a Group Salary Continuance Plan for the purpose of this Part 2;
- (z) **IBMGSA** means IBM Global Services Australia Limited;
- (aa) **IBMGSA Deed** means the trust deed dated 6 October 1994 establishing the IBMGSA Fund, as amended from time to time;
- (bb) **IBMGSA Document Transfer Date** means, in relation to a Member, the date that the data, records and information in relation to the Member's membership of the IBMGSA Fund were delivered by the IBMGSA Trustee to the Former Trustee (or as the Former Trustee directed);
- (cc) **IBMGSA Fund** means the IBM Global Services Australia Superannuation Fund;
- (dd) **IBMGSA Transfer Date** means 1 April 2004;
- (ee) **IBMGSA Trustee** means Integrated Superannuation Pty Limited;
- (ff) **IBM Heritage Employee** means a person as so defined in recital D of the Deed of Adherence dated 7 October 1994 between IBM GSA, the Company and the Former Trustee;
- (ff1) **IBM Section Document** means the Deed of Section Specification for the AS Plan executed on 31 October 2012 by the AS Trustee as amended and operative as at the date immediately preceding the 2 November 2016.

- (gg) **Insurance Policy** means a policy or contract of insurance with an insurer under which all or any part of a benefit payable under the Sub-Division is insured;
- (hh) **Legal Personal Representative** has the same meaning as it has under the SIS Act;
- (ii) **Mandated Employer Contributions** has the same meaning as it has under the Statutory Requirements and shall be calculated by the Actuary;
- (jj) **Member** means in relation to Part II of this Part 2, a Regular Member;
- (kk) **Nominated Dependant** means any of the following Nominated by a Member to receive a benefit pursuant to the Sub-Division from time to time:
 - (i) the Spouse; or
 - (ii) any Child of a Member; or
 - (iii) any person with whom a Member had an interdependency relationship (within the meaning of the SIS Act) of the Member at the relevant time; or
 - (iv) such other person as is proved to the satisfaction of the Trustee to have been financially dependent in whole or in part upon a Member for their maintenance or support;
- (ll) **Nomination** means a statement in writing, or if more than one, the most recent statement, in the form as designated by the Trustee, signed by the employee in the presence of a witness and delivered to the Trustee (or where the nomination was made before the Commencement Date, as advised in writing by the AS Trustee to the Trustee on or before the Commencement Date), whereby the employee designates that person or those persons who in accordance with this Part 2 are entitled to benefits under the Sub-Division. The decision of the Trustee as to the validity of any nomination shall be final and binding;
- (mm) **Non-Mandated Employer Contributions** means employer contributions other than Mandated Employer Contributions and shall be calculated by the Actuary;
- (nn) **Non-Member Spouse** has the same meaning as it has under the Family Law Requirements;
- (oo) **Non-subsidiary Company** means a company, partnership, joint venture or firm (other than a Subsidiary);
- (pp) [deleted];
- (qq) [deleted];
- (rr) **Part III Member** means a Part III Member of the AS Plan;
- (ss) [deleted];
- (tt) [deleted];
- (uu) [deleted];
- (vv) **Participant** means a Member or Employer;

(ww) [deleted];

(xx) [deleted];

(yy) **Permanently Disabled Employee** means a person who was or is a Regular Member who is eligible to receive benefits under a Group Salary Continuance Plan prior to retirement date and who has not received a Total and Permanent Disablement Benefit from the Sub-Division;

(zz) [deleted];

(aaa) **Plan Earning Rate** means the (positive or negative) rate or rates determined in accordance with Rule 8.13;

(bbb) [deleted];

(ccc) **Preservable Amount** means that part of any benefit or amount the payment of which is required, in the opinion of the Trustee and in accordance with the Statutory Requirements, to be deferred until the attainment of a particular age or the occurrence of a specified event;

(ddd) **Prior Service Offset Account** means the account maintained pursuant to the terms of Rule 72.9 of the IBM Section Document;

(eee) **Regular Employee** means a person in the employment of the Employer on a regular and permanent basis, whose scheduled employment is continuous throughout the year AND in the case of a Regular Employee of a Declared Subsidiary or Declared Non-Subsidiary (as the case may be), being of the category of employees eligible to remain in or to be admitted to membership of the Sub-Division under the terms and conditions of the Declared Subsidiary or Declared Non-Subsidiary (as the case may be), as determined by the Company and agreed to by the Declared Subsidiary or Declared Non-Subsidiary (as the case may be);

(fff) **Regular Member** means a Regular Employee on or before 31 December 1995 who has remained in the Continuous Service of the Employer since that date, a person who has retired pursuant to the provisions of Part II, a Former Regular Employee, a Regular Employee who became a Permanently Disabled Employee on or before 31 December 1995, or a Regular Employee on or before 31 December 1995 who has remained in the Continuous Service of the Employer since that date and who became a Permanently Disabled Employee on or after 1 January 1996 **PROVIDED THAT** a Regular Member shall not include any Regular Member who elects, or elected, not to remain a Member of Part II of the AS Plan or the Sub-Division pursuant to the terms of the Alternative Superannuation Option of the trust deed of the Former Fund;

(fff1) **Responsible Authority** means the Australian Prudential Regulatory Authority, Australian Securities and Investments Commission, or any other government authority responsible for administering the laws or any other rules governing superannuation funds or the availability of income tax concessions to superannuation funds;

- (ggg) **RLOA Employee** means a Regular Employee who has been granted a leave of absence known as retirement leave of absence under the personnel practices of the Employer then in effect;
- (hhh) **Salary Sacrifice Arrangement** means an arrangement between a Member and the Employer with the consent of the Trustee, whereby an amount in respect of a Member is paid by the Employer as a contribution to the Sub-Division instead of as a cash payment to the Member;
- (iii) **Salary Sacrifice Contribution** means the contribution made to the Sub-Division pursuant to a Salary Sacrifice Arrangement by an Employer in accordance with this Part 2;
- (jjj) **[deleted]**;
- (kkk) **SIS Act** means the Superannuation Industry (Supervision) Act 1993 (Cth);
- (lll) **[deleted]**;
- (mmm) **Specified Date** means 1 August 1987;
- (nnn) **[deleted]**;
- (ooo) **Statutory Requirements** has the meaning given to "Relevant Law" in clause A1.3 of Division A of the Fund Rules;
- (ppp) **Subsidiary** has the same meaning as it has under the Corporations Act;
- (qqq) **[deleted]**;
- (rrr) **Superannuation Guarantee legislation** means the Superannuation Guarantee (Administration) Act 1992 (Cth) and/or the Superannuation Guarantee Charge Act 1992 (Cth);
- (sss) **Surcharge** means the superannuation contributions tax and any advance instalment of the superannuation contributions tax whenever paid or payable by the Trustee under the Superannuation Contributions Tax Imposition Act 1997 (Cth) and the Superannuation Contributions Tax (Assessment and Collection) Act 1997 (Cth), any like or replacement tax, charge, surcharge, levy or duty whatsoever, and any interest, fine, charge or other amount imposed on such amounts;
- (ttt) **Transfer Date** means immediately before 24:00 hours on 31 October 2012 or such other date as the Former Trustee and the AS Trustee agreed in writing;
- (uuu) **Voluntary Insured Benefit** means an insured death or disablement benefit provided under cover effected or maintained by the Trustee at the election of a Member over and above any insured death or disablement benefit otherwise provided under cover effected by the Trustee (including an insured benefit referred to in Rule 8.18.1).

1.3 **Governing law**

This Participation Agreement shall be governed and construed and shall take effect in accordance with the laws of the State of Victoria. The Trustee, Employers, Members

and Beneficiaries shall accept the jurisdiction of the courts of the State of Victoria.

2 Creation of Sub-Division

- 2.1 By executing this Participation Agreement, the Trustee confirms that with effect from 00:00 hours on the Commencement Date this Part 2 forms part of the Fund Rules.
- 2.2 This Part 2 relates to a Sub-Division of the Fund to be known as the IBM Super Plan, or such other name as the Trustee with the written consent of the Company subsequently decides.
- 2.3 [deleted]

3 Amendments to Part 2

- 3.1 This Part 2 may by resolution of the Trustee (with the written consent of the Company) or by deed be added to, repealed, amended or altered in any respect whatsoever which would in the opinion of the Trustee not be to the detriment of the past, present or future Employees or their dependants generally provided that no addition, repeal or alteration shall impose any increase in liability on any Employer or any Member to contribute to the Sub-Division without that Employer's or Member's consent.
- 3.2 Any such addition repeal or alteration shall be effective from the date (if any) specified for that purpose in such deed or resolution or (in the absence of a specified effective date) the date on which the resolution was made or the deed is executed as aforesaid.
- 3.3 [deleted]

4 Termination of Sub-Division

- 4.1 Termination of the Sub-Division or Parts of the Sub-Division
 - 4.1.1 [deleted]
 - 4.1.2 For so long as the assets of Part IIA are segregated from the other Parts of the Sub-Division pursuant to Rule 8.17, Rule 4.20 shall apply to Part IIA in lieu of Rules 4.1 to 4.17. If a determination is made by the Trustee and the Company under Rule 8.17, Rules 4.1 to 4.17 (as the case may require) shall apply to Part IIA in lieu of Rule 4.20.
 - 4.1.3 For so long as the assets of Part IIB are segregated from the other Parts of the Sub-Division pursuant to Rule 8.17, Rule 53 shall apply to Part IIB in lieu of Rules 4.1 to 4.17. If a determination is made by the Trustee and the Company under Rule 8.17 Rules 4.1 to 4.17 (as the case may require) shall apply to Part IIB in lieu of Rule 53.
 - 4.1.4 The Trusts hereby declared shall cease and terminate and the Sub-Division shall be wound up as hereinafter provided upon the happening of any of the following events:
 - (a) If the Company shall give notice in writing to the Trustee to the effect that it will cease contributing to the Sub-Division.

- (b) If it shall appear to the Trustee that the Sub-Division is insolvent or if it shall be advised by the Actuary to that effect and the Trustee thereupon resolve to terminate the Sub-Division.
- (c) If the Company shall at any time fail to pay to the Trustee any sum on the date on which the Trustees may require it to be paid (or within such further period as the Trustees may think reasonable) or shall fail to observe and perform any other of its obligations to the Sub-Division, and the Trustee thereupon resolves to terminate the Sub-Division.
- (d) If an order is made or an effective resolution is passed for the winding up of the Company other than for the purpose of amalgamation or reconstruction.
- (e) If this Participation Agreement between the Trustee and the Company for the Company's participation in the Sub-Division is terminated and the Trustee determines to wind up the Sub-Division in accordance with this agreement.

4.1.5 [deleted]

4.2 Expenses on Termination

Upon termination of the Sub-Division the Trustee shall pay out of the assets of the Sub-Division all expenses of winding up incurred by the Fund and all debts due and owing by the Fund, other than pension entitlements, before any benefits are paid.

4.3 Benefits on Termination

- 4.3.1 In the event of termination of the Sub-Division, Members shall have a right to benefits calculated on the basis indicated below, and limited to the amount as advised by the Actuary which is required to pay their accrued pension for a period of normal life expectancy for a person of that age and sex in the case of Members who are Regular Employees or Permanently Disabled Employees, Withdrawal Payment or Withdrawal Pension if a Former Regular Employee, and retirement pension if a retired Regular Employee, as the case may be and in all respects to the extent these benefits are funded as specified below.
- 4.3.2 For the purpose of determining benefits in the event of termination of the Sub-Division, the following considerations will apply:
- 4.3.3 For Members who have retired, IBM Service will be deemed to have terminated on the Member's retirement date, and the Member's IBM Earnings will be those as determined by the Plan formula applicable to them.
- 4.3.4 For Members who are Regular Employees, IBM Service will be deemed to have terminated on the Closure Date and IBM Earnings will be those as determined by the Plan formula in existence on that date.
- 4.3.5 For Members who are Former Regular Employees, IBM Service will be deemed to have terminated on the date of termination of employment with the Employer, and IBM Earnings will be those as determined by the Plan formula in effect on the date of termination with the Employer.
- 4.3.6 For Members who are Permanently Disabled Employees, IBM Service will be deemed to have terminated on the Closure Date and IBM Earnings will be those as determined by the Plan formula applicable to them.

4.4 Payment of Benefits on Termination

- 4.4.1 The rights of all Members to such benefits on the Closure Date shall be limited to the extent of the assets of the Sub-Division as of such date. If the Sub-Division is terminated, the assets of the Sub-Division after providing for the expenses of winding up, will be allocated by the Trustee to the extent they are sufficient, to or on behalf of the Members and Beneficiaries of the Sub-Division, utilising the following order of precedence:
- (a) to provide the benefits, in the order of precedence set out in Rules 4.4.2 to 4.4.8, that would have been paid on the Closure Date had the Closure Date been 1 January 1993;
 - (b) to provide the minimum benefit for each member as described from time to time by the Superannuation Guarantee legislation, to the extent that such minimum benefit is not met by provision under (a); and
 - (c) provide the balance of the benefits in the order of precedence set out in Rules 4.4.2 to 4.4.8.
- 4.4.2 To provide death and Total and Permanent Disablement benefits which have become due under the Sub-Division on or prior to the Closure Date;
- 4.4.3 To provide benefits which on or before the Closure Date have become payable to retired Members or their Beneficiaries;
- 4.4.4 **[deleted];**
- 4.4.5 To provide benefits to Regular Members who shall have completed the requirements for Normal Retirement on or prior to Closure Date, or their Beneficiaries;
- 4.4.6 To provide benefits to Regular Members who shall have completed the requirements for Early Retirement on or prior to Closure Date, or their Beneficiaries;
- 4.4.7 To provide benefits to Regular Members who do not come within the terms of Rules 4.4.5 or 4.4.6 and who shall have completed 10 years or more of IBM Service on or prior to the Closure Date, to the extent not previously paid whether or not they have left the employment of the Employer;
- 4.4.8 To provide benefits to all other Regular Members.
- 4.4.9 If the assets available for allocation are or become insufficient to satisfy in full the benefits of all Members within a particular group utilising the above order of precedence, the assets remaining shall be allocated to or on behalf of all Members of that group on the basis of the proportion that the present value of benefits accrued, as determined by the Trustee for each Member in that group, as of the Closure Date. Any residual assets which shall remain after all liabilities have been satisfied will be returned to the Company, Declared Non-Subsidiaries and Declared Subsidiaries in such proportions as the Trustee shall determine on the advice of the Actuary having regard to the terms and conditions upon which any Declared Subsidiary, or Declared Non-Subsidiary (as the case may be), was admitted to the AS Plan or admitted to this Sub-Division pursuant to Rule 5.1, whichever occurred first.
- 4.5 After the assets of the Sub-Division have been allocated in accordance with this Rule, the benefits determined by this Rule (with the exception of death benefits which will be

paid in cash) will be distributed for the benefit of eligible Members either in the form of an annuity purchased from an insurance company or other financial institution or paid to a fund which complies with the Statutory Requirements. Total and Permanent Disablement benefits may, in the Trustee's discretion, be paid in the form of a lump sum or in the form of an annuity purchased from an insurance company or other financial institution. Annuities purchased for Members covered by Rules 4.4.2, 4.4.3 and 4.4.5 above shall provide for the payment of such benefits from Closure Date. Annuities purchased for all other Members shall provide for the payment of such benefits upon the Member's Normal or Early Retirement Date at the Member's option. In lieu of an annuity, a Member covered by Rules 4.4.3, 4.4.5 and 4.4.6 may elect to receive its purchase price, as determined by the Trustee in cash. No payment will be made to a Member under this Rule 4.5 while he is still employed by the Employer. Benefit payments made pursuant to this Rule 4 shall represent a complete discharge to the Trustee of any obligation arising under the Sub-Division with respect to such payments.

4.6 Notwithstanding any of the provisions in this Rule concerning allocation of assets, if the Trustee believes the Sub-Division is being terminated for administrative or other reasons, and that the rights of Members will be preserved under any new plan or arrangement they may make such transfer of assets as they determine to another fund.

4.7 [deleted]

4.8 [deleted]

4.9 [deleted]

4.10 [deleted]

4.11 [deleted]

4.12 [deleted]

4.13 [deleted]

4.14 [deleted]

4.15 [deleted]

4.16 [deleted]

4.17 [deleted]

4.18 [deleted]

4.19 **Termination of Parts I, II, IIA or IIB of the Sub-Division**

4.19.1 If any or all of Parts I, II, IIA or IIB of the Sub-Division should terminate in accordance with the terms of this Rule 4, and at the completion of the termination of those Parts there are residual assets which remain after all liabilities have been satisfied, then those assets may, at the request of the Company, either be:

- (a) returned by the Trustee to the Company, Declared Non-Subsidiaries and Declared Subsidiaries in such proportions as the Trustee shall determine on the advice of the Actuary having regard to the terms and conditions upon which any Declared

Subsidiary or Declared Non-Subsidiary (as the case may be), was admitted to the Sub-Division pursuant to Rule 5.1; or

(b) transferred to, and form part of the Reserve Account.

4.20 Termination of Part IIA Trust

4.20.1 The Trusts hereby declared in so far as they relate to Part IIA of the Sub-Division shall cease and terminate and Part IIA of the Sub-Division shall be wound up as hereinafter provided if the Company gives notice in writing to the Trustee to close or terminate Part IIA.

4.20.2 A determination to close or terminate Part IIA may be made with effect on and from a specified date and on and from that date no person may be admitted as a Member of Part IIA.

4.20.3 If a determination is made to close Part IIA then, subject to this Rule, the provisions of Part IIA continue to apply in respect of Part IIA.

4.20.4 Upon a determination being made to terminate Part IIA in accordance with Rule 4.20.1, the Trustee must determine the interests in Part IIA as the case may be, of all Members and Beneficiaries on the advice of the Actuary and, except as provided under Part IIA to the contrary, the net proceeds shall be applied by the Trustee for the benefit of Members or their Beneficiaries in satisfaction of their benefit entitlements under Part IIA in such a manner and in such amounts and at such time as the Trustee shall consider equitable provided that any balance must be dealt with by the Trustee, subject to any provision of Part IIA to the contrary, in accordance with the direction of the Company where permitted by the Statutory Requirements and otherwise as the Trustee determines.

4.20.5 If at any time, with respect to Part IIA:

- (a) there are no Members or Beneficiaries;
 - (b) in the opinion of the Trustee, there are no benefits which are or will become payable and there are no expenses payable; and
 - (c) the Company advises that no further Members will be admitted,
- then:
- (d) the proceeds of the remaining assets attributable to Part IIA, as the case may be, must be distributed as directed by the Company where permitted by the Statutory Requirements and otherwise as the Trustee determines subject to any provision of Part IIA to the contrary; and
 - (e) Part IIA terminates.

5 Admission and Retirement of Subsidiaries and Non-subsidiaries

5.1 Admission of a Subsidiary or Non-Subsidiary and Employee Eligibility

- (a) The Company may by notice in writing to the Trustee declare admitted to the Sub-Division any Subsidiary or any Non-Subsidiary Company which has agreed in writing to be bound by the Fund Rules and this Part 2 upon such terms and

conditions as the Company may determine and as agreed by the Subsidiary or the Non-Subsidiary Company (as the case may be) AND such terms and conditions may include those categories of employees of the Subsidiary or the Non-Subsidiary Company (as the case may be) that shall be eligible to remain in or be admitted to membership of the Sub-Division on or prior to such admission the Trustee may, after consultation with the Actuary, make such arrangements as it shall think fit, with the Declared Subsidiary or Declared Non-Subsidiary (as the case may be) so admitted or to be admitted regarding the terms and conditions on which its employees are to remain in or be admitted to membership of the Sub-Division.

- (b) Employees of a Declared Subsidiary or Declared Non-Subsidiary may only be eligible to remain in or be admitted to membership of the Sub-Division in accordance with such terms and conditions upon which the Declared Subsidiary or Declared Non-Subsidiary (as the case may be), has been admitted to the Sub-Division in accordance with paragraph (a) of this Rule.

5.2 Retirement of a Declared Subsidiary or Declared Non-Subsidiary

The participation in the Sub-Division of a Declared Subsidiary or Declared Non-Subsidiary may be terminated:

- (a) by the Declared Subsidiary or Declared Non-Subsidiary (as the case may be) by notice in writing to the Trustee or
- (b) by the Company or the Trustee, with the consent of the other, by notice in writing to the Declared Subsidiary or Declared Non-Subsidiary (as the case may be).

5.3 On termination of participation as aforesaid:

- (a) the Trustee in agreement with the Declared Subsidiary or Declared Non-Subsidiary (as the case may be) shall specify a date (hereinafter referred to as the Retirement Date) upon which the Declared Subsidiary or Declared Non-Subsidiary (as the case may be) (hereinafter referred to as the Retiring Company) shall retire;
- (b) the Retiring Company shall forthwith pay all arrears if any, of contributions up to the Retirement Date;
- (c) benefits which have become payable on or before the Retirement Date shall continue to be payable out of the Fund;
- (d) the Actuary shall certify what proportion of the Fund, including any arrears of contributions still to be made pursuant to paragraph (b) of Rule 5.3 is properly attributable to eligible Members associated with the Retiring Company at the Retirement Date having regard to the terms and conditions upon which the Retiring Company was admitted to the Sub-Division pursuant to Rule 5.1;
- (e) the Trustee in its discretion may make such arrangements as it thinks proper for the provision, in lieu of the benefits which would otherwise become payable out of the Sub-Division to eligible Members associated with the Retiring Company at the Retirement Date, of benefits for such eligible Members and their Beneficiaries.

- 5.4 Provision of benefits in conformity with paragraph (e) of Rule 5.3 shall be made by application of the proportion of the Sub-Division so certified under paragraph (d) or Rule 5.3 in accordance with Rules 4.3, 4.4, 4.5, and 4.9 of Rule 4 as if the proportion of the Sub-Division so certified had constituted a separate plan of which the Retiring Company was the Company and in which eligible Members associated with the Retiring Company at the Retirement Date and their Beneficiaries were the only persons interested and as if such separate plan had been terminated under Rules 4.1 and 4.7 of Rule 4 having effect on and from the Retirement Date.
- 5.5 No payment will be made to a Member under Rules 5.3 or 5.4 while he is still employed by the Retiring Company.
- 5.6 In the case of the termination of participation in the Sub-Division of IBM Global Services Australia Limited (IBM GSA), Rules 5.2, 5.3, 5.4 and 5.5 shall be subject to the provisions of the Deed of Adherence dated 7 October 1994 between IBM GSA, the Company and the Trustee.

6 Retirement Income Limitation

6.1 Deductions from Retirement Income

6.1.1 Subject to Rule 6.1.5, there shall be deducted from the amount payable under this Sub-Division any amount paid pursuant to this Sub-Division or paid or payable to a Member or Beneficiary as a result of the same period of IBM Service, pursuant to any pension, retirement, severance, indemnity, provident fund or other similar plan whether in the form of instalments, or lump sum and whether private or sponsored by a government, to the extent not provided by:

- (i) the amount or any part of the amount payable under this Sub-Division that relates to the formula contained in Rule 17.2.1; and
- (ii) direct contributions made by the Member.

For this purpose, the Actuary will determine the equivalent of any amount to be deducted and advise the Trustee accordingly.

6.1.2 [deleted]

6.1.3 [deleted]

6.1.4 [deleted]

6.1.5 Where, prior to 31 December 2000 or such other date nominated by the Company with the Trustee's consent:

- (i) a benefit was or is payable or may become payable to a Member in respect of Prior IBM Service from a pension, retirement, severance, indemnity, provident fund or other similar plan (the **Prior IBM Service Fund**); and
- (iv) the Prior IBM Service Fund did not or does not agree to transfer to the Sub-Division a lump sum amount equivalent in value to all or a substantial portion of that part of the benefit representing the employer financed component of the benefit payment (such amount referred to in this Part 2 as the **Employer Financed Forfeited Benefit** or **EFFB**); and

(v) the Prior IBM Service Fund and the Member agreed or agree to the Member forfeiting any interest (whether current or prospective in relation to the Member and any dependants or potential beneficiaries of the Member) in the EFFB (the **Forfeiture of EFFB**); and

(vi) the Trustee agreed or agrees to the Forfeiture of EFFB; and

(vii) the Company agreed or agrees to the Forfeiture of EFFB;

then Rule 6.1.1 only applies to the portion, if any, of the employer financed component of the benefit payment that is not forfeited as is specified by the Company to the Trustee at the time of the benefit payment from the Sub-Division.

6.2 Limitation of Benefits

6.2.1 The Company may direct the Trustee to adjust a benefit otherwise payable in respect of a Member under the terms of this Part 2 where payment of part or all of that benefit would result in:

(i) the prejudicing of the availability of income tax concessions to the Sub-Division; or

(ii) the commission of an offence pursuant to the provisions of the Corporations Act.

A direction by the Company can only be made as permitted by the Statutory Requirements and such direction can only be in respect of benefits relating to Non-Mandated Employer Contributions.

6.2.2 In the case of an employee who was a Member on 27 June 1966, the benefits already accrued at that date for such a Member shall not be reduced in terms of this Part 2 unless his consent in writing is obtained and the Statutory Requirements are satisfied.

6.2.3 At the request of a Member and where the Trustee requests and obtains the consent of the Company the Trustee may reduce the amount of any benefit relating to Non-Mandated Employer Contributions by such amount as requested by the Member.

6.2.4 The Trustee shall have the power to limit contributions by or in respect of a Member where the contributions are excessive having regard to the Statutory Requirements.

6.3 Adjustment of Benefit for Tax or Surcharge

The Trustee may, subject to the Statutory Requirements, adjust the amount of any benefit which is, or which may become, payable from the Sub-Division to a Member or any account maintained in respect of a Member for any actual or contingent liability for Taxation or Surcharge which the Trustee determines to be attributable to the Member in any way the Trustee considers equitable including, but not limited to, adjusting the amount of the benefit or the account for the Taxation or Surcharge and any notional or actual interest, establishment and ongoing administration costs associated with of attributable to the Taxation or Surcharge.

6.4 Tax re-adjustments

Where:

(a) the Trustee has adjusted the benefits of, or any accounts maintained for a Member, or former Member, for Taxation which the Trustee has determined is

attributable to the Member or former Member on the basis of information that the Trustee has (or does not have) in respect of the Member or former Member; and

- (b) the Member or former Member later provides the Trustee with additional or replacement information which alters the amount of Taxation that is attributable to the Member or former Member,

the Trustee may charge, or deduct from the benefits or accounts of the Member, or former Member a fee to apply to the relevant Taxation authority for a Taxation rebate or offset or to recalculate the Taxation attributable to the Member or former Member.

6.5 Payments under Statutory Requirements

Subject to the Statutory Requirements, where the Trustee receives an authority to release part or all of a Member's benefit, which has been issued by the Commissioner of Taxation in accordance with the Statutory Requirements (**release authority**), the Trustee must pay a lump sum benefit in respect of the Member equal to the lesser of:

- (a) the amount (if any) requested by the Member or Commissioner of Taxation;
- (b) the amount specified for release in the release authority; or

the sum of the values of every superannuation interest (other than a defined benefit interest) held by the Trustee in the Fund.

7 Where Sub-Division is more than Fully Funded

- 7.1 If the Actuary advises the Trustee that the amount standing to the credit of the Section Account for the Sub-Division is more than sufficient for the Sub-Division to be Fully Funded, the Trustee may, after consulting the Company, allocate the whole or any part of the surplus to the Accounts of Sub-Division Members, any group of Sub-Division Members or employees of the Employer who are Members of the Sub-Division to reduce contributions otherwise payable by the Employer in respect of such Sub-Division Members, group of Sub-Division Members or employees who are Members of the Sub-Division.

8 General Provisions

8.1 Forfeiture of Benefits

To the extent allowable in accordance with the Statutory Requirements, benefits payable or contingently payable out of the Sub-Division shall be forfeited if the person otherwise entitled thereto:

- (a) assigns, alienates or charges or attempts to assign, alienate or charge such benefits or part thereof;
- (b) owing to mental incapacity requires care, treatment or control for the person's own good or in the public interest and is in the opinion of the Trustee for the time being incapable of managing himself or his affairs, or

- (c) in the opinion of the Company is a party or privy to any defalcation in respect of any funds, goods or equipment or any other property of the Employer (such defalcation including but not limited to theft, burglary, larceny, unauthorised possession, misappropriation, dishonesty and wilful damage to or in respect to the Employer's property).

8.2 Assignment, Insolvency & Mental Illness

- (a) The benefits forfeited under Rule 8.1(a) and (b) may be applied by the Trustee in whole or in part for the benefit of the person otherwise entitled or his Beneficiaries **PROVIDED THAT** while such person, being a Member, remains in employment the Trustee shall not make any payments to or for the benefit of the person or his Beneficiaries other than for personal maintenance and support in the case of hardship.
- (b) To the extent that benefits forfeited are not so applied they shall form part of the general assets of the Sub-Division.

8.3 Defalcation

The benefits forfeited under Rule 8.1(c) shall be dealt with as follows:

- (a) Where the Employer suffers or incurs any loss or damage by reason of the defalcation or misconduct described in Rule 8.1(c), the Trustee shall reimburse the Employer from the amount forfeited in respect of that employee the value of that loss or damage.
- (b) To the extent that the benefits forfeited are not applied in accordance with paragraph (a) of this Rule they shall be held paid or applied by the Trustee as the case requires in accordance with the terms of this Part 2.

8.4 Amount Owning by Members

- (a) To the extent allowable in accordance with the Statutory Requirements, the Trustee with the Company's consent may deduct from any benefit payable to a Member any money owing to the Employer and pay that amount either to the Employer or to an account at the direction of the Employer.
- (b) The Employer shall notify the Trustee in writing of any amounts owing by a Member or person to the Employer and receipt of such notice by the Trustee shall be sufficient evidence of such indebtedness.

8.5 Rights of Members

No person whether as a Member or otherwise shall have any claim right or interest upon to or in respect of the Fund or any contribution thereto or any interest therein or any claim upon or against the Trustee or the Employer except under and in accordance with the provisions of the Fund Rules and this Part 2.

8.6 Members to Give Information

- 8.6.1 For the purposes of this Rule 8.6 and Rule 8.15, "Member" shall include a Member, former member and any person claiming a benefit under the Sub-Division.
- 8.6.2 Every Member shall from time to time give the Trustee such information and produce such documents as the Trustee shall consider are required for the purpose of carrying this Part 2 into effect.
- 8.6.3 The Trustee may require a Member from time to time to provide evidence of good health or any other information whatsoever by submitting for medical examination or otherwise and if the report after such medical examination or other information or the lack of submission thereof results in the Trustee being unable to arrange (or to continue) life insurance or disablement insurance cover at normal rates of premium, or where the Trustee elects to partly or wholly self-insure in that respect (**the self-insured component**) and the Trustee considers that if it were to arrange insurance for the self-insured component it would be unable to do so (or to continue to do so) at a normal rate of premium, the Trustee may adjust the benefits that would otherwise be provided (or were previously provided) by the Sub-Division for or in respect of the Member in such manner as the Trustee considers appropriate subject to the Statutory Requirements.
- 8.6.4 A Member shall provide to the Trustee such proof of his correct age as the Trustee shall reasonably require and in the event that the age of the Member as recorded prior to the submission of such proof is found to be incorrect the benefits that would otherwise be provided (or were previously provided) by the Sub-Division for or in respect of the Member may be adjusted in such manner as the Trustee having requested and considered the advice of the Actuary considers appropriate subject to the Statutory Requirements.

8.7 **Damages and Compensation**

Nothing in the Fund Rules and this Part 2 shall restrict the right of the Employer to dismiss any employee or be used to increase damages in any action brought against the Employer in respect of such dismissal or affect the rights of a Member or his legal personal representative or other persons to claim damages or compensation at common law or under a Workers' Compensation Act or any other statute in force governing compensation to or in respect of a Member injured or dying from an accident arising out of or in the course of his employment with the Employer and the amount payable hereunder shall not be reduced by reason of payment of such damages or compensation.

8.8 **Government Superannuation Scheme**

- 8.8.1 If a Government Superannuation Scheme is introduced into Australia or if an existing Government Superannuation Scheme for the time being in force is modified to require contributions from the Employer and/or its employees or the Employer is obliged to make contributions in respect of a Member to any superannuation arrangement under an award or order of an industrial tribunal, or a registered or unregistered industrial agreement or an agreement with the Member, the following provisions shall have effect from the date of such introduction or modification as the case may be.
- 8.8.2 The Company may authorise a reduction of the contributions of the Employer to the Fund up to the amounts of any sums compulsorily payable by the Employer under any Government Superannuation Scheme or any other superannuation arrangement referred to in Rule 8.8 towards any Declared Benefits payable under such schemes.

8.8.3 The Company may direct as permitted by the Statutory Requirements the Trustee to make a reduction in any benefit payable relating to Non-Mandated Employer Contributions in respect of a Member under a Government Superannuation Scheme or any other superannuation arrangement referred to in Rule 8.8 and the Trustee shall act on such direction.

8.8.4 The amount by which the Employer's contribution is to be reduced under Rule 8.8.2 and the amount of the reduction to be made in any benefit under Rule 8.8.3 shall be as determined by the Actuary.

8.8.5 The Trustee may make such regulation as it thinks fit for the purpose of putting this Rule 8.8 into effect and may from time to time alter or revoke such regulations.

8.8.6 [deleted]

8.9 **Contributions**

The Employer shall contribute to the Sub-Division from time to time such sums as the Trustee having requested and considered the advice of the Actuary determines are required to provide the benefits under the Sub-Division.

8.9.1 [deleted]

8.10 **Transfer from Another Fund**

8.10.1 Where a Member was employed by a company in the Group prior to becoming a Member and was a member of a retirement plan for employees of that company and the Trustee of that plan agrees to transfer part of the assets of that plan to the Fund, such assets shall be set against the cost of providing benefits in respect of his Service prior to becoming a Member.

8.10.2 Where a person was a member of a retirement plan (not being a retirement plan for employees of a company in the Group) prior to his becoming a Member, the Trustee may at the request of the Company make such arrangement as it thinks proper to accept into the Fund a transfer of assets from that plan with the intent that the value of assets so transferred shall be dealt with by the Trustee with the agreement of the Member in the manner the Trustee considers appropriate for the benefit of the Member until he ceases to be a Member whereupon such benefit shall be paid to him.

8.10.3 The Trustee may, with the consent of the Company, arrange with:

- (a) the person or persons responsible for a Benefit Arrangement; or
- (b) a person who is or was a participant in a Benefit Arrangement,

for the transfer or roll-over into any existing Part of the Sub-Division, or any new Part of the Sub-Division established by the Trustee, of cash and property, on such conditions as agreed between the Trustee and the other person.

8.11 **Transfer to another Benefit Arrangement**

- (a) Subject to the Statutory Requirements, the Trustee:
 - (i) may (but is not obliged to unless required by the Statutory Requirements) transfer or rollover all or part of a Member's benefit under a Part (other

than a benefit under Part II, IIA or IIB) to another Benefit Arrangement upon the written request or with the written consent of the Member;

- (ii) may with the prior approval of the Company, transfer or rollover all or part of a Member's benefit under a Part to another Benefit Arrangement without the consent of the Member where permitted by the Statutory Requirements; and
- (iii) must, if required by the Statutory Requirements, transfer or rollover all or part of a Member's benefit under a Part to another Benefit Arrangement or to the Responsible Authority where required to by the Statutory Requirements.

(b) Adjustment of benefit for amount transferred

Subject to the Statutory Requirements, notwithstanding any other Rule to the contrary, where the Trustee transfers or rolls over all or part of a Member's benefit to another Benefit Arrangement pursuant to this Rule 8.11:

- (i) the Trustee shall adjust the amount of any benefit which is, or which may become, payable from the Sub-Division in respect of the Member, as the Trustee determines on the advice of the Actuary; and
- (ii) the Trustee shall apply any deduction required under any Rule of the Sub-Division, from either or both of:
 - (A) the amount to be transferred or rolled over from the Sub-Division;
 - (B) any benefit that is, or that may become, payable to the Member from this Sub-Division.

8.12 Successor Fund Transfers

Subject to the Statutory Requirements, the Trustee may:

- (a) at the request of the Company, transfer all of a Member's benefits in the Sub-Division to another superannuation fund ("receiving fund") without obtaining the Member's consent to the transfer, **PROVIDED THAT** for the purposes of the transfer, the receiving fund is a successor fund of the Sub-Division as defined in the Superannuation Industry (Supervision) Regulations 1994;
- (b) in connection with a transfer of benefits pursuant to paragraph (a) of this Rule 8.12, transfer assets of the Sub-Division which are attributable to the Member's benefits to the trustee of the receiving fund:
- (c) at the request of the Company, in connection with a transfer of benefits pursuant to paragraph (a) of this Rule 8.12, transfer additional assets of the Sub-Division to the receiving fund on an unallocated basis.

8.13 Plan Earning Rate

8.13.1 Plan Earning Rate shall be determined in accordance with Rules 8.13.2 and 8.13.3.

- 8.13.2 (a) Subject to the Statutory Requirements, the Trustee shall, as soon as practicable after the end of each year determine one or more Plan Earning Rates each of which shall be the rate of at which investment returns are to be credited (or debited) for the year just completed to any account, accumulation or benefit in accordance with the terms of this Part 2.

- (b) Subject to paragraph (c) of this Rule 8.13.2, in making its determination in paragraph (a) of this Rule 8.13.2, the Trustee may decide to declare separate Plan Earning Rates in relation to different accounts, accumulations or benefits in circumstances where separate assets can be identified which relate to such accounts, accumulations or benefits.
- (c) Where a separate Plan Earning Rate is declared, the Trustee shall have regard to the items set out in Rule 8.13.3 in respect of the separate assets referred to in paragraph (b) of this Rule 8.13.2.

8.13.3 The Trustee in determining the Plan Earning Rate shall have regard to:

- (a) the income earned, losses incurred, on Fund assets during the year;
- (b) the capital value of Fund assets during the year including any capital gains or losses (whether realised or not realised);
- (c) the Taxation paid or payable on any earnings of the Fund, including any capital gains tax paid or payable (contingent or otherwise) on the realisation of Fund assets and any other Taxation payable by the Fund;
- (d) the rate of expense associated with the investment, retention and sale of Fund assets;
- (e) such other factors as the Trustee shall in their absolute discretion consider appropriate in the circumstances.

The Trustee may adopt whatever assumptions, methodology and procedures that it, in its absolute discretion, considers appropriate including:

- (f) methodology and procedures concerning the method and basis of valuing any particular asset;
- (g) the intervals at which valuations must be carried out; and
- (h) adopt a method of calculating such rate which allows for the averaging of the earnings of the Fund upon a basis which the Trustee considers fair and equitable so as to take into account possible or actual periodic fluctuations in those earnings.

8.13.4 In determining the amount of the Plan Earning Rate to be allocated for a year to an account, accumulation or benefit, the Trustee shall so allocate upon a basis that is fair and reasonable having regard to the balances of those accounts throughout the year.

8.13.5 The Trustee may from time to time declare an interim Plan Earning Rate (or separate interim Plan Earning Rates in relation to different accounts, accumulations or benefits in circumstances where separate assets can be identified which relate to such accounts, accumulations or benefits) which shall be used when determining investment returns to be credited (or debited) to any account or other accumulation or benefit which are to form part of a benefit payment in respect of a period for which no Plan Earning Rate has been determined and which shall be determined in accordance with the Statutory Requirements and, when so applied, the account or other accumulation or benefit payable will not be adjusted if a different Plan Earning Rate is determined in respect of that period or any part of that period after payment of the account or other accumulation or benefit.

8.14 Continuity of IBM Service

Where a member terminates service with an Employer and immediately commences service with another Employer, the member's IBM Service with the new Employer shall form part of his or her Continuous Service and he or she shall not be entitled to a benefit entitlement under this Sub-Division in respect of his or her termination of service with the former Employer. Any payment including long service and accrued annual leave made as a consequence of the termination of service of a Member with one Employer is excluded from the definitions of "Base Salary" and "Salary" contained in Rule 12.

8.15 Contingent Death and Total & Permanent Disablement Benefits

8.15.1 The amount of an insured benefit and the payment of an insured benefit to a Member from the Sub-Division is subject to the terms and conditions of the Insurance Policy and to the Member providing the Trustee with all relevant information required by the insurer and, if required, submitting to any medical examination required by the Trustee or the insurer from time to time. The amount of any insured benefit payable to a Member from the Sub-Division is subject to the Trustee being able to insure for the desired amount and for the events giving rise to payment of that amount on standard terms.

8.15.2 If the Trustee effects or seeks to effect or increase insurance in respect of a benefit that would otherwise be provided under the Sub-Division, and:

- (a) the insurer does not accept the Member on its standard terms or refuses to provide the required insurance on terms acceptable to the Trustee or, for any reason, the Trustee fails to insure any benefit payable under the Fund Rules or this Part 2;
- (b) by reason of the terms of the insurance, a misstatement or non-disclosure in respect of a Member's health, age or otherwise, the insurer reduces the level of insurance provided or rejects or defers the whole or part of a claim; or
- (c) for any reason, the insurer (with which all or any part of a benefit payable under the Fund Rules or this Part 2 is insured) rejects a claim or fails or refuses to pay, or reduces or defers payment of, any part of the insured benefit,

the Trustee having requested and considered the advice of the Actuary may adjust those benefits that would otherwise be provided under the Sub-Division to take account of such refusal, reduction, rejection or deferral subject to the Statutory Requirements.

8.15.3 Where the Trustee elects to partly or wholly self-insure a benefit that would otherwise be provided under the Sub-Division (**the self-insured component**) and the Trustee considers that had it arranged insurance for the self-insured component, an insurer would in a particular case be likely to act in one or more of the ways indicated in Rule 8.15.2 then the Trustee may similarly adjust those benefits that would otherwise be provided under the Sub-Division to take account of such likely refusal, reduction, rejection or deferral.

8.15.4 Notwithstanding anything in the Fund Rules or this Part 2, any benefit that would otherwise be provided under the Sub-Division is contingent upon adjustment by the Trustee:

- (a) to reflect any change to entitlements under any group life insurance policy issued to the Trustee in support of benefits payable under the Sub-Division; or

(b) in the circumstances contemplated by Rules 8.6, 8.15.2 and 8.15.3.

8.15.5 Any adjustment to benefits that would otherwise be provided under the Sub-Division, as contemplated by Rule 8.15.4 shall be notified to the Member or Members affected if required by the Statutory Requirements.

8.16 Pensions

The Trustee may provide a pension or annuity payable to a person from the Sub-Division by applying all or part of the benefit to purchase an annuity or pension which satisfies the Statutory Requirements, in the name of either:

(a) the Trustee; or

(b) the person.

8.17 Actuarial Valuation

8.17.1 The Trustee having requested and considered the advice of the Actuary, having regard to the terms and conditions upon which any Declared Subsidiary or Declared Non-Subsidiary was admitted to the Sub-Division pursuant to Rule 5.1, may, from time to time, recommend to the Company to deal with any surplus shown in the Actuary's report by decreasing the rate of contribution by an Employer, and may deal with any deficiency shown in the Actuary's report by increasing the rate of contribution of an Employer.

PROVIDED THAT the Trustee with the consent of the Actuary and the Company may transfer assets attributable to a Part of this Sub-Division equal to the amount (if any) identified in the Actuary's report as a surplus unlikely to be required in the future for the operations of that Part of the Sub-Division to any other Plan of this Sub-Division for use in relation to the operations of such Part of this Sub-Division.

8.18 Provision of Insured Benefits

8.18.1 The Trustee may, with the consent of the Company (such consent not to be unreasonably withheld), offer a Member the choice of subscribing for insured benefits (of such amount as is agreed by the Trustee, the Member and the insurer) in addition to any insured benefit otherwise effected by the Trustee to provide the benefits in respect of the Member set out in this Part 2.

8.18.2 The Trustee may, with the consent of the Company (such consent not to be unreasonably withheld), pay the premiums and costs of any Insurance Policy maintained in respect of a Member from:

(a) the account or accounts maintained in respect of the Member;

(b) the general assets of the Sub-Division; or

(c) a combination of (a) and (b),

as the Trustee determines.

8.18.3 If, under Rule 8.18.2, the premiums and costs of any Insurance Policy are to be paid from the account or accounts maintained in respect of the Member and the balance of

the Member's account or accounts is insufficient to meet the premiums and costs of any Insurance Policy attributable to that Member, then:

- (a) the Trustee is not bound to pay such premiums and costs from the Sub-Division in respect of the Member; and
- (b) the Trustee is not liable to the Member for the insurer failing to:
 - (i) pay, or reducing or deferring payment of the insured benefit; or
 - (ii) renew the relevant Insurance Policy.

9 [deleted]

PART II – REGULAR MEMBERS

10 Application

- 10.1 Part II of this Part 2 shall apply to all Regular Members. Any reference to a Member in this Part II of this Part 2 shall be a reference to a Member entitled to a benefit under this Part of this Part 2.

11 IBM Service

- 11.1 IBM Service of a Member will be the total of the following:

- (a) The period of Continuous Service since the most recent date of employment;
- (b) Prior periods of Continuous Service provided that, before credit for a prior period of Continuous Service is given a Regular Employee must:
 - (i) Complete one year of Continuous Service in the subsequent period of Continuous Service; or
 - (ii) Reach his Normal Retirement Date.
- (c) Periods of service with International Business Machines Corporation, IBM World Trade Corporation, or any Subsidiary or branch of either which would have been Continuous Service if worked with the Employer, will be deemed to be equivalent to Continuous Service, provided that a Regular Employee with such service immediately preceded by Continuous Service must, before credit for such service is given, resume employment as a Regular Employee; and further provided that a Regular Employee with such service not immediately preceded by Continuous Service must, before credit for such service is given:
 - (i) Complete one year of Continuous Service as a Regular Employee subsequent to such service; or
 - (ii) Reach his Normal Retirement Date; and
further provided that any periods of service with a Declared Subsidiary during which an employee was not a Member of the Sub-Division shall not be included.
- (d) Uninterrupted periods of service with International Business Machines Pty Limited and/or Dayton Moneyweight Scale Co. Limited which immediately preceded any of the above periods of service which are included in IBM Service.

PROVIDED THAT IBM Service shall not include the period during which the person was a Part III Member of the AS Plan unless the Company directs that the benefit of the Member be increased and the direction relates to benefits relating to Non-Mandated Employer Contributions AND the Company may request the Trustee to include the period during which the person is a Part III Member of this Plan in IBM Service and the Trustee may agree to such request in relation to benefits relating to Mandated Employer Contributions.

11.2 Leave of Absence

A Regular Employee who has been granted a leave of absence under IBM personnel practices then in effect, and who resumes the status of Regular Employee upon fulfilling the conditions for which the leave was granted, will be deemed, for all Sub-Division purposes, as having been a Regular Employee throughout the leave of absence. If status as a Regular Employee is not resumed, the employee will be considered as having terminated his service with the Employer on the date on which the leave of absence began.

11.3 **Duplicate Benefits**

In no event will a Member be entitled to duplicate benefits under this Sub-Division and similar plans either of the Group or a Government with respect to the same period of Service. Any such benefits which become payable, or which have been paid as a result of such service, will be deducted from the amount otherwise payable under this Sub-Division pursuant to Rule 6.

11.4 **Disability**

The IBM Service of a Member who is entitled to receive benefits under a Group Salary Continuance Plan, shall be deemed to have continued until the earliest of the following dates:

- (a) his Normal Retirement Date;
- (b) his Early Retirement Date if he elects to retire early **PROVIDED THAT** he shall not elect to retire early unless permitted to do so under the terms of the said Group Salary Continuance Plan;
- (c) his death;
- (d) Total and Permanent Disablement under Rule 19.

12 **IBM Earnings**

12.1 **Base Salary**

The regular remuneration paid to a Regular Employee excluding representation allowance or field allowance, commissions or bonuses, shift allowances and overtime or director's fees, and any payments made as a result of termination.

12.2 **Salary**

The remuneration of a Regular Employee from the Group including Base Salary, representation or field allowances, commission, shift allowances, cash bonuses and director's fees but excluding overtime and any payments made as a consequence of termination of service including long service leave and accrued annual leave. Payments which, in the opinion of the Company, are of a special nature unrelated to the normal work activity of the Regular Employee such as suggestion awards and Quarter Century awards, are not included.

12.3 **Notional Salary**

Base Salary plus representation or field allowance applicable on the last day worked prior to Leave of Absence without pay or other approved absences without pay for

Regular Employees not employed on a commission basis. For Regular Employees employed on a commission basis Base Salary plus representation or field allowance and that equivalent payment for commission and bonuses assuming the Regular Employee had not been employed on a commission basis as determined by the Employer's compensation practices in operation from time to time applicable on the last day worked prior to Leave of Absence without pay or other approved absences without pay.

12.4 Regular Monthly Compensation

With respect to each Regular Employee not employed on a commission basis the Regular Employee's rate of monthly remuneration from the Group for the month immediately preceding the date of his death or Total and Permanent Disablement excluding overtime, commission, bonuses, deductions for absences, and any other additions to or deductions from regular remuneration

With respect to each Regular Employee employed on a commission basis, the Regular Employee's average rate of monthly remuneration (including commissions and cash bonuses) received from the Group during the 36 months immediately preceding the date of his death or Total and Permanent Disablement or entire period of continuous service if shorter, but excluding overtime, deductions for absences and other additions to or deductions from regular remuneration PROVIDED THAT the Regular Monthly Compensation of a Regular Employee who has changed from a Regular Employee not employed on a commission basis to a Regular Employee employed on a commission basis shall in no event be less than his Regular Monthly Compensation immediately prior to the date of that change.

12.5 Unpaid commission and cash bonuses, and outstanding adjustments to commissions at the time of Retirement, Termination, death or Total and Permanent Disablement will be treated as if paid or adjusted prior to Retirement, Termination, death or Total and Permanent Disablement.

12.6 For Members covered under a Group Salary Continuance Plan of the Employer the Regular Monthly Compensation will be calculated as above, but will be based on the period immediately preceding the expiration of cover under the Employer's Group Salary Continuance Plan.

13 Retirement Dates

13.1 Normal Retirement Date

Shall be the last calendar day of the month in which a Member attained the age of 65 years.

A female member who was a Regular Employee prior to 31 December 1978 shall have a Normal Retirement Date:

- (a) if she retires at any age between 60 and 65 - the date on which she retires.
- (b) if she retires earlier than but no more than 10 years earlier than age 60 - the last day of the month in which she attained the age of 60 years.

13.2 Early Retirement Date

Shall be a date elected by the Member being the last day of a month earlier than but no more than 10 years earlier than Normal Retirement Date.

13.3 **Retirement Eligibility Date**

Shall be the first date on which a Member may retire under this Part 2.

14 **Retirement Income**

14.1 **Accrued Pension** The Accrued Pension of a Member who is a Regular Employee or a Permanently Disabled Employee on or after the Specified Date shall be the annual rate of pension calculated at one and three quarters per centum ($1\frac{3}{4}\%$) of his Pensionable Earnings.

14.2 **Pensionable Earnings** Shall be the average annual Salary during the Base Period multiplied by the number of years and any fraction thereof of IBM Service up to the end of the Base Period plus Salary earned after the end of the Base Period.

14.2.1 When a Member is granted Leave of Absence without pay during the Base Period his Pensionable Earnings will be calculated by adding to his Salary during the Base Period the Notional Salary earned in the period equivalent in length to such Leave or such other amount as determined by the Company from time to time.

14.2.2 For Permanently Disabled Employees their Pensionable Earnings will be calculated as if the monthly rate of salary immediately prior to the last payment under the Group Salary Continuance Plan of the Employer continued until retirement date.

14.2.3 Unpaid commissions and cash bonuses, and outstanding adjustments to commissions at the time of retirement, termination or death will be treated as if paid or adjusted prior to retirement, termination, death or Total and Permanent Disablement.

14.2.4 Where a Member has left the employment of the Group and subsequently joins the employment of the Employer and such period or part of the period during which he was not employed by the Group falls within the Base Period his average annual salary during the Base Period will be calculated as if he had been granted Leave of Absence during that period. No adjustment will be made to his period of IBM Service in the calculation of Pensionable Earnings.

14.2.5 So that Regular Employees whose IBM Service is about to cease, including retire, can be advised what their benefit will be, the Company may estimate the Regular Employee's earnings for the last two months of service in the calculation of Pensionable Earnings.

14.3 **Reduction Factor** When payments of pension of a Member who retires after the Specified Date commence prior to Normal Retirement Date, a reduction factor will be applied to the accrued pension of the Member to calculate the amount of the pension payable. For all members who retire earlier than Normal Retirement Date, the reduction factor is three per centum (3%) for each year and one quarter of one per centum ($\frac{1}{4}\%$) for each month or part thereof in any fraction of a year from the date payments commence to the last day of the month in which the Member attains the age of 60 years.

14.4 **Normal Retirement** A Member who retires from IBM Service on or after Normal Retirement Date and whose IBM Service is at least 10 years shall be entitled to receive

a Normal Retirement Pension.

- 14.4.1 **Post 65 Access to Normal Retirement Pension** A Member who has attained the age of 65 years but has not retired from IBM Service is entitled to receive one or more amounts which, in total, do not exceed the commuted value of the Normal Retirement Pension that would be payable in respect of the Member if the member was to immediately retire from IBM Service (**Post 65 Access**). In the event that a Member elects Post 65 Access to his or her Normal Retirement Pension, the Trustee shall adjust the amount of any benefit which is or may become payable from the Sub-Division in respect of the Member, as the Trustee determines on the advice on the Actuary.
- 14.5 **Early Retirement** A Member who retires from IBM Service on an Early Retirement Date and whose IBM Service is at least 10 years shall be entitled to receive an Early Retirement Pension.
- 14.6 **Disability Retirement** A Member who is entitled to receive benefits under a Group Salary Continuance Plan and who has not received a Total and Permanent Disablement benefit under this Part 2 will be eligible for Normal Retirement or Early Retirement in accordance with this Part 2.
- 14.7 **Entitlement** All questions as to whether any person is entitled to a payment under the Sub-Division and if so the distribution of the amount of such payment shall be determined by the Company with the consent of the Trustee. Where the Trustee does not so consent, the determination shall be made by the Trustee.
- 14.7.1 Where a Regular Employee has been employed on both a full time and part time basis or where a part time Regular Employee has been employed for periods where the hours of the week have varied, the calculation of any amounts due under this Sub-Division shall
- (a) In relation to benefits relating to Non-Mandated Employer Contributions be determined by the Company; and
 - (b) In relation to benefits relating to Mandated Employer Contributions be determined by the Company with the consent of the Trustee. Where the Trustee does not so consent, the determination shall be made by the Trustee.
- 14.8 **Normal Retirement Pension** Each Member's Normal Retirement Pension shall be equal to his Accrued Pension, as at his Normal Retirement Date or, if a Member's IBM Service continues beyond his Normal Retirement Date, it shall be equal to his Accrued Pension as at the date his IBM Service ceases.
- 14.9 **Early Retirement Pension** Each Member's Early Retirement Pension shall be equal to his Accrued Pension, as at his Early Retirement Date.
- 14.10 **Commencement of Payment of Retirement Income** Pension payments of a Member will be made in accordance with the following:
- 14.10.1 Normal Retirement Pensions commence on the last day of the month following his Normal Retirement Date or, if the Member's IBM Service continues beyond his Normal Retirement Date, on the last day of the month following the date his IBM Service ceases.

- 14.10.2 Early Retirement Pensions commence on the last day of the month following his Normal Retirement Date or if he so elects, payment of a reduced pension shall commence at an earlier date being the last day of a month after his Early Retirement Date specified by the Member. The amount of such reduced pension shall be the Member's Early Retirement Pension reduced by the Reduction Factor.
- 14.10.3 Withdrawal Pensions as defined in Rule 16 commence on the last day of the month following the Member's Normal Retirement Date unless an earlier date has been elected in accordance with Rule 16.5 and payment will commence on the last day of the month nominated by the Member.
- 14.11 (a) In the absence of election of an optional benefit as defined in Rule 15, each Member's pension under this Sub-Division shall be payable to him by equal monthly instalments in arrears until the death of the Member provided that, subject to the Statutory Requirements, such instalments will continue to be paid after the death of a Member in receipt of a pension under this Sub-Division to one or more of his Beneficiaries or to his Legal Personal Representative as the Company determines until sixty instalments have been paid provided that in lieu of such payments after death, the Company may pay to one or more of the Beneficiaries of the deceased Member or to his Legal Personal Representative as the Company determines a cash lump sum certified by the Actuary to be equivalent to the monthly instalments remaining unpaid at the date of such cash lump sum payment.
- (b) The determinations made by the Company in paragraph (a), of this Rule shall be:
- (i) In relation to benefits relating to Non-Mandated Employer Contributions be determined by the Company; and
 - (ii) In relation to benefits relating to Mandated Employer Contributions be determined by the Company with the consent of the Trustee. Where the Trustee does not so consent, the determination shall be made by the Trustee.
- 14.12 **Entitlement Under Previous Rules** If the Accrued Pension as calculated under the rules which applied immediately prior to the Specified Date is a higher amount than that calculated under this Part 2, then the entitlement of a Member who was a Regular Employee or a Permanently Disabled Employee on or after the Specified Date will be paid under this Part 2 but will be based on that higher Accrued Pension.

15 Retirement Income Options

15.1 Commutation of Portion of Member's Pension

- 15.1.1 A Member may apply in writing not more than 12 months and not less than 30 days prior to his Normal Retirement Date or if the Member's IBM Service continues beyond his Normal Retirement Date, the date his IBM Service ceases or, Early Retirement Date whichever is applicable to request the Trustee that his pension entitlement under this Part 2 be commuted up to that portion specified below, of the pension otherwise payable to him:
- (a) if the commuted value of his whole pension is \$5,000 or less – the whole of his pension;

- (b) if the commuted value of his whole pension is more than \$5,000 but less than \$20,000 – sufficient of his pension to provide a sum of \$5,000;
- (c) if the commuted value of his whole pension is \$20,000 or more – one quarter of his pension,

or such greater portion as the Responsible Authority approves of and advises will not reduce the amount of contributions payable by the Employer recognised as an allowable deduction for the purposes of assessing its liability for income tax.

15.1.2 The Trustee may give leave to any Member to apply in writing at any time before or after the period stated in Rule 15.1.1 for commutation of such pension entitlement.

15.1.3 (a) Except in the circumstances set out in paragraph (b) of this Rule, the Company, with the consent of the Trustee shall have an absolute discretion to refuse, approve, or approve only in part any application by a Member made in terms of Rule 15.1.1 or 15.1.2. Where the Trustee does not so consent, the relevant determination shall be made by the Trustee; and

(b) With respect to that part of the pension which relates to Non-Mandated Employer Contributions and which forms the application by a Member made in terms of Rule 15.1.1 or 15.1.2 the Trustee shall act on the advice of the Company which shall have an absolute discretion to refuse approve, or approve only in part the above mentioned Member application.

15.1.4 (a) Except in the circumstances set out in paragraph (b) of this Rule the rate of conversion of each dollar of pension to lump sum shall in each case be determined by the Company with the consent of the Trustee, where the Trustee has considered the advice of the Actuary. Where the Trustee does not so consent, the relevant determination shall be made by the Trustee; and

(b) With respect to that part of the pension which relates to Non-Mandated Employer Contributions, the rate of conversion of each dollar of pension to lump sum shall in each case be determined by the Company having considered the advice of the Actuary.

15.1.5 A Member may, by writing to the Trustee, cancel the above option at any time prior to this option being effective.

15.2 **Joint and Survivor Income Option**

15.2.1 **Joint and Survivor Pension** In lieu of a pension payable for life, a Member may elect to receive a Joint and Survivor Pension. In that event, the eligible Member shall receive monthly, during his lifetime after retirement date, a reduced pension, and after his death a Nominated Dependant if living, shall receive a continuing pension for life.

15.2.2 **Amount of Joint Survivor Pension** The amount of income payable to the Member under this option will be dependent upon the age and sex of the Member and the Member's Nominated Dependant, and the percentage (either 100%, 75% or 50%) of the reduced pension the Member has selected to be continued to the Nominated Dependant and shall be the actuarial equivalent of the pension which would have been payable to the eligible Regular Employee had the option not been elected.

15.2.3 **Conditions** The exercise of the option of a Joint and Survivor Pension shall be subject to the following conditions:

- (a) The option shall normally be exercised no later than six months prior to retirement date. If exercised within a period of six months immediately preceding the retirement date, the Member shall be required to submit evidence of good health to the Trustee.
- (b) The name of the Nominated Dependant and the percentage of the reduced Normal or Early Retirement Income that is to be paid out must be specified by the Member at the time of exercising the option. Satisfactory evidence as to the age of the Nominated Dependant must also be submitted to the Trustee.
- (c) Once the option is exercised, it can only be cancelled or changed or amended with the written approval of the Trustee. However, if death of the Nominated Dependant occurs prior to the retirement date, the option is automatically cancelled and the Member can nominate a new Nominated Dependant. If the Nominated Dependant predeceases the Member after retirement date, the Member shall continue to receive the reduced pension.
- (d) No benefits shall be payable under this option in the event death of the Member occurs before pension payments are scheduled to begin.

15.3 **Surviving Spouse Option**

15.3.1 **Pre-Retirement Spouse Benefit (PRSB)** A Regular Employee may elect to provide a lifetime income for his eligible surviving Spouse in the event the Regular Employee dies while in the Employer's service, after reaching Retirement Eligibility Date and before the date of actual retirement.

15.3.2 **Eligibility** The Regular Employee must have a Spouse, and have reached early retirement age or older with 10 or more years of IBM Service. The eligible surviving Spouse is the only person eligible to receive the benefit.

15.3.3 **Election of Benefit** The eligible Regular Employee may elect this benefit at any time other than within the period of 4 months prior to Normal Retirement Date. Election in the 6 month period prior to Retirement Eligibility Date will allow the benefit to be effective at the later of the Retirement Eligibility Date or 30 days after the Regular Employee's election. Election at any other time after Retirement Eligibility Date, will have a benefit coverage effective 120 days from the date of election.

In case of accidental death of a Regular Employee the 30 or 120 day waiting period is waived and coverage is effective immediately from election date, provided that the election occurs prior to the accident causing death, and further provided that death occurs after the Regular Employee's Retirement Eligibility Date.

15.3.4 **Revoking Election of Benefit** The eligible Regular Employee may revoke the election by giving written notice of revocation to the Company at any time and coverage will cease immediately upon receipt of notice.

The eligible Regular Employee having revoked the election may reinstate the election under Rule 15.3.3.

Death of the Regular Employee's Spouse after election of the benefit will mean

automatic revocation of the election. If the Regular Employee subsequently acquires a Spouse, the PRSB election can again be made under Rule 15.3.3.

In the case of revocation of this benefit the Regular Employee's Retirement Pension will be actuarially reduced for the cost of the PRSB cover before it was revoked.

- 15.3.5 **Benefit Coverage Ceasing** The Pre-Retirement Spouse Benefit is automatically cancelled upon the death of Spouse, upon retirement, or upon the Total and Permanent Disablement of the Regular Employee or upon written revocation of a previous election.
- 15.3.6 **Specification of Amount** The Regular Employee on election of the benefit may specify a percentage up to 100% of his actuarially reduced pension entitlement as payment to the Spouse. The Actuary's reduction to the normal pension entitlement, whether full or early retirement amount, is required to provide coverage of the benefit payable to the Spouse in the event of the Regular Employee's death prior to retirement date.
- 15.3.7 **Early Retirement of Regular Employee During Benefit Period** Retirement of a Regular Employee during the period the PRSB is in effect will revoke the PRSB on the date of retirement. The Regular Employee's new pension entitlement from the date of retirement will be calculated in the first instance as a normal Early Retirement Pension and that sum reduced by an amount actuarially calculated. The reduction represents the cost of the PRSB cover from the effective date of the election up to retirement date and is based on actuarial tables involving Spouse's age at the Regular Employee's retirement, date of retirement, and the percent of elected Spouse benefit.
- 15.3.8 **Death of a Regular Employee During Benefit Period** Death of a Regular Employee during the period that the PRSB is in effect will entitle the Spouse to a monthly pension for the rest of life, from the first day of the month following the death of the Regular Employee, payable in arrears on the last day of each month.

The PRSB will be calculated as an actuarial reduction on the deceased Regular Employee's early retirement pension, as if he had retired as of the date of death.

The early retirement pension is reduced by an actuarial table, based on ages of the Spouse and Regular Employee at the time of the Regular Employee's death and the percentage portion of retirement income the Regular Employee elected to be continued to the Spouse.

The amount of PRSB paid to the surviving Spouse is then the percentage elected by the Regular Employee of this actuarially reduced early retirement pension.

The surviving Spouse of the deceased Regular Employee may apply in writing, at any time following the death of the Regular Employee, to request the Trustee that all or part of the pension entitlement under this Part 2 be commuted in terms of Rule 15.1.1 as allowed under the Statutory Requirements.

- (a) Except in the circumstances set out in paragraph (b) of this Rule, the Company, with the consent of the Trustee shall have an absolute discretion to refuse, approve, or approve only in part any such application by a surviving Spouse made in terms of Rule 15.1.1. Where the Trustee does not so consent, the determination shall be made by the Trustee; and

- (b) With respect to that part of the pension which relates to Non-Mandated Employer Contributions and which forms the application by the surviving Spouse made in terms of Rule 15.1.1, the Trustee shall act on the advice of the Company, which shall have an absolute discretion to refuse, approve or approve only in part the above mentioned application by the surviving Spouse.

15.3.9 Retirement of a Regular Employee at Normal Retirement Date When a Regular Employee reaches Normal Retirement Date, the PRSB is revoked on the Normal Retirement Date.

The Regular Employee's new pension from Normal Retirement Date will be calculated in the first instance as a normal retirement pension and that sum reduced by an amount actuarially calculated. The reduction represents the cost of the PRSB cover for the period from the effective date of the election up to Normal Retirement Date and is based on actuarial tables involving Spouse age at the Regular Employee's retirement and the percent of Spouse benefit elected.

15.3.10 Pre-Retirement Spouse Benefit followed by Joint Survivor Option A Regular Employee who had previously elected coverage under the PRSB option and who retires may elect the Joint and Survivor Pension. If a Regular Employee elects the Joint and Survivor Pension, the rules governing Joint and Survivor Pension in this Rule 15 will apply to the reduced benefits applicable under PRSB on retirement.

15.3.11 Purchase of Pre-Retirement Spouse Benefit As an alternative to a reduction in normal pension entitlement as described above in Rule 15.3.7 and 15.3.9, the Regular Employee may, with Trustee approval during the period he has elected coverage under PRSB, contribute towards provision of full normal pension entitlement. Contribution and pension amounts will be calculated by the Actuary.

15.4 Other Forms

- (a) Except in the circumstances set out in paragraph (b) of this Rule, another form of payment requested by a Member will be considered by the Company and, if approved by the Company and consented to by the Trustee, will be paid by the Trustee at a rate not exceeding the actuarial equivalent of a normal form of pension. Where the Trustee does not so consent, then the Trustee will decide as to the form of the payment in terms of this Rule; and
- (b) With respect to that part of the benefit payment which relates to Non-Mandated Employer Contributions, where the Company approves the request it will be paid by the Trustee at a rate not exceeding the actuarial equivalent of a normal form of pension.

15.5 Any payment made under this Rule 15 shall comply with the Statutory Requirements.

16 Withdrawal Pension

16.1 A Member whose IBM Service ceased for any reason other than death prior to the Specified Date and who is not entitled to a Normal Retirement Pension, or an Early Retirement Pension and whose IBM Service is at least 10 years shall be entitled to receive upon application to the Trustee not more than 12 months before the first payment is due an income called a Withdrawal Pension as defined in Rule 16.5.

Where an application for payment of a Withdrawal Pension is received later than the date the first payment is due the Trustee may pay such pension as it believes in its absolute discretion is equitable.

- 16.2 A Former Regular Employee shall not be deemed to be retired under the Sub-Division and shall have no right to any Employer benefits other than the 30 day Group Life Insurance/Survivor Benefit cover from date of termination and the income specified in this Rule.
- 16.3 **Vesting Percentage** When a Member whose IBM Service is less than fifteen years is entitled to a Withdrawal Pension, his Accrued Pension will be reduced by applying a Vesting Percentage. The Vesting Percentage shall be 50 if his IBM Service is 10 years increasing by a further 10 for each year by which his IBM Service exceeds 10 years up to a maximum of 100 where his IBM Service is 15 years or more. The percentage will be pro-rated for part of a year at the rate of number of days of IBM Service in the past year.
- 16.4 The Vesting Percentage of a Regular Employee who reaches Retirement Eligibility Date in the employment of the Employer will be 100% of his Accrued Pension.
- 16.5 **Withdrawal Pension** Each Member's Withdrawal Pension shall be equal to the Vesting Percentage of his Accrued Pension calculated in accordance with the Rules applicable as at the date his IBM Service terminates. At the election of the Member payment of a reduced pension will commence on application to the Trustee.

The amount of any such reduced pension for payments commencing earlier than the Normal Retirement Date shall be the Member's Withdrawal Pension reduced by factors supplied by the Actuary based on estimated investment returns rates for the period of early payment.

- 16.5.1 Notwithstanding any other provision of this Rule 16, where a Member who is entitled to a Withdrawal Pension applies to the Trustee to receive the Withdrawal Pension the Trustee may, subject to the agreement of the Member, in lieu of the Withdrawal Pension pay to the Member or to a fund nominated by the Member a lump sum amount which shall be:
- (a) in respect of Mandated Employer Contributions, determined by the Company with the consent of the Trustee, where the Trustee has considered the advice of the Actuary. Where the Trustee does not so consent, the determination shall be made by the Trustee; and
 - (b) in respect of Non-Mandated Employer Contributions, determined by the Company, where the Company has considered the advice of the Actuary.
- 16.5.2 A lump sum payable in accordance with Rule 16.5.1 shall be equivalent in value to the Withdrawal Pension payable from the Member's Normal Retirement Date and such equivalence shall be determined as at the later of:
- (a) the date that the Member applies for the Withdrawal Pension to be paid; or
 - (b) the date that IBM service ceased.
- 16.5.3 Where a Member who would be entitled to a Withdrawal Pension or a lump sum in lieu upon application to the Trustee under respectively Rule 16.1 or Rule 16.5.1:

- (a) reaches Normal Retirement Date;
- (b) is a Lost Member; and
- (c) has not made application to the Trustee in accordance with either Rule 16.1 or Rule 16.5.1

the Trustee may in lieu of any entitlement of the Member to a Withdrawal Pension pay a lump sum amount in accordance with the Fund Rules and the Statutory Requirements. The lump sum amount shall be determined by the Company with the consent of the Trustee, where the Trustee has considered the advice of the Actuary. Where the Trustee does not so consent the determination shall be made by the Trustee.

17 Withdrawal Payment After Specified Date

17.1 A Member whose IBM Service ceases on or after the Specified Date for any reason other than the death or Total and Permanent Disablement of the Member and who is not entitled to a Normal Retirement Pension or any Early Retirement Pension shall be entitled to a Withdrawal Payment.

17.2 Withdrawal Payment

17.2.1 The Withdrawal Payment of a Member with less than 10 years of IBM Service shall be an amount equal to three per centum (3%) of either

- (a) the Member's Salary in the preceding 12 months of IBM Service, or where the Member's IBM Service is less than 12 months, the Member's annual rate of Salary in such lesser period **PROVIDED THAT** when a person is granted Leave of Absence without pay for the purposes of this Rule the Member's Salary during the Member's period of leave of Absence shall be deemed to be the Member's Notional Salary during such period, or
- (b) if the Member is a Regular Employee employed on a commission basis at the date his IBM Service ceases or if the Regular Employee has been employed on a commission basis at any time in the 12 months preceding the date his IBM Service ceases, the Member's Monthly Remuneration multiplied by twelve:

multiplied by the Member's years of IBM Service and any part of a year since the Specified Date (which amount is hereinafter referred to in this Rule as 'the Formula Amount') **PROVIDED THAT** for a Regular Employee whose most recent period of Continuous Service commenced on or after 1 January 1993, IBM Service for the purpose of this Rule 17.2.1 shall only include the most recent period of Continuous Service completed in Australia after the Specified Date.

17.2.2 A Member's Monthly Remuneration for the purposes of Rule 17.2.1(b) shall be the Member's average rate of monthly remuneration (including commissions and cash bonuses) received from the Group during the 36 months immediately preceding the date his IBM Service ceases, or the entire period of continuous service, if shorter, but excluding overtime, deductions for absences and other additions to or deductions from regular remuneration **PROVIDED THAT** the Monthly Remuneration of a Member who has changed from a Regular Employee not employed on a commission basis to a Regular Employee employed on a commission basis shall in no event be less than his

average monthly Salary in the 12 months of IBM Service preceding that change or if less than 12 months, such lesser period.

17.2.3 The Withdrawal Payment of a Member with 15 years or more IBM Service who was a Regular Employee on or after 1 January 1989 shall be an amount equal to the sum of

(a) the sum:

- (i) in respect of Mandated Employer Contributions, determined by the Company with the consent of the Trustee, where the Trustee has considered the advice of the Actuary. Where the Trustee does not so consent, the determination shall be made by the Trustee; and
- (ii) in respect of Non-Mandated Employer Contributions, determined by the Company, where the Company has considered the advice of the Actuary;

which shall be equal to the lump sum equivalent of the Member's annual rate of pension at the date the Member's IBM Service ceases, the value of which pension shall be determined by reference to the amount of the Member's Accrued Pension payable from the Member's Normal Retirement Date; and

(b) the value of the Formula Amount in Rule 17.2.1 in respect of the Member.

17.2.4 The Withdrawal Payment of a Member with 10 years but less than 15 years of IBM Service who was a Regular Employee on or after 1 January 1989 shall be an amount equal to the sum of

(a) the sum:

- (i) in respect of Mandated Employer Contributions, determined by the Company with the consent of the Trustee, where the Trustee has considered the advice of the Actuary. Where the Trustee does not so consent, the determination shall be made by the Trustee; and
- (ii) in respect of Non-Mandated Employer Contributions, determined by the Company, where the Company has considered the advice of the Actuary;

which shall be equal to the lump sum equivalent of the Member's annual rate of pension at the date the Member's IBM Service ceases, the value of which pension shall be determined by reference to the amount of the Member's Accrued Pension payable from the Member's Normal Retirement Date multiplied by the Member's Vesting Percentage and

(b) the value of the Formula Amount in Rule 17.2.1 in respect of the Member.

17.3 Vesting Percentage

17.3.1 The Vesting Percentage in respect of a Member shall be equal to fifty per centum (50%) for 10 years of IBM Service and shall increase by a proportionate amount on the basis of ten per centum (10%) for each further year of IBM Service up to a maximum of 100 per cent.

17.3.2 Notwithstanding Rule 17.3.1, the Vesting Percentage of a Member who has completed at least 10 years of IBM Service and who has reached the Retirement Eligibility Date shall be 100 per cent.

17.4 Payment of Withdrawal Payment

17.4.1 A Member's Withdrawal Payment shall be paid to:

- (a) another Complying Superannuation Fund which the Member is joining where the fund is prepared to accept the Member's Withdrawal Payment and is required under the provisions of its trust deed to preserve those benefits on behalf of the Member until he or she retires from the workforce after having attained age 55 or such other preservation age that applies to the Member under the Statutory Requirements whichever is the later and complies with such other preservation requirements as apply from time to time under the Statutory Requirements;
- (b) an approved deposit fund of the Member's choice which is required to continue to preserve the Withdrawal Payment until the Member retires from the workforce after having attained age 55 or such other preservation age that applies to the Member under the Statutory Requirements whichever is the later and complies with such other preservation requirements as apply from time to time under the Statutory Requirements;
- (c) a deferred annuity paying benefits to the Member no earlier than age 55 or such other preservation age that applies to the Member under the Statutory Requirements and which cannot be surrendered before that age and complies with such other preservation requirements as apply from time to time under the Statutory Requirements; or
- (d) at the Trustee's discretion, where it believes special circumstances warrant such a payment, to the Member in a lump sum amount provided that any such payment of the Withdrawal Payment complies with the Statutory Requirements.

17.4.2 (a) In the event that the Trustee is unable to make a Withdrawal Payment in respect of a Member in accordance with Rule 17.4.1, the amount of that Withdrawal Payment may increase to an amount determined by the Trustee at any time.

- (b) The amount by the Trustee under Rule 17.4.2(a) shall not be less than the minimum amount required to be paid under the Statutory Requirements.

17.4.3 Notwithstanding the provisions of Rules 17.4.1 and 17.4.2 a Member, who was a Member of the Sub-Division before the Specified Date, may elect to receive that part of his Withdrawal Payment that relates to IBM Service completed prior to the Specified Date as a pension. Such pension shall be in lieu of the lump sum payable in respect of IBM service completed prior to the Specified Date and will be determined in accordance with the rules that applied prior to the Specified Date.

17.5 Where a Member's Withdrawal Payment is paid in accordance with Rule 17.4 or 17.5 the payment shall represent a complete discharge to the Trustee of any obligation arising under the Sub-Division other than the 30 day Group Life Insurance/Survivor Benefit cover from date of termination.

18 **Death Benefit**

18.1 **[deleted].**

18.2 **Death in Service** With effect from 1 July 2003, on the death in service or up to 30 days following termination or retirement of a Regular Employee, or on the death or up to 30 days following retirement of a Permanently Disabled Employee, subject to Rule

20, the following will be payable from Part II:

- (a) the greater of:
 - (i) a Group Life Insurance Benefit plus, if applicable, a Survivor Benefit, and
 - (ii) a New Insurance Benefit under Rule 18.6; plus
- (b) a Voluntary Insured Benefit (if any) under Rule 8.18.1.

The Group Life Insurance Benefit, New Insurance Benefit and Voluntary Insured Benefit (if any) will be paid to the Nominated Dependant of the Deceased. If applicable, the Survivor Benefit will also be paid to or applied for the benefit of the eligible survivors as designated in Rule 18.8 of this Rule.

The term Deceased used in this Rule means a Regular Employee or a Permanently Disabled Employee in respect of whom benefits are payable as defined in this Rule.

18.3 **Death during Leave of Absence or Other Approved Absences**

- (a) The eligibility to a New Insurance Benefit or Group Life Insurance Benefit and/or a Survivor Benefit of a person who is on approved Leave of Absence or other approved absences under the Employer's personnel practices then in effect will be established by:
 - (i) the terms of the Insurance Policy; or
 - (ii) in the absence of an Insurance Policy, the conditions of those personnel practices and the terms under which leave was granted.
- (b) Except in the circumstances set out in paragraph (c) of this Rule, all decisions as to whether an individual is eligible to these benefits will be at the discretion of the Company where the Company has first obtained the consent of the Trustee. Where the Trustee does not so consent, then the discretion shall be exercised by the Trustee.
- (c) With respect to that part of the benefit payment which relates to Non-Mandated Employer Contributions, the decision as to eligibility to those benefits will be at the discretion of the Company.

18.4 **Group Life Insurance Benefit** The Group Life Insurance Benefit in respect of the Deceased if eligible shall be an amount equal to 36 times the Deceased's Regular Monthly Compensation.

18.5 **Survivor Benefit** The Survivor Benefit payable in respect of the Deceased if eligible shall be an amount equal to 24 times the Deceased's Regular Monthly Compensation and is in addition to the Group Life Insurance Benefit in respect of the Deceased.

18.6 **New Insurance Benefit** Subject to the Fund Rules, the New Insurance Benefit in respect of the Deceased if eligible, shall be amount equal to the sum of:

- (a) 15% times 12 times Regular Monthly Compensation times Future Service, and
- (b) the Withdrawal Payment calculated under Rule 17, or commuted value of a Pension (if eligible) payable under Rule 14, determined as if the Deceased had ceased service on the date of death, net of any deduction, adjustment or reduction

under Rule 6. In calculating the Withdrawal Payment under Rule 17, the Vesting Percentage of the Deceased shall be 100 per cent.

- 18.7 The amount of the benefit under the New Insurance Benefit or Group Life Insurance Benefit or Survivor Benefit, as applicable, and Survivor Benefit is to be reduced by the amount of any payment made outside this Sub-Division by any company in the Group under the terms of any similar benefit arrangement (other than a Group Salary Continuance Plan).
- 18.8 The Survivor Benefit is payable to any one or more persons in the categories specified in this Rule (each called a Survivor). A Regular Employee may at any time or from time to time Nominate to the Employer the persons falling within the categories below whom he requires to receive the benefit and the proportion payable to each person nominated and subject to Rule 18.11 below, the Trustee will act on such Nomination. The Survivors who are eligible to receive the benefit are:
- 18.8.1 The surviving Spouse, unless he or she dies before one day expires from the death of the Member.
- 18.8.2 Any Child or the Deceased who, at the date of the Deceased's death was principally dependent on the Deceased for maintenance and support, unless the Child dies before one day expires from the death of the Deceased.
- 18.8.3 A parent or parents of the Deceased who was or were principally dependent on the Deceased for maintenance and support unless that parent or parents die before one day expires from the death of the Deceased.
- 18.9 If there are no eligible survivors at the time of the Deceased's death, no Survivors' Benefit will be paid.
- 18.10 Determination of "principally dependent" shall be made by the Company.
- 18.11 **Failure of Nomination** Where there is no Nomination by a Member in relation to his New Insurance Benefit or Group Life Insurance Benefit, such benefit will be paid to the Legal Personal Representative of the deceased.

Where the Nomination by the Member in relation to his New Insurance Benefit or Group Life Insurance Benefit is wholly or partially invalid, the amount applicable to such invalid nomination will be paid to the Legal Personal Representative of the deceased.

In the circumstances where the Member has made no Nomination in relation to his Survivor Benefit or where the Company with the consent of the Trustee determines that such Nomination is invalid, then:

- (a) In relation to benefits relating to Non-Mandated Employer Contributions the Company will determine who are eligible survivors and how the entitlement will be distributed; and
- (b) In relation to benefits relating to Mandated Employer Contributions the Company with the consent of the Trustee will determine who are the eligible survivors and how the entitlement will be distributed. Where the Trustee does not so consent, the determination shall be made by the Trustee.

A Nomination will be invalid, without limiting the generality thereof, where:

- (c) The person the subject of such Nomination:
 - (i) in relation to a Survivor Benefit, ceases to fall within a category specified in Rule 18.8, or
 - (ii) in relation to a Group Life Insurance Benefit, ceases to fall within the meaning of a Nominated Dependant as defined, or
- (d) The Nomination is cancelled in writing by the Regular Employee, or
- (e) The Regular Employee acquires, or ceases to have, a Spouse after the date of such Nomination.

19 Total and Permanent Disablement Benefit

19.1 Total and Permanent Disablement In Service With effect on and from 1 July 2003, on the Total and Permanent Disablement in service or up to 30 days following termination or retirement of a Regular Employee, on after 1 July 2003, subject to Rule 20, the following will be payable:

- (a) a New Insurance Benefit; plus
- (b) a Voluntary Insured Benefit (if any) under Rule 8.18.1.

19.2 For the purposes of this Part 'Total and Permanent Disablement' in relation to a Member shall have the same meaning as that phrase has for the purposes of any Insurance Policy effected by the Trustee relating to that Member in respect of the death or Total and Permanent Disablement or that Member or a group of Members entitled to a benefit under Part II of this Part 2

PROVIDED THAT

- (i) If there is no such Insurance Policy relating to a Member, or
- (ii) If no meaning is attributed to that phrase in any such Insurance Policy.

'Total and Permanent Disablement' in relation to that Member shall mean incapacity to the extent:

- (a) of the loss of two limbs (where limbs include the whole of one hand or the whole of one foot) or the sight of both eyes or the loss of one limb and the sight of one eye; or
- (b) (after a period of six consecutive months' continuous absence from service on account of illness or injury which is proved to the satisfaction of the Trustee) that in the opinion of the Trustee (after considering such medical or other evidence or advice as it may require from time to time) the Member is unable and unlikely ever again to be able to undertake any form of remunerative work for which the Member is reasonably fitted by education or training or experience,

and 'Totally and Permanently Disabled' shall have a corresponding meaning.

19.3 Total and Permanent Disablement in Service during Leave of Absence or Other Approved Absences

- (a) The eligibility to a New Insurance Benefit of a person who is on approved Leave of Absence or other approved absences under the Employer's personnel practices then in effect will be established by:
 - (i) the terms of the Insurance Policy; or
 - (ii) in the absence of an Insurance Policy, the conditions of those personnel practices and the terms under which leave was granted.
- (b) Except in the circumstances set out in paragraph (c) of this Rule, all decisions as to whether an individual is eligible to these benefits will be at the discretion of the Company where the Company has first obtained the consent of the Trustee. Where the Trustee does not so consent, then the discretion shall be exercised by the Trustee.
- (c) With respect to that part of the benefit payment which relates to Non-Mandated Employer Contributions, the decision as to eligibility to those benefits will be at the discretion of the Company.

19.4 New Insurance Benefit

Subject to the Fund Rules, the New Insurance Benefit payable in respect of a Totally and Permanently Disabled Member shall be an amount equal to the sum of:

- (a) 15% times 12 times Regular Monthly Compensation times Future Service, and
- (b) the Withdrawal Payment calculated under Rule 17, or commuted value of a Pension (if eligible) calculated under Rule 17, determined as if the member had ceased service on the date of Total and Permanent Disablement. In calculating the Withdrawal Payment under Rule 17, the Vesting Percentage of the Totally and Permanently Disabled Member shall be 100 per cent.

- 19.5 The amount of the benefit under the New Insurance Benefit is to be reduced by the amount of any payment made outside this Sub-Division by any company in the Group under the terms of any similar benefit arrangement (other than a Group Salary Continuance Plan).

20 **Part II Transmission Members**

20.1 Designation of Members

- (a) From time to time the Company may, by written notice to the Trustee, designate a Member or Members of Part II of the Sub-Division (referred to in this Part 2 as a **Part II Transmission Member**) to whom Rule 19 of this Part 2 applies.
- (b) Subject to paragraph (c) of this Rule, Rule 19 of this Part 2 shall apply to a Part II Transmission Member upon the termination of employment with the Employer of the Part II Transmission Member.
- (c) The Company may at any time, prior to the payment of a benefit to a Part II Transmission Member, by written notice to the Trustee, withdraw the name of any Part II Transmission Member, in which case the Member will no longer be considered a Part II Transmission Member for the purposes of this Part 2.

- (d) The Company Secretary, or such other delegate as directed by the Company from time to time, shall act on behalf of the Company for the purposes of this Rule.

20.2 Record Keeping

The Trustee shall keep a record of Part II Transmission Members.

20.3 Benefit Entitlement

The Part II Sub-Division benefit entitlements of a Part II Transmission Member shall be determined by reference to the relevant provision in Rules 1 to 19.

20.4 Part II Transmission Date

For the purposes of this Part 2 the date of termination of employment of a Part II Transmission Member referred to in Rule 19.1(b) shall be known as the Part II Transmission Date for that Member.

20.5 Benefit Entitlements

The Part II Sub-Division benefit entitlements of a Part II Transmission Member shall be varied in accordance with the relevant provisions of Rule 20.6 as at the Part II Transmission Date.

20.6 Part II Transmission Members

In respect of each Part II Transmission Member who was, on the Part II Transmission Date, a Member of Part II of this Part 2 and who had not attained their Retirement Eligibility Date on the Part II Transmission Date:

- (a) a calculation shall be made by the Trustee, having considered the advice of the Actuary, for each such Part II Transmission Member as if the Member had made the ASO Transfer Election and transferred membership from Part II of the Former Fund on 1 November 1996, and
 - (i) in the case of a Regular Member, as if he/she had been a Member (as defined in Rule 69.1 of the IBM Section Document) of Part V of the Former Fund and Part V of the AS Plan from 1 November 1996 to the Part II Transmission Date;
 - (ii) [deleted];
 - (iii) in the case of an IBM Heritage Employee other than those referred to in (ii) above, as if he/she had been a member of Schedule 6 of the IBMGSA Fund from 1 November 1996 to the Part II Transmission Date;
- (b) the calculation referred to:
 - (i) in paragraph (a)(i) of this Rule shall then be enhanced in accordance with the provisions of Rule F.6 of the IBM Section Document as at the Part II Transmission Date; and
 - (ii) in paragraph (a)(iii) of this Rule shall then be enhanced in a manner as if the provisions of Rule **Error! Reference source not found.** of the IBM Section Document (amended as necessary) applied to the member's benefit in the IBMGSA Fund as at the Part II Transmission Date;

- (c) where the amount calculated pursuant to paragraphs (a) and (b) of this Rule is greater (referred to in this Rule as the **Greater Benefit**) than the benefit to which that Member would have been entitled if the Member had ceased employment with the Employer on the Part II Transmission Date under the terms of Part II of the Rules, that Member shall be entitled to the Greater Benefit in substitution for the Part II benefit; otherwise the Member shall be entitled to the Part II benefit **PROVIDED THAT** where the Greater Benefit is paid or payable pursuant to this Rule, any Death Benefit payable to the Member pursuant to Rule 18.2 and any Total and Permanent Disablement Benefit payable to the Member pursuant to Rule 19.1 shall be reduced by the amount of the benefit paid or payable under this Rule.

PART IIA – WESTPAC HERITAGE EMPLOYEES

21 Definitions

In this Part IIA:

1981 Rules means the Rules set forth in Schedule C to the Westpac Trust Deed.

Accrued Retirement Benefit means, in relation to a Member, an amount calculated in accordance with the following formula:

$$(\text{Pre-FAS} \times \text{ARBMpre}) + \text{FAS} \times (\text{ARBM} - \text{ARBMpre}).$$

Accrued Retirement Benefit Multiple or **ARBM** means, in relation to a Member:

- (a) in respect of Membership Service immediately prior to the IBMGSA Transfer Date, the multiple (if any) advised in writing by the AS Trustee to the Trustee on or before the Commencement Date as being the "ARBM" in relation to that Member;
- (b) in respect of Membership Service on and from the IBMGSA Transfer Date, for each Nominated Contribution Rate during membership, the percentage specified in the following table for each year or part of a year in the period of Membership Service that the Nominated Contribution Rate applied pro-rated daily:

Nominated Contribution Rate (% of Salary)	Percentage
0	8
1	10
2	12
3	14
4	16
5	18
6	20
7	22
8	24

and

- (c) in respect of Purchased Service on and from the IBMGSA Transfer Date, 18% per year or part of a year of Purchased Service pro-rated daily.

Accrued Retirement Benefit Multiple before 31 December 1999 or **ARBMpre** means in relation to a Member, the multiple (if any) advised in writing by the AS Trustee to the Trustee as being the "ARBMpre" in relation to that Member.

Additional Credited Service means, in relation to a Member, the period of Service (in years and completed days) on and from the IBMGSA Transfer Date credited to the Member in respect of additional contributions to Part IIA of the Former Fund under Rule 19A.3(i) of the trust deed of the Former Fund, Part IIA of the AS Plan and to this

Part IIA under Rule 23(i).

Additional Credited Service Benefit Multiple or **ACSM** means, in relation to a Member, 18% for the period of Service (in years and completed days) on and from the IBMGSA Transfer Date credited to the Member in respect of additional contributions to Part IIA of the Former Fund under Rule 19A.3(i) of the trust deed of the Former Fund, to Part IIA of the AS Plan under Rule 23(i) of the AS Plan Rules and to this Part IIA under Rule 23(i).

Aggregate Accrued Retirement Benefit means, in relation to a Member, the lesser of:

- (a) the Member's Accrued Retirement Benefit; and
- (b) the Member's Maximum Permissible Accrued Retirement Benefit,

together with an amount calculated in accordance with the following formula:

$$(FAS \times ACSM).$$

Aggregate Accrued Retirement Benefit Multiple means, in relation to a Member, the lesser of:

- (a) the Member's Accrued Retirement Benefit Multiple; and
- (b) the Member's Maximum Permissible Accrued Retirement Benefit Multiple,

together with 18% multiplied by the Member's Additional Credited Service.

Children's Allowance means an allowance paid to a Dependent Child under this Part IIA.

Dependent Child means, in relation to a Children's Allowance, any Child of the Member who has not reached the 18th anniversary of the Child's birth and can include a Child who has not reached the 23rd anniversary of the Child's birth if the Trustee determines that the Child is engaged in full-time education of a type approved by the Trustee.

FAS or Final Average Salary means:

- (a) in respect of a Member, other than a Member who ceases Service as a result of death or Total and Permanent Disablement prior to the 60th anniversary of that Member's birth, the average of the Member's Superannuation Salary during the 3 years of Service and Westpac Service ending on the date on which the Member's Service ends; and
- (b) in respect of a Member who ceases Service as a result of death or Total and Permanent Disablement prior to the 60th anniversary of that Member's birth, the average of the Member's Superannuation Salary during the 3 years ending on the 60th anniversary of that Member's birth as if the Member had continued in Service until that date on the same Superannuation Salary as applied at the date Service ceases.

Full-Time Employment in relation to a person, means (unless otherwise specified in this Part IIA) that the person is gainfully employed by an Employer for 38 hours or more weekly or such other period, being a period not less than the period prescribed by

the Statutory Requirements as being necessary for a person to be treated as in Full-Time Employment for the purposes of the Statutory Requirements.

IBMGSA Defined Benefit Section means the Westpac Heritage Employees' Defined Benefit Plan as set out in Schedule 13 to the IBMGSA Deed.

Interim Net Earnings Rate means the rate of investment returns in respect of a benefit (which may be positive or negative) determined by the Trustee from time to time in respect of a period for which no Net Earnings Rate has been determined, taking into account past and anticipated future earning rates in respect of the assets attributable to this Part IIA and which may be applied by the Trustee for the purposes of calculating the benefit payable in that period and which when so applied for the purposes of determining the benefit payable will not be adjusted if a different Net Earnings Rate is determined in respect of that period or any part of that period after payment of the benefit.

Maximum Permissible Accrued Retirement Benefit means, the sum of:

- (a) the Member's ARBMpre multiplied by Pre-FAS; and
- (b) the Member's Maximum Permissible Accrued Retirement Benefit Multiple minus ARBMpre, multiplied by FAS.

Maximum Permissible Accrued Retirement Benefit Multiple means, the lesser of 720% and 18% multiplied by the total of the Member's Prior Membership Service, Membership Service and Purchased Service.

Member means a person who is admitted as a member of this Part IIA for so long as he or she is eligible for a benefit from this Part IIA.

Membership Service means:

- (a) in respect of a Member who was a member of the Westpac Defined Benefit Section immediately before joining the IBMGSA Fund:
 - (i) the aggregate of the following:
 - (A) the period (if any) advised in writing by the AS Trustee to the Trustee as being the "Membership Service" in relation to the Member immediately prior to the IBMGSA Transfer Date;
 - (B) the period on and from the IBMGSA Transfer Date to the earlier of the date the Member leaves Service or dies and the date upon which the 70th anniversary of the birth of the Member occurs but does not include any period of Unpaid Leave with an Employer (with the exception of Parental Leave) where such a period of leave:
 - (I) is for a duration of 2 consecutive months or more; or
 - (II) is for a duration of less than 2 consecutive months and the Trustee has permitted the Member to cease making Nominated Contributions during such period of leave,but in the case of a Member who is or was in Part-Time Employment for any of that aggregate period each period of hours worked equal to Standard Hours constitutes 7 days' Membership

Service;

(C) less any period which the Rules of this Part IIA specify does not constitute Membership Service; or

(ii) in any particular case, such longer period as the Trustee determines; and

(b) in respect of any other Member, such periods as the Trustee determines.

Net Earnings means the investment returns in respect of a period at the relevant Net Earnings Rate or Interim Net Earnings Rate as the case may be.

Net Earnings Rate means, in relation to a year of income, a rate of Net Earnings credited (or debited) annually, determined by the Trustee on the advice of the Actuary, being the amount earned by way of income, profits or gains, whether realised or not, net of losses, whether realised or not, expenses, tax and provisions for tax, by reference to the assets or units of this Part IIA expressed as a rate (which may be positive or negative) and which may be adjusted to take into account the effect of actual or possible periodic fluctuations in such income, profits, gains, losses, expenses or tax.

Nominated Contribution in relation to a Member means the amount equal to the Nominated Contribution Rate multiplied by the Member's Salary.

Nominated Contribution Rate means a percentage rate being a whole number from 0 to 8 as determined under Rule 23(b) or such other number as may be approved by the Company.

Parental Leave means, in respect of a Member, unpaid leave provided either by the Employer of the Member or by the previous Westpac Employer of the Member when the Member was a Member of the Westpac Plan for maternity, paternity or adoption purposes.

Part-Time Employment, in relation to a person, means that the person is permanently gainfully employed by an Employer in part-time employment by the Employer but does not include a person designated by an Employer as being a temporary or casual employee.

Part-Time Factor means, in respect of a Member, the lesser of:

(a) 200%; and

(b) 200% multiplied by $\frac{A}{B}$

where:

A is the average hours per week the Member worked in the last 3 years of the Member's Service; and

B is the average Standard Hours under this Part IIA in the last 3 years.

Pre-FAS means:

(c) in respect of a Member, other than a Member who ceases Service as a result of death or Total and Permanent Disablement prior to the 60th anniversary of that

Member's birth, the average of the Member's Pre-Superannuation Salary during the 3 years ending on the date on which the Member's Service ends; and

- (d) in respect of a Member who ceases Service as a result of death or Total and Permanent Disablement prior to the 60th anniversary of that Member's birth, the average of the Member's Pre-Superannuation Salary during the 3 years ending on the date of the 60th anniversary of that Member's birth as if the Member had continued in Service until that date on the same Pre-Superannuation Salary as applied at the date Service ceases.

Pre-Superannuation Salary in respect of a Member, means what would have been the Member's Superannuation Salary under the method used immediately before 31 December 1999 to determine the Member's Superannuation Salary (as that term is defined in the Rules of the Westpac Defined Benefit Section).

Prior Membership Service means, in respect of a Member who was a member of the Westpac Plan under the 1981 Rules, the period (if any) advised in writing by the AS Trustee to the Trustee as being the "Prior Membership Service" in relation to the Member.

Projected Accrued Retirement Benefit means, in respect of Projected Membership Service, 18% of FAS per year or part of a year of Projected Membership Service pro-rated daily.

Projected Membership Service means:

- (a) in the case of a Member in Full-Time Employment, the period from the date the Member ceases Service to the 60th anniversary of the Member's birth calculated in years and completed days up to a maximum of 40 years; or
- (b) in the case of a Member who is in Part-Time Employment, the period from the date the Member ceases to be in Service to the 60th anniversary of the Member's birth calculated in years and completed days up to a maximum of 40 years reduced in the same proportion as the average hours per week the Member worked in the last 3 years of the Member's Service bears to the Standard Hours; or
- (c) such longer period as the Trustee determines.

Purchased Service means, in respect of a Member, the period of Service on and from the IBMGSA Transfer Date expressed in years and completed days allocated to the Member under Rule 39(b).

Qualifying Service means:

- (a) the period (if any) advised in writing by the AS Trustee to the Trustee as being the "Qualifying Service" in relation to the Member immediately prior to the IBMGSA Transfer Date; and
- (b) the actual Service on and from the IBMGSA Transfer Date expressed in years and completed days with an Employer while a Member of Part IIA of the Former Fund, Part IIA of the AS Plan and of this Part IIA,

but not including any period of Unpaid Leave with an Employer (with the exception of Parental Leave) where such period of leave:

- (a) is for a duration of 2 consecutive months or more; or
- (b) is for a duration of less than 2 consecutive months and the Trustee has permitted the Member to cease making Nominated Contributions during such a period of leave,

or, in any particular case, means such longer period as the Trustee determines.

Salary in relation to a Member means:

- (a) in relation to Full-Time Employment - the Member's Superannuation Salary; and
- (b) in relation to Part-Time Employment - the amount advised by the Company.

Service means the continuous employment of a Member with an Employer or Employers (whether concurrent or successive, provided that concurrent periods of service shall only be counted as one period of service for the purposes of this definition) and, for the purpose of determining the length of an Member's Service, service means the most recent uninterrupted period during which the Member has been employed by the Employer and includes any further period deemed or approved by the Company with Trustee consent to be service for the purposes of all or a particular provision of this Part IIA, but does not include, unless otherwise approved by the Company with Trustee consent:

- (a) employment with an Employer before the date as at which it becomes an Employer;
- (b) any period during which the Member is absent from active employment with the Employer without pay or without the approval of the Employer; and
- (c) any period after the Member has become entitled to receive a benefit from the Fund under Part IIA of the Former Fund, Part IIA of the AS Plan or this Part IIA.

Service shall not be deemed to be terminated where a Member transfers employment from one Employer to another Employer.

SGC means the superannuation guarantee charge imposed by the Superannuation Guarantee legislation.

SGC Amount means, in respect of a Member:

- (a) the amount (if any) advised in writing by the AS Trustee to the Trustee as being the "SGC Amount" in relation to the Member immediately prior to the IBMGSA Transfer Date, together with Net Earnings on those contributions; and
- (b) in respect of the Member's Service on and from the IBMGSA Transfer Date, the benefit accruing from the accumulation of contributions credited to the Member as determined by the Trustee on the advice of the Actuary and approved by the Company, together with Net Earnings on those contributions, such that after taking into account other benefits payable under Part IIA of the Former Fund, Part IIA of the AS Plan and under this Part IIA and any other contributions made by the Employer in respect of the Member, the Employer of a Member is not and will not become liable to pay the SGC in relation to that Member and for this purpose on and from the IBMGSA Transfer Date, the SGC percentage shall be taken to be

9% (or such other rate approved by the Company, being a rate not less than the charge percentage specified in the Superannuation Guarantee legislation).

Spouse's Pension means a pension payable to the Spouse of a Member under this Part IIA.

Standard Hours means in relation to a Member who is in Part-Time Employment the standard number of hours advised by the Company to the Trustee that that Member would work in that position during a week if the Member was in Full-Time Employment (which must not exceed 38 hours for a week).

Superannuation Salary means:

- (a) in the case of a Member in Full-Time Employment, the normal annual rate of salary or wages including permanent salary allowances but excluding bonuses, gratuities, overtime, away from home allowances, shift allowances, holiday pay loading and similar temporary allowances;
- (b) in the case of a Member in Part-Time Employment, the aggregate annual salary determined by the Company as being the annual salary of such a Member if in Full-Time Employment: or
- (c) instead of paragraphs (a) or (b), such amount as may be determined by the Company and advised to the Trustee from time to time.

SuperSave Account means the benefit account maintained by the Trustee in respect of a Member to which is credited:

- (a) the amount (if any) advised in writing by the AS Trustee to the Trustee as being the balance of the Member's "SuperSave Account" in the AS Plan immediately prior to the Commencement Date.
- (b) any other amounts in accordance with Rule 24.

SuperSave Contribution means a contribution made in respect of a Member under Rule 24.

Total and Permanent Disablement means:

- (a) in relation to a Member who was a member of the Westpac Plan as at 30 June 1992, in the opinion of the Trustee, that the Member is physically or mentally incapable of performing any suitable employment with the Employer of the Member; and
- (b) in relation to a Member who became a member of the Westpac Plan after 30 June 1992, permanent physical or mental incapacity which in the opinion of the Trustee is likely to result in the Member being unable to ever work again in a job for which the Member is reasonably qualified by education, training or experience and where the Trustee has received a full medical report and a certificate from at least 2 registered medical practitioners to that effect, where such incapacity has not been caused wholly or partly, directly or indirectly, by any injury which is self inflicted or in any way deliberately caused by the Member,

and **Totally and Permanently Disabled** has a corresponding meaning.

Total and Temporary Disablement in relation to a Member, means injury or sickness that in the opinion of the Trustee results in the continuous inability of a Member by reason of that injury or sickness to perform each and every duty of the Member's employment with the Member's Employer where the Trustee has received a full medical report and a certificate to that effect from at least 2 registered medical practitioners or such other evidence as the Trustee, with the approval of the Company, may determine, and that the Member is not engaged in any other occupation, where such inability has not been caused wholly or partly, directly or indirectly by way of attempted suicide whether sane or insane or any injury which is self inflicted or in any way deliberately caused by the Member, and **Totally and Temporarily Disabled** has a corresponding meaning.

Unpaid Leave means a period of leave during which the Member receives no Salary from the Member's Employer and includes leave without pay and Parental Leave.

Westpac means Westpac Banking Corporation.

Westpac Defined Benefit Section means the defined benefit section of the Westpac Plan as established by the Defined Benefit Rules in Schedule B to the Westpac Trust Deed.

Westpac Employer means:

- (a) Westpac and each associated Company (as that term is defined in the Westpac Trust Deed) of Westpac; and
- (b) any Declared Non-Subsidiary approved by the Company for the purposes of this definition.

Westpac Plan means:

- (a) the superannuation fund known as the "Westpac Staff Superannuation Plan" established by the Westpac Trust Deed; and
- (b) any other Benefit Arrangement approved by the Company for the purposes of this definition.

Westpac Service means, in relation to a Member:

- (a) if the Member was formerly a member of the Westpac Plan, the service (as that term is defined in the Westpac Trust Deed) of the Member whilst he or she was a member of the Westpac Plan with a Westpac Employer; and
- (b) if the Member has not been a member of the Westpac Plan, the service of the Member with a Declared Non-Subsidiary approved by the Company for the purposes of paragraph (b) of the definition of 'Westpac Employer'.

Westpac Trust Deed means the deed and Rules dated 18 September 1981 between Westpac and Thomas John Noel Foley, Vincent Charles Fairfax, Eric Charles Tait and Ian Campbell Matheson as amended and operative as at the date immediately preceding the 3 December 2000.

Westpac Trustee means, in relation to a Member:

- (a) if the Member was formerly a member of the Westpac Plan, the trustee from time to time of the Westpac Plan; and
- (b) if the Member has not been a member of the Westpac Plan, such person approved by the Company and the Trustee for the purposes of this definition.

WIS Plan means the Westpac Insurance Services (Brokers) Limited Superannuation Plan.

22 Eligibility for Membership

A member of the Part IIA of the AS Plan immediately prior to the Commencement Date, will be a member of this Part IIA from the Commencement Date.

23 Member Nominated Contributions

(a) Member Nominated Contribution

Unless an Employer has agreed to make the Nominated Contribution on behalf of a Member, the Member shall contribute to this Part IIA that Member's Nominated Contribution and for this purpose the Member authorises the Member's Employer to deduct the Nominated Contribution by instalments from time to time from the Member's remuneration payable in money.

(b) Nominated Contribution Rate

Subject to this Rule, the Nominated Contribution Rate in respect of a Member shall be the percentage rate (if any) advised in writing by the AS Trustee to the Trustee as being the "Nominated Contribution Rate" in relation to the Member, as may be varied by the Member as permitted by this Rule 23(b). If the AS Trustee has not advised the Trustee of a Nominated Contribution Rate and the Member has not otherwise nominated such a rate, the Nominated Contribution Rate shall be the rate approved by the Company in relation to that Member.

(c) Variation

A Member may vary the Member's Nominated Contribution Rate at any time. Once selected or varied that Nominated Contribution Rate shall operate until varied under this Rule 23(c).

(d) Cessation of contributions during Unpaid Leave

A Member shall cease to make Nominated Contributions during a period of Unpaid Leave (other than Parental Leave), where such leave is for a period of at least 2 consecutive months and may with the approval of the Trustee cease to make Nominated Contributions during a period of Unpaid Leave (other than Parental Leave) of less than 2 consecutive months.

(e) Contributions during Parental leave

A Member may elect to make Nominated Contributions during a period of Parental leave.

(f) Deemed contributions- Total and Temporary Disablement

Where a Member is determined by the Trustee to be entitled to a Total and Temporary Disablement benefit:

- (i) the Member's Membership Service shall include the period of the Member's Total and Temporary Disablement calculated on the basis of whether the Member was in Part-Time Employment or Full-Time Employment immediately prior to commencement of the Member's Total and Temporary Disablement;
- (ii) the Member may not make any Nominated Contributions to this Part IIA for the duration of that Member's Total and Temporary Disablement;
- (iii) for the purpose of determining the Member's Accrued Retirement Benefit and withdrawal benefit, the Member shall subject to Rule 23(g), be deemed to be making Nominated Contributions equal to 5% of the Member's Salary during the period of the Member's Total and Temporary Disablement, unless the Accrued Retirement Benefit Multiple of the Member becomes 720% in which case the Member shall be deemed to be making Nominated Contributions equal to 0% of Salary; and
- (iv) for the purposes of determining the Member's SGC Amount, the Member shall be deemed to be at work in receipt of a Salary as advised by the Company

(g) Maximum Nominated Contribution

On and from the date the Accrued Retirement Benefit Multiple of a Member becomes 720%, the Member's Nominated Contribution Rate shall be zero and there shall be no further accrual of retirement benefits.

(h) Credit of excess contributions

Where at the time of payment of a benefit or at an earlier time it has been determined that the Aggregate Accrued Retirement Benefit of a Member is in excess of that Member's Maximum Permissible Accrued Retirement Benefit, an amount referable to the amount of the Member's Nominated Contributions which gave rise to that excess amount and which has not previously been credited to the Member's SuperSave Account shall be credited to the Member's SuperSave Account together with Net Earnings as determined by the Trustee on the advice of the Actuary.

(i) Additional contributions

A Member (or an Employer in respect of a Member) may, with the approval of the Company, make contributions to this Part IIA in addition to Nominated Contributions (not being SuperSave Account contributions) and the Trustee shall, upon the advice of the Actuary and with the approval of the Company determine the period of Additional Credited Service to take account of such additional contributions.

24 SuperSave Contributions

(a) SuperSave Account

The Trustee shall establish a SuperSave Account in respect of each Member:

- (i) who had a "SuperSave Account" in the AS Plan; or
- (ii) in respect of whom SuperSave Contributions or a transfer of excess Nominated Contributions under Rule 23(h) is made or in respect of whom moneys or assets are received under Rule 8.10 or Rule 39.

The SuperSave Account shall have 2 sub-accounts being:

- (iii) the preserved section to which contributions or other moneys or assets subject to preservation requirements shall be credited; and
- (iv) the non-preserved section to which all other contributions or other moneys or assets shall be credited.

(b) Member regular SuperSave Contributions

A Member may elect by notice to the Trustee to make regular SuperSave Contributions to the SuperSave Account out of Salary and for this purpose authorises the Member's Employer to deduct from the Member's remuneration the amount of the contribution and pay that amount to this Part IIA.

(c) Variation of regular SuperSave Contributions

The Trustee may establish regulations as to the time and manner in which regular SuperSave Contributions may be varied, and a Member may from time to time in accordance with such regulations vary the amount of the Member's regular contribution to the SuperSave Account.

(d) Single SuperSave Contributions

A Member may from time to time make single SuperSave Contributions to the SuperSave Account and those contributions shall not be less than the minimum single SuperSave contribution specified by the Trustee from time to time.

(e) Employer SuperSave Contributions

The Employer shall contribute in respect of a Member an amount equal to 9% (or such other rate approved by the Company) of such incentive payments, hourly loadings instead of shift allowances, shift and proof allowances paid or payable to the Member as the Company determines. An Employer may from time to time in accordance with the rules determined by the Company make further contributions to the preserved section of the SuperSave Account of a Member.

(f) Transfers in

The Trustee may agree to all or part of an amount transferred to this Part IIA under Rule 8.10 in respect of a Member being credited to that Member's SuperSave Account.

(g) Unpaid Leave

A Member may continue to make contributions to the SuperSave Account during any period of Unpaid Leave which does not exceed 2 years or for such other period as may be permitted by the Statutory Requirements.

(h) **Net Earnings**

The Trustee shall credit to each Member's SuperSave Account at the end of each calendar year Net Earnings at the Net Earnings Rate calculated on the daily balance of the SuperSave Account, and upon the Member becoming entitled to a benefit which includes the payment of an amount in the Member's SuperSave Account, the Trustee shall increase that payment by an amount of Net Earnings at the Interim Net Earnings Rate in respect of any period which has not been credited with Net Earnings at the Net Earnings Rate.

(i) **Purchase of pension**

All or part of the balance of a Member's SuperSave Account may, subject to preservation requirements, be applied to purchase a pension in accordance with Rule 33.

25 Employer Contributions

(a) **Employer contributions**

Subject to Rule 25(b), the Company shall each year consider the recommendation of the Trustee referred to in Rule 8.17 and determine the additional contributions which the Employers shall be required to pay to this Part IIA and shall immediately give written notice to the Trustee and to the Employers of the proportion of the amount so calculated as is applicable to their respective Members and the Employers shall pay to the Trustee the amounts stated in that notice at such times and in such manner as the Trustee and the Company may agree.

(b) **Variation of employer contributions**

With the approval of the Company, an Employer may make contributions to this Part IIA greater or less than the contributions specified in Rule 25(a) on behalf of a Member or pensioner and the Trustee shall, in the case of that Member or pensioner, make such variations to the benefits payable to that Member or pensioner under this Part IIA as it, upon the advice of the Actuary and with like approval, considers necessary to take account of the additional or reduced contributions.

(c) **Tax and Surcharge**

The Trustee may, pursuant to Rules 6.3 and the Statutory Requirements, on the advice of the Actuary, deduct from the SuperSave Account, Taxation and Surcharge attributable to any contributions made to that SuperSave Account.

26 Members' Contributions Generally

(a) **Cessation of member contributions**

A Member's contributions shall cease on the earlier of:

- (i) the 70th anniversary of the Member's birth; or

- (ii) unless otherwise provided in this Part IIA, the date upon which the Member ceases to be in Full-Time Employment or Part-Time Employment.

(b) Notices and methods of payment

The Trustee with the approval of the Company may specify requirements in relation to the dates by which a Member is required to make any election or give any notice in respect of the Member's contributions, the form of that notice or election and the method by and the times on which the contributions are to be made and in respect of such other matters as the Trustee considers necessary or desirable.

27 Retirement Benefits

(a) Retirement benefit

A Member who has at least 5 years' Qualifying Service and who has reached the 55th anniversary of that Member's birth shall, upon ceasing to be in Service other than in the case where Rule 29 or Rule 30 applies, be entitled to a benefit plus the balance of the Member's SuperSave Account.

(b) Retirement benefit options

A Member entitled to a retirement benefit under Rule 27(a) shall have 2 options:

- (i) the retirement lump sum option which shall be a lump sum equal to the greatest of:
 - (A) the Member's Aggregate Accrued Retirement Benefit;
 - (B) the withdrawal benefit calculated in accordance with Rule 32(b); and
 - (C) the aggregate of:
 - (I) the Member's Aggregate Accrued Retirement Benefit in respect of the Member's Prior Membership Service;
 - (II) the Member's Nominated Contributions made to the Westpac Plan, the IBMGSA Fund, the Former Fund and the AS Plan as advised in writing by the AS Trustee to the Trustee and Nominated Contributions made to this Part IIA (excluding any amounts credited to the Member's SuperSave Account in the Former Fund or AS Plan, as advised by the AS Trustee to the Trustee, and any amounts credited to the Member's SuperSave Account under Rule 23(h)) together with Net Earnings up to the date the Member ceases Service;
 - (III) any moneys or assets applied by the Member to purchase back membership in Part IIA of the Former Fund, as advised in writing by the AS Trustee to the Trustee and in this Part IIA under Rule 39(b) together with Net Earnings up to the date the Member ceases Service; and
 - (IV) the SGC Amount; or
- (ii) the retirement pension option which shall be:

- (A) a lump sum equal to 50% or such greater percentage as the Member nominates of the retirement lump sum option; and
- (B) an annual pension determined by the formula:

$$\frac{100 - N}{100} \times \frac{RLSO}{10.8} \times (1 - .03T)$$

where:

- N is 50 or such greater percentage nominated by the Member under Rule 27(b)(ii)(A);
- RLSO is the amount of the Member's retirement lump sum option; and
- T is the period in years pro-rated daily between the Member's date of retirement before the 60th anniversary of the Member's birth and the 60th anniversary of the Member's birth.

(c) Selection of option

A Member entitled to a retirement benefit who wishes to exercise one of the options shall do so by written notice to the Trustee not later than 3 months after the date of the Member's retirement, and if the Member fails to do so, the retirement lump sum option will apply.

(d) Purchase of pension

A Member may prior to the payment of a lump sum benefit apply all or part of the lump sum benefit payable under Rule 27(b)(i) or 27(b)(ii)(A) to purchase a pension in accordance with Rule 19A.13 of the trust deed of the Former Fund, Rule 33 of the AS Plan Rules or Rule 33.

(e) Post 65 Access to Retirement Benefits

A Member who has attained the age of 65 years but has not ceased to be in Service is entitled to receive one or more amounts which, in total, do not exceed the lump sum benefit that would be payable under the retirement lump sum option set out in sub-rule 27(b)(i) in respect of the Member if the member was to immediately cease to be in Service (Post 65 Access). In the event that a Member elects Post 65 Access to his or her Retirement Benefit, the Trustee shall adjust the amount of any benefit which is or may become payable from the Sub-Division in respect of the Member, as the Trustee determines on the advice on the Actuary.

28 Death after Retirement Benefits

(a) No benefit if lump sum retirement option taken

No further benefit shall be payable in respect of a former Member upon the death of the former Member after ceasing Service if the former Member on retirement selected the retirement lump sum option or the Total and Permanent Disablement lump sum option.

(b) Death after retirement benefit

Upon the death after ceasing Service of a former Member who on retirement or becoming Totally and Permanently Disabled selected the pension option or who purchased a purchased pension in accordance with Rule 19A.13 of the trust deed of the Former Fund, Rule 33(a) of the AS Plan Rules or Rule 33(a), there shall be payable a death after retirement benefit.

(c) Form of benefit

The death after retirement benefit shall comprise:

- (i) if the former Member is survived by a Spouse for 14 days or more and that Spouse was the former Member's Spouse at the date the former Member ceased Service or was the former Member's Spouse for at least 3 years before the death of the former Member, a Spouse's Pension which shall be:
 - (A) where the former Member on retirement selected the pension option, an annual pension equal to 50% of the former Member's pension at the date of death; and
 - (B) where the former Member on retirement purchased a purchased pension in accordance with Rule 33(a) of the AS Plan Rules or Rule 33(a), 50% of the purchased pension which the former Member was receiving at the date of death;
- (ii) if the former Member is survived by a Dependent Child for 14 days or more, a Children's Allowance, which shall be:
 - (A) if the Spouse has survived the former Member for 14 days or more, 25% of the Spouse's Pension for each Dependent Child to a maximum of 100% of the Spouse's Pension, or 40% of the Spouse's Pension if there is only one Dependent Child; or
 - (B) if the Spouse has not survived the former Member by 14 days, 50% of the Spouse's Pension for each Dependent Child to a maximum of 200% of the Spouse's Pension, or 80% of the Spouse's Pension if there is only one Dependent Child; or
 - (C) if the Spouse survives the former Member by 14 days and subsequently dies then from the date of the Spouse's death 50% of the Spouse's Pension for each Dependent Child to a maximum of 200% of the Spouse's Pension, or 80% of the Spouse's Pension if there is only one Dependent Child;
- (iii) if the former Member dies within 5 years of the date of the former Member's retirement the aggregate of the Spouse's Pension and Children's Allowance payable under Rule 28(c)(i) or Rule 28(c)(ii) shall be increased in proportions determined by the Trustee so that it is not less than the pension that would have been otherwise payable to the former Member from the date of the former Member's death up to the date 5 years after the date of the former Member's retirement, or if no pension is payable under Rule 28(c)(i) or 28(c)(ii) then a lump sum determined by the Trustee on the advice of the Actuary equivalent to the pension that would otherwise have been payable to the former Member up to the date 5 years after he date of the former Member's retirement shall be paid to the Legal Personal Representative or the Nominated Dependant of the former Member.

(d) Member not survived by Spouse or Dependent Child

For the purposes of this Rule 28, if the Member is not survived by a Spouse or Dependent Child, the Spouse's Pension which would otherwise have been available to the Spouse shall in the absolute discretion of the Trustee be paid to a Nominated Dependant or amongst more than one Nominated Dependents of the Member.

29 Death before Retirement Benefit

(a) Death before retirement benefit

Upon the death of a Member before retirement there shall be payable a death before retirement benefit together with the balance of the Member's SuperSave Account.

(b) Lump sum death before retirement benefit

(i) The death before retirement benefit of a Member who dies before the 60th anniversary of that Member's birth shall comprise a lump sum death before retirement benefit equal to the greatest of:

(A) the lesser of:

(I) the sum of the Member's Aggregate Accrued Retirement Benefit and the Member's Projected Accrued Retirement Benefit; and

(II) the sum of:

(1) ARBMpre multiplied by Pre-FAS;

(2) (720%- ARBMpre) x FAS; and

(3) an amount calculated in accordance with the following formula:

(FAS x ACSM);

(B) the aggregate of:

(I) the Member's Aggregate Accrued Retirement Benefit in respect of the Member's Prior Membership Service;

(II) the Member's Nominated Contributions made to the Westpac Plan, the IBMGSA Fund, the Former Fund and the AS Plan as advised in writing by the AS Trustee to the Trustee and Nominated Contributions made to this Part IIA (excluding any amounts credited to the Member's SuperSave Account in the Former Fund or AS Plan, as advised by the AS Trustee to the Trustee, and any amounts credited to the Member's SuperSave Account under Rule 23(h)) together with Net Earnings up to the date the Member dies;

(III) any moneys or assets applied by the Member to purchase back membership under in Part IIA of the Former Fund or the AS Plan, as advised in writing by the AS Trustee to the Trustee and in this Part IIA Rule 39(b) together with Net Earnings up to the date the Member dies; and

- (IV) the SGC Amount;
- (C) the withdrawal benefit calculated in accordance with Rule 32(b); and
- (D) the Member's FAS multiplied by 200% in the case of a Member in Full-Time Employment and multiplied by the Part-Time Factor in the case of a Member in Part-Time Employment, together with:
 - (I) such additional amounts approved by the Company representing money or assets applied to purchase back membership in Part IIA of the Former Fund or the AS Plan, as advised in writing by the AS Trustee to the Trustee and in this Part IIA under Rule 39(b) together with Net Earnings up to the date the Member dies; and
 - (II) additional contributions made to Part IIA of the Former Fund on and from the IBMGSA Document Transfer Date up to the Transfer Date (as advised by the AS Trustee to the Trustee), additional contributions made to the AS Plan on and from the transfer date up to the Commencement Date (as advised by the AS Trustee to the Trustee) and additional contributions made to this Part IIA on and from the Commencement Date under Rule 23(i) together with Net Earnings up to the date the Member dies.
- (ii) The death before retirement benefit of a Member who dies on or after the 60th anniversary of that Member's birth, but before the 65th anniversary of that Member's birth shall comprise a lump sum equal to the greatest of:
 - (A) the Member's Aggregate Accrued Retirement Benefit;
 - (B) the aggregate of:
 - (I) the Member's Aggregate Accrued Retirement Benefit in respect of the Member's Prior Membership Service;
 - (II) the Member's Nominated Contributions made to the Westpac Plan, the IBMGSA Fund, the Former Fund and the AS Plan as advised in writing by the AS Trustee to the Trustee and Nominated Contributions made to this Part IIA (excluding any amounts credited to the Member's SuperSave Account in the Former Fund or the AS Plan, as advised by the AS Trustee to the Trustee, and any amounts credited to the Member's SuperSave Account under Rule 23(h)) together with Net Earnings up to the date the Member dies;
 - (III) any moneys or assets applied by the Member to purchase back membership in Part IIA of the Former Fund or AS Plan, as advised in writing by the AS Trustee to the Trustee and in this Part IIA under Rule 39(b) together with Net Earnings up to the date the Member dies; and
 - (IV) the SGC Amount;
 - (C) the withdrawal benefit calculated in accordance with Rule 32(b); and

- (D) the Member's FAS multiplied by 200% in the case of a Member in Full-Time Employment and multiplied by the Part-Time Factor in the case of a Member in Part-Time Employment, together with:
 - (I) such additional amounts approved by the Company representing money or assets applied to purchase back membership in Part IIA of the Former Fund or the AS Plan, as advised in writing by the AS Trustee to the Trustee and in this Part IIA under Rule 39(b) together with Net Earnings up to the date the Member dies; and
 - (II) additional contributions made to Part IIA of the Former Fund on and from the IBMGSA Document Transfer Date up to the Transfer Date (as advised by the AS Trustee to the Trustee), additional contributions made to the AS Plan on and from the Transfer Date up to the Transfer Date (as advised by the AS Trustee to the Trustee) and additional contributions made to this Part IIA on and from the Commencement Date under Rule 23(i) together with Net Earnings up to the date the Member dies.
- (iii) The death before retirement benefit of a Member who dies on or after the 65th anniversary of that Member's birth shall comprise a lump sum equal to the greatest of:
 - (A) the Member's Aggregate Accrued Retirement Benefit;
 - (B) the aggregate of:
 - (I) the Member's Aggregate Accrued Retirement Benefit in respect of the Member's Prior Membership Service;
 - (II) the Member's Nominated Contributions made to the Westpac Plan, the IBMGSA Fund, the Former Fund and the AS Plan as advised in writing by the AS Trustee to the Trustee and Nominated Contributions made to this Part IIA (excluding any amounts credited to the Member's SuperSave Account in the Former Fund or AS Plan, as advised by the AS Trustee to the Trustee, and any amounts credited to the Member's SuperSave Account under Rule 23(h)) together with Net Earnings up to the date the Member dies;
 - (III) any moneys or assets applied by the Member to purchase back membership in Part IIA of the Former Fund or the AS Plan, as advised in writing by the AS Trustee to the Trustee and in this Part IIA under Rule 39(b) together with Net Earnings up to the date the Member dies; and
 - (IV) the SGC Amount; and
 - (C) the withdrawal benefit calculated in accordance with Rule 32(b).
- (c) **Death before retirement – Spouse Pension option**

Where the Trustee determines that the death before retirement benefit payable under Rule 39(b) shall be paid to the Spouse, with the consent of the Trustee, the Member's Spouse may exchange 50% of the lump sum death before retirement benefit for a Spouse pension, in which case the benefit payable to the Spouse shall comprise:

- (i) a lump sum equal to 50% of the lump sum death before retirement benefit; and
- (ii) an annual pension equal to 50% of the lump sum death before retirement benefit divided by 10.8.

(d) Death before retirement – Children's Allowance

Where Rule 29(c) applies and the Spouse elects to receive a Spouse's Pension, if the Member is survived by a Dependent Child, a Children's Allowance shall be payable as follows:

- (i) 25% of the Spouse's Pension payable in accordance with Rule 29(c)(ii) for each Dependent Child to a maximum of 100% of the Spouse's Pension, or 40% of the Spouse's Pension if there is only one Dependent Child; or
- (ii) if the Spouse survives the Member and subsequently dies upon the death of the Spouse, 50% of the Spouse's Pension at the date of death of the Spouse, for each Dependent Child subject to a maximum of 200% of the Spouse's Pension, or 80% of the Spouse's Pension at the date of death of the Spouse if there is only one Dependent Child.

(e) Member not Survived by Spouse or Dependent Child

For the purposes of this Rule 29, if the Member is not survived by a Spouse or Dependent Child, the Spouse's Pension which would otherwise have been available to the Spouse may in the absolute discretion of the Trustee, be paid to the Nominated Dependant, or amongst more than one Nominated Dependant, of the Member.

30 Total and Permanent Disablement Benefit

(a) Total and Permanent Disablement benefit

If, after obtaining medical evidence, the Trustee is of the opinion that a Member is Totally and Permanently Disabled and the Company agrees that Member shall, on retirement, be entitled to a Total and Permanent Disablement benefit together with the balance of the Member's SuperSave Account.

(b) Total and Permanent Disablement benefit options

A Member entitled to a Total and Permanent Disablement benefit under the provisions of Rule 30(a) shall have the following options:

- (i) the Total and Permanent Disablement lump sum option which shall be:
 - (A) in the case of a Member who becomes Totally and Permanently Disabled before the 60th anniversary of the Member's birth, the greatest of:
 - (1) the lesser of:
 - (1) the sum of the Member's Aggregate Accrued Retirement Benefit and the Member's Projected Accrued Retirement Benefit; and
 - (2) the sum of:

- (i) ARBMpre multiplied by Pre-FAS;
- (ii) $(720\% - \text{ARBMpre}) \times \text{FAS}$; and
- (iii) an amount calculated in accordance with the following formula:

$$(\text{FAS} \times \text{ACSM})$$

(II) the aggregate of:

- (1) the Member's Aggregate Accrued Retirement Benefit in respect of the Member's Prior Membership Service;
- (2) the Member's Nominated Contributions made to the Westpac Plan, the IBMGSA Fund, the Former Fund and the AS Plan as advised in writing by the AS Trustee to the Trustee and Nominated Contributions made to this Part IIA (excluding any amounts credited to the Member's SuperSave Account in the Former Fund and the AS Plan, as advised by the AS Trustee to the Trustee, and any amounts credited to the Member's SuperSave Account under Rule 23(h)) together with Net Earnings up to the date the Member ceases Service;
- (3) any moneys or assets applied by the Member to purchase back membership in Part IIA of the Former Fund and the AS Plan, as advised in writing by the AS Trustee to the Trustee and in this Part IIA under Rule 39(b) together with Net Earnings up to the date the Member ceases Service; and
- (4) the SGC Amount;

(III) the withdrawal benefit calculated in accordance with Rule 32(b); and

(IV) the Member's FAS multiplied by 200% in the case of a Member in Full-Time Employment and multiplied by the Part-Time Factor in the case of a Member in Part-Time Employment together with:

- (1) such additional amounts approved by the Company representing money or assets applied to purchase back membership under Part IIA of the Former Fund and the AS Plan, as advised in writing by the AS Trustee to the Trustee and under Rule 39(b) together with Net Earnings up to the date the Member ceases Service; and
- (2) additional contributions made to Part IIA of the Former Fund on and from the IBMGSA Document Transfer Date up to the Transfer Date (as advised by the AS Trustee to the Trustee), additional contributions made to the AS Plan on and from the Transfer Date up to the Commencement Date (as advised by the AS Trustee to the Trustee) and additional contributions made to this Part IIA on and from the Commencement Date under

Rule 23(i) together with Net Earnings up to the date the Member ceases Service.

- (B) in the case of a Member who becomes Totally and Permanently Disabled on or after the 60th anniversary of the Member's birth but before the 65th anniversary of the Member's birth, the greatest of:
- (I) the Member's Aggregate Accrued Retirement Benefit;
 - (II) the aggregate of:
 - (1) the Member's Aggregate Accrued Retirement Benefit in respect of the Member's Prior Membership Service;
 - (2) the Member's Nominated Contributions made to the Westpac Plan, the IBMGSA Fund, the Former Fund and the AS Plan as advised in writing by the AS Trustee to the Trustee and Nominated Contributions made to this Part IIA (excluding any amounts credited to the Member's SuperSave Account in the Former Fund and AS Plan, as advised by the AS Trustee to the Trustee, and any amounts credited to the Member's SuperSave Account under Rule 23(h)) together with Net Earnings up to the date the Member ceases Service;
 - (3) any moneys or assets applied by the Member to purchase back membership in Part IIA of the Former Fund and the AS Plan, as advised in writing by the AS Trustee to the Trustee and to this Part IIA under Rule 39(b) together with Net Earnings up to the date the Member ceases Service; and
 - (4) the SGC Amount;
 - (III) the withdrawal benefit calculated in accordance with Rule 32(b); and
 - (IV) the Member's FAS multiplied by 200% in the case of a Member in Full-Time Employment and multiplied by the Part-Time Factor in the case of a Member in Part-Time Employment together with:
 - (1) such additional amounts approved by the Company representing money or assets applied to purchase back membership in Part IIA of the Former Fund and the AS Plan, as advised in writing by the AS Trustee to the Trustee and in this Part IIA under Rule 39(b) together with Net Earnings up to the date the Member ceases Service; and
 - (2) additional contributions made to Part IIA of the Former Fund on and from the IBMGSA Document Transfer Date up to the Transfer Date (as advised by the AS Trustee to the Trustee), additional contributions made to Part IIA of the AS Plan on and from the Transfer Date up to the Commencement Date (as advised by the AS Trustee to the Trustee) and additional contributions made to this Part IIA on and from the Commencement Date under

Rule 39(b) together with Net Earnings up to the date the Member ceases Service.

(C) in the case of a Member who becomes Totally and Permanently Disabled on or after the 65th anniversary of the Member's birth, the greatest of:

- (I) the Member's Aggregate Accrued Retirement Benefit;
- (II) the aggregate of:
 - (1) the Member's Aggregate Accrued Retirement Benefit in respect of the Member's Prior Membership Service;
 - (2) the Member's Nominated Contributions made to the Westpac Plan, the IBMGSA Fund, the Former Fund and the AS Plan as advised in writing by the AS Trustee to the Trustee and Nominated Contributions made to this Part IIA (excluding any amounts credited to the Member's SuperSave Account in the Former Fund and the AS Plan, as advised by the AS Trustee to the Trustee, and any amounts credited to the Member's SuperSave Account under Rule 23(h)) together with Net Earnings up to the date the Member ceases Service;
 - (3) any moneys or assets applied by the Member to purchase back membership in Part IIA of the Former Fund or Part IIA of the AS Plan, as advised in writing by the AS Trustee to the Trustee and in this Part IIA under Rule 39(b) together with Net Earnings up to the date the Member ceases Service; and
 - (4) the SGC Amount; and

(III) the withdrawal benefit calculated in accordance with Rule 32(b);

(ii) the pension option which shall be:

- (A) a lump sum equal to 50% or such greater amount as the Member nominates of the Total and Permanent Disablement lump sum option; and
- (B) an annual pension equal to the amount of 100% of the Total and Permanent Disablement lump sum option reduced by the lump sum amount nominated by the Member under Rule 30(b)(ii)(A) or 50% of the Total and Permanent Disablement lump sum option if no such amount is nominated, divided by 10.8.

(c) Selection of option

A Member entitled to the Total and Permanent Disablement benefit who wishes to exercise one of the options shall do so by written notice to the Trustee not later than 3 months after the date on which the Member becomes Totally and Permanently Disabled, and if the Member fails to do so, the lump sum Total and Permanent Disablement lump sum option will apply.

(d) **Purchase of pension**

A Member may apply all or part of the benefit payable under Rule 30(b)(i) or 30(b)(ii)(A) to purchase a pension in accordance with Rule 33.

31 Total and Temporary Disablement Benefit

(a) **Total and Temporary Disablement benefit**

If, after obtaining medical evidence, the Trustee is of the opinion that a Member is Totally and Temporarily Disabled, that Member shall from the date that the Member became Totally and Temporarily Disabled or the date the Member ceased to have an entitlement to paid sick leave (whichever is the later) be entitled to a Total and Temporary Disablement benefit while the Member remains in Service but a benefit shall not be payable under this Rule 31 unless the Member is Totally and Temporarily Disabled for a period of at least one week after the date on which the Member became entitled to the benefit.

(b) **Benefit payable**

The Total and Temporary Disablement benefit shall comprise an annual income equivalent to 70% of the Member's Salary after taking into account any workers' compensation, social security or other benefit that the Member may be entitled to, payable until the earliest of:

- (i) the date upon which the Member recommences Full-Time Employment or Part-Time Employment;
- (ii) the date upon which the Trustee determines that the Member has ceased to be Totally and Temporarily Disabled;
- (iii) the second anniversary of the most recent date upon which the Member became entitled to receive the Total and Temporary Disablement benefit but where:
 - (A) a Member is continuously absent from work due to an injury or sickness; or
 - (B) a Member is absent from work for broken periods due to an injury or sickness and the absence arises from the same injury or sickness or a recurrence of the same sickness, the Member's entitlement to the total and temporary benefit in respect of that injury or sickness ceases after the Member has received that benefit for an aggregate of 2 years;
- (iv) the 65th anniversary of the date of birth of the Member; and
- (v) the date upon which the Member ceases Service or dies,

and for the purposes of this Rule 31(b), **Salary** in respect of a Member in Part-Time Employment means the Salary paid to that Member in the pay period (not including any period during which the Member was on sick leave or in receipt of workers' compensation benefits) immediately preceding the date upon which the Member became eligible to receive the Total and Temporary Disablement benefit adjusted by reference to any new Salary advised by the Company to the Trustee in respect of a Member on and from the date of effect of the adjustment Where any dispute arises as to the Member's Salary, the Member's Salary shall be the amount

advised by the Company to the Trustee.

(c) Information

During the period of Total and Temporary Disablement a Member shall provide such information and undergo such medical and other tests as the Trustee may require conducted by persons specified by the Trustee and a Member, in receipt of a benefit under this Rule 31, shall immediately advise the Trustee if the Member ceases to be Totally and Temporarily Disabled.

32 Withdrawal Benefits

(a) Withdrawal benefit

Upon a Member ceasing to be in Service in circumstances where no retirement benefit or Total and Permanent Disablement benefit or death benefit is payable, the Member shall be entitled to receive a lump sum withdrawal benefit or, if eligible, the discounted accrued benefit together with the balance of the Member's SuperSave Account.

(b) Lump sum withdrawal benefit

The lump sum withdrawal benefit shall be a lump sum benefit equal to the aggregate of:

- (i) the amount of the Member's contributions up to 30 June 1992 excluding:

 - (A) the sum of any additional contributions made under Rule C5.2 of the 1981 Rules; and
 - (B) any amount transferred to the Westpac Plan except to the extent advised by the Former Trustee to, and agreed to by, the Company on or before the Transfer Date,

together with interest at the resignation benefit interest rate under the 1981 Rules up to 30 June 1992 and Net Earnings up to the date the Member ceases Service; and
- (ii) the Member's Nominated Contributions made to the Westpac Plan, the IBMGSA Fund, the Former Fund and the AS Plan as advised in writing by the AS Trustee to the Trustee and Nominated Contributions made to Part IIA of the Former Fund and the AS Plan, as advised in writing by the AS Trustee to the Trustee and to this Part IIA) (excluding any amount credited to the Member's SuperSave Account in the Former Fund and AS Plan, as advised by the AS Trustee to the Trustee, and any amounts credited to the Member's SuperSave Account under Rule 23(h)) together with Net Earnings up to the date the Member ceases Service; and
- (iii) a vesting amount equal to 10% of the amount under Rule 32(b)(i) for each year of the Member's Qualifying Service to the date Service ceases pro rated daily to a maximum vesting amount equal to 100% of such amount; and
- (iv) the greater of:

- (A) a vesting amount equal to 10% of the amount under Rule 32(b)(ii) for each year of the Member's Qualifying Service to the date Service ceases pro rated daily up to a maximum vesting amount equal to 100% of such amount; and
- (B) the SGC Amount; and
- (v) such additional amounts approved by the Company representing money or assets applied to purchase back membership in Part IIA of the Former Fund and the AS Plan, as advised in writing by the AS Trustee to the Trustee and in this Part IIA under Rule 39(b) together with Net Earnings up to the date the Member ceases Service; and
- (vi) additional contributions made to Part IIA of the Former Fund on and from the IBMGSA Document Transfer Date up to the Transfer Date (as advised by the AS Trustee to the Trustee), additional contributions made to the AS Plan on and from the Transfer Date up to the Commencement Date (as advised by the AS Trustee to the Trustee) and additional contributions made to this Part IIA on and from the Commencement Date under Rule 23(i) less any adjustment under Rule 25(c) together with Net Earnings up to the date the Member ceases Service; and
- (vii) an additional amount equal to the amount (if any) by which the discounted accrued benefit which would have been payable to the Member under Rule 32(d) if the Member had elected to receive that benefit exceeds the benefit calculated under paragraphs (i) to (vi) (inclusive) of this Rule 32(b).

(c) Discounted accrued benefit

A Member who either:

- (i) withdraws from this Part IIA after 10 years' Qualifying Service; or
- (ii) to which one of the following applies:
 - (A) became a Member of the Westpac Plan on or before 11 October 1996;
 - (B) has reached the 40th anniversary of that Member's birth; and
 - (C) withdraws from this Part IIA after 5 years' Qualifying Service,
 and who is entitled to receive a withdrawal benefit under Rule 32(b) may, if the Member agrees to transfer the benefit referred to in Rule 32(d) to a Benefit Arrangement, elect to receive the discounted accrued benefit in lieu of the lump sum withdrawal benefit, but in that case the discounted accrued benefit may only be paid in accordance with the preservation requirements.

(d) Calculation of discounted accrued benefit

If the Member elects the discounted accrued benefit in lieu of the lump sum withdrawal benefit, the Member shall receive a benefit equal to the greater of:

- (i) the Member's Aggregate Accrued Retirement Benefit reduced by 2% per annum pro rated daily for the period between the date the Member ceases Service and the 55th anniversary of the Member's birth; and
- (ii) the aggregate of:

- (A) the Member's Aggregate Accrued Retirement Benefit in respect of the Member's Prior Membership Service reduced by 2% per annum pro rated daily for the period between the date the Member ceases Service and the 55th anniversary of the Member's birth; and
- (B) the SGC Amount; and
- (C) the Member's Nominated Contributions made to the Westpac Plan, the IBMGSA Fund, the Former Fund and the AS Plan as advised in writing by the AS Trustee to the Trustee and Nominated Contributions made to this Part IIA on and from the Commencement Date (excluding any amounts credited to the Member's SuperSave Account in the Former Fund and AS Plan, as advised by the AS Trustee to the Trustee, and any amounts credited to the Member's SuperSave Account under Rule 23(h)) together with Net Earnings up to the date the Member ceases Service.

33 Purchased Pensions

(a) Purchased pensions

Where a Member is entitled to a benefit under Rule 27(b), 30(b), 40(a), 40(b), 40(c), 40(d), 40(e), 40(f), 40(g) the Member may purchase a pension with Spouse reversionary pension and Children's Allowance known as the purchased pension from this Part IIA (on terms and conditions agreed by the Trustee with the approval of the Company on the advice of the Actuary and in compliance with the Statutory Requirements) with all or part of the benefit payable in accordance with Rule 27(b)(i), 27(b)(i)(A), 30(b)(i), 30(b)(ii)(A), 40(a), 40(b), 40(c), 40(d), 40(e), 40(f) or 40(g) and the balance of the Member's SuperSave Account.

(b) Single life purchased pension

Where a Member has elected to receive a benefit or a benefit is otherwise payable to the Member under Rule 27(b)(i), 30(b)(i), 40(a), 40(b), 40(c), 40(d), 40(e), 40(f) or 40(g) and the Member has not purchased a purchased pension under Rule 33(a), the Member may purchase a single life purchased pension from this Part IIA (on terms and conditions agreed by the Trustee with the approval of the Company on the advice of the Actuary and in compliance with the Statutory Requirements) with all or part of the benefit payable in accordance with Rule 27(b)(i), 30(b)(i), 40(a), 40(b), 40(c), 40(d), 40(e), 40(f) or 40(g) and the balance of the Member's SuperSave Account.

34 SGC

For the purposes of the Superannuation Guarantee legislation, that part of each benefit payable under this Part IIA equal to the SGC Amount shall be vested and subject to the preservation requirements notwithstanding that the SGC Amount may exceed the requirements of the Superannuation Guarantee legislation.

35 Payment of Benefits

(a) Duration of pensions and allowances

Under this Part IIA:

- (i) Spouses' pensions are payable for the life of the Spouse; and
- (ii) Children's Allowances are payable until the 18th anniversary of the birth of the Dependent Child and may in the absolute discretion of the Trustee continue to be payable until the 23rd anniversary of the birth if the Child is in full-time education approved by the Trustee.

(b) Payment of pensions generally

Notwithstanding any other provision of this Part 2, pensions, allowances and income benefits payable under this Part IIA will be paid by fortnightly instalments in arrears, the first payment to be made on such day following the event giving rise to the pension or allowance as the Trustee in its absolute discretion determines, and the last payment to be due on and apportionable to the date of death of the recipient or of the earlier termination of the pension or allowance.

(c) Rounding of benefits

The Trustee may pay lump sum benefits, annual pensions, allowances and income benefits in whole dollars, rounded up to the next dollar.

(d) Payment of Net Earnings

Notwithstanding any other provision of the Fund Rules and this Part 2, the Trustee may pay Net Earnings on all or part of a benefit payable under this Part IIA in respect of a Member for the period between the date the benefit first became payable and the date on which the benefit is paid.

36 Commutation of Pension

No pension may be commuted by the person entitled to receive it without the approval of the Trustee and the Company if such approval is permitted by the Statutory Requirements.

37 Cost of Living Adjustments

(a) Increase of benefits

Each pension and Children's Allowance which has become payable under this Part IIA shall be increased on 1 January in each year by a percentage calculated to one decimal place which is:

- (i) where the Member in respect of whom the pension or Children's Allowance arose died or retired at least 12 months prior to such 1 January, the lesser of:
 - (A) the percentage increase in the Consumer Price Index (All Groups) for the 8 capital cities first published by the Australian Bureau of Statistics for the September quarter in the preceding year compared with the Consumer Price Index (All Groups) first published by the Australian Bureau of Statistics for the September quarter in the

year before the preceding year, or such other measure of inflation as the Trustee on the advice of the Actuary determines; and

(B) 5%,

or such higher percentage as the Trustee upon the advice of the Actuary and with the consent of the Company shall in any particular case decide; or

- (ii) where the Member in respect of whom the pension or Children's Allowance arose died or retired less than 12 months prior to such 1 January, the percentage determined under Rule 37(a)(i) multiplied by the number of days since the Member died or retired divided by 365.

(b) Regulation of increases

The Trustee shall establish and may from time to time vary regulations concerning the calculation of any such increases, the times at which the increases shall be payable and the manner in which the increases shall be applicable.

(c) No increase or deferment of increase

The Trustee in any particular case with the consent of the pensioner concerned may determine not to apply any proposed increase to a pension under this Rule 37, and may with like consent, defer any such increase for such period or arrange its payment in such manner as the Trustee in its absolute discretion determines.

38 Guaranteed Benefit – Members of the Westpac Staff Superannuation Plan under the 1981 Rules

(a) Application of Rule

This Rule 38 only applies to a Member:

- (i) who was a member of the Westpac Plan at 30 June 1992;
- (ii) who was in service (as that term is defined in the Westpac Trust Deed) with a Westpac Employer on 1 July 1992; and
- (iii) whose membership was governed by the 1981 Rules on 30 June 1992, and a reference in this Rule 38 to a Member is a reference to such a Member.

(b) Retirement, Total and Permanent Disablement and death

If a retirement benefit, a Total and Permanent Disablement benefit, a death before retirement or a death after retirement benefit becomes payable to or in respect of a Member under this Part IIA then the Member, the Member's Spouse or the Member's Beneficiaries (as the case may be) may elect to have the benefit determined as follows:

- (i) in respect of the Member's period of Prior Membership Service which the Trustee determines was accrued at 30 June 1992, in accordance with the relevant rule of the 1981 Rules and for the purposes of that rule:
 - (A) FAS is the Members FAS at 30 June 1992; and
 - (B) Membership Service and Projected Membership Service is the aggregate of the Member's Prior Membership Service which the Trustee determines was accrued at 30 June 1992;

- (ii) in respect of the Member's period of Membership Service in accordance with the relevant rule of the Westpac Defined Benefit Section.

39 Transfers from Other Funds

(a) Acceptance of transfer

Subject to Rule 8.10, the Trustee may accept into this Part IIA moneys from another Benefit Arrangement, and, subject to Rule 39(b), such moneys shall be applied by the Trustee to the appropriate section of the Member's SuperSave Account.

(b) Purchase of back membership

The Trustee on the advice of the Actuary may, with the approval of the Company, upon the request of the Member, apply moneys or assets transferred from another Benefit Arrangement to this Part IIA, to purchase back membership in this Part IIA at an Accrued Retirement Benefit of 18% per year and that period of membership shall be known as Purchased Service.

40 Former Members of Other Plans

(a) Former Members of WIS Plan

If a Member, who was a member of the WIS Plan and transferred to the Westpac Plan on or after 1 July 1994, becomes entitled to a Total and Permanent Disablement benefit or if a death benefit becomes payable in respect of such a Member under this Part IIA and the lump sum benefit is less than the amount of the equivalent benefit which would have been payable under the rules of the WIS Plan, if the entitlement to that benefit had arisen immediately before the date on which the Member became a member of the Westpac Plan, then the person entitled to receive the benefit payable under this Part IIA may elect to receive the greater amount which shall be paid as a lump sum.

(b) Former Members of AGC Staff Retirement Fund

If a Member:

- (i) who transferred from employment with Australian Guarantee Corporation Limited to employment with Westpac; and
- (ii) who was a member of the AGC Staff Retirement Fund (formerly the AGC Group Staff Retirement Fund) and transferred to the Westpac Plan,

becomes entitled to a retirement benefit or Total and Permanent Disablement benefit or if a death benefit becomes payable in respect of such a Member under this Part IIA and the lump sum benefit is less than the amount of the equivalent benefit which would have been payable under the rules of the AGC Staff Retirement Fund, if the entitlement to the benefit had arisen immediately before the date on which the Member became a member of the Westpac Plan than the person entitled to receive the benefit payable under this Part IIA may elect to receive the greater amount, which shall be paid as a lump sum.

(c) Former Members of AMP Officers' Provident Fund

If a Member:

- (i) who transferred from employment with the Australian Mutual Provident Society (AMP) to employment with Westpac in accordance with the strategic alliance between AMP and Westpac; and
- (ii) who was a member of the AMP Officers' Provident Fund and transferred to the Westpac Plan,

becomes entitled to a withdrawal benefit under Rule 32(b) or a Total and Permanent Disablement benefit or if a death benefit becomes payable in respect of such a Member under this Part IIA and the lump sum benefit is less than the amount of the equivalent benefit which would have been payable under the rules of the AMP Officers' Provident Fund, if the entitlement to the benefit had arisen on 30 September 1991 then the person entitled to receive the benefit payable under this Part IIA may elect to receive the greater amount, which shall be paid as a lump sum.

(d) Former Members of Chase AMP Bank Superannuation Plan

If a Member:

- (i) who transferred from employment with Chase AMP Bank limited to employment with Westpac; in accordance with the strategic alliance between the AMP and Westpac; and
- (ii) who was a member of the Chase AMP Bank Superannuation Plan and transferred to the Westpac Plan,

becomes entitled to a withdrawal benefit under Rule 32(b) or a Total and Permanent Disablement benefit or if a death benefit becomes payable in respect of such a Member under this Part IIA and the lump sum benefit is less than the amount of the equivalent benefit which would have been payable under the rules of the Chase AMP Bank Superannuation Plan, if the entitlement to the benefit had arisen immediately before the date on which the Member became a member of the Westpac Plan then the person entitled to receive the benefit payable under this Part IIA may elect to receive the greater amount, which shall be paid as a lump sum.

(e) Former Members of Westpac Life Limited Staff Superannuation Scheme

If a Member:

- (i) who transferred from employment with Westpac Life Limited to employment with Westpac in accordance with the strategic alliance between the AMP and Westpac; and
- (ii) who was a member of the Westpac Life Limited Staff Superannuation Scheme and transferred to the Westpac Plan,

becomes entitled to a Total and Permanent Disablement benefit or if a death benefit becomes payable in respect of such a Member under this Part IIA and the lump sum benefit is less than the amount of the equivalent benefit which would have been payable under the rules of the Westpac Life Limited Staff Superannuation Scheme, if the entitlement to the benefit had arisen on 30 September 1991 then the person entitled to receive the benefit payable under this Part IIA may elect to receive the greater amount, which shall be paid as a lump

sum.

(f) Former Members of AMPAC Life Staff Superannuation Scheme

If a Member:

- (i) who transferred from employment with AMPAC Life Limited or Westpac Financial Consultants Limited to employment with Westpac on or after 1 October 1991; and
- (ii) who was a member of the AMPAC Life Staff Superannuation Scheme and transferred to the Westpac Plan,

becomes entitled to a withdrawal benefit under Rule 32(b) or a Total and Permanent Disablement benefit or if a death benefit becomes payable in respect of such a Member under this Part IIA and the lump sum benefit is less than the amount of the equivalent benefit which would have been payable under the rules of the AMPAC Life Staff Superannuation Scheme, if the entitlement to the benefit had arisen immediately before the date on which the Member became a member of the Westpac Plan then the person entitled to receive the benefit payable under this Part IIA may elect to receive the greater amount, which shall be paid as a lump sum.

(g) Former Members of Westpac Financial Consultants Limited Sales Staff Superannuation Scheme

If a Member:

- (i) who transferred from employment with Westpac Financial Consultants Limited to employment with Westpac; and
- (ii) who was a member of the Westpac Financial Consultants United Sales Staff Superannuation Scheme and transferred to the Westpac Plan,

becomes entitled to a Total and Permanent Disablement benefit or if a death benefit becomes payable in respect of such a Member under this Part IIA and the lump sum benefit is less than the amount of the equivalent benefit which would have been payable under the rules of the Westpac Financial Consultants Limited Sales Staff Superannuation Scheme, if the entitlement to the benefit had arisen immediately before the date on which the Member became a member of the Westpac Plan then the person entitled to receive the benefit payable under this Part IIA may elect to receive the greater amount, which shall be paid as a lump sum.

(h) Purchase of pension

A Member entitled to a lump sum benefit payable under this Rule 40 (other than a withdrawal benefit) may apply all or part of that lump sum benefit to purchase a pension in accordance with Rule 33.

41 Investment Options

(a) Additional account

The Trustee may, with the approval of the Company, maintain in respect of a Member and in addition to a Member's SuperSave Account, another account (the

additional account) which may be invested in accordance with any investment strategies available for members and the Trustee may, with the approval of the Company, make rules regarding:

- (i) the transfer of any benefit held within the Member's SuperSave account;
- (ii) the making of contributions to the additional account other than amounts in respect of excess Nominated Contributions;
- (iii) providing for the application of moneys applied to the additional account (after any deductions that may be made from those contributions) to acquire units in investment options;
- (iv) providing for the application of specified Rules or variations of the Rules to this additional account; or
- (v) any other matter relating to the above.

(b) No Net Earnings Rate applied to additional account

The Trustee shall not apply the Net Earnings Rate to any account maintained under Rule 41(a).

42 Surplus Assets

(a) Distribution of surplus

If the Actuary in a report under the Fund Rules or Rule 8.17 has advised the Trustee, or the Trustee is otherwise satisfied that the value of the assets attributable to this Part IIA exceed the value of the liabilities of this Part IIA (**excess amount**), then the Company on the advice of the Actuary subject to the Statutory Requirements:

- (i) may apply the excess amount to reduce the contributions of an Employer under this Part IIA;
- (ii) with the consent of the Trustee may determine that the excess amount be applied in any one or more of the following ways:
 - (A) reducing the contributions of Members under this Part IIA;
 - (B) increasing the benefits payable under this Part IIA;
 - (C) by being repaid to an Employer;
 - (D) as a reserve for this Part IIA; or
 - (E) subject to Rule 8.17 for such other purposes as the Company and the Trustee may agree.

(b) Accounting

Except to the extent that the excess amount is subject to a determination made under Rule 42(a)(ii), the Company may treat the excess amount in the books of the Company as an asset of the Company on the basis that it constitutes a prepayment of its contributions to this Part IIA.

(a) **Interpretation**

- (i) For the avoidance of doubt, and despite any provision or implication to the contrary, the Trustee must calculate a Member's benefit in this Part IIA so that:
 - (A) there is no duplication of benefits which were payable to the Member in the Westpac Plan, the IBMGSA Fund or the AS Plan with the benefits payable to the Member under this Part IIA;
 - (B) the calculation is on the basis that the benefits to which the Member was entitled in the Westpac Plan, the IBMGSA Fund or the AS Plan are payable from this Part IIA; and
 - (C) the calculation is on the basis that the benefits are intended to be the same as the benefits to which the Member was entitled in the Westpac Plan, the IBMGSA Fund or the AS Plan but recognising that they are payable from this Part IIA.
- (ii) If there is any ambiguity or dispute by a Member as to the interpretation of any Rule, the Trustee may, but is not obliged, to consult with the Former Trustee as to its interpretation of the equivalent rule in the IBMGSA Defined Benefit Section and/or as to its interpretation of the equivalent rule in the Westpac Defined Benefit Section and with the AS Trustee as to its interpretation of the equivalent rule in the AS Plan.

44 Definitions

In this Part IIB:

Accountable Income means any income other than income received in respect of investments, other disabilities and private insurance. This includes the single person's rate of Social Security or War Service Repatriation pension or both (irrespective of the Member's marital state) adjusted as if the Member's only source of income was the disability benefit.

Accounts means each of the accumulation accounts maintained in respect of a Member in accordance with this Part IIB.

Accrued Benefit Multiple for the purposes of the Family Law Requirements, means the multiple determined in terms of Rules 48(n)(i), 50(a)(iii)(M) and 50(a)(iii)(N).

Accrued Retirement Benefit means the benefit determined in terms of Rules 48(a)(i) and 48(a)(ii).

Accumulated Credit shall be determined at each Review Date and is, subject to the Statutory Requirements, determined from the Accumulated Credit at the previous determination, by adding Member contributions and investment returns at the Plan Earning Rate and deducting the share of mortality charges and expense charges as determined by the Trustee after considering the advice of the Actuary.

Base Salary means the regular remuneration paid to an Employee excluding representation allowance or field allowance, commissions or bonuses, shift allowances and overtime or director's fees, and any payments made as a result of termination.

Company Account means the account maintained in respect of a Former Qantas Division 2 Member to which shall be credited an initial balance of an amount (if any) advised in writing by the AS Trustee to the Trustee (and which has been transferred to this Part IIB) as being the balance of the Company Account in the AS Plan as at the Commencement Date and subsequently with any contributions made by the Employer pursuant to Rule 46(a)(iii). This account is credited (or debited) with investment returns at the Plan Earning Rate and is debited with Taxation as appropriate.

Company Contribution Account means the account maintained in respect of a Former Qantas Division 3 Member to which shall be credited an initial balance of an amount (if any) advised in writing by the AS Trustee to the Trustee (and which has been transferred to this Part IIB) as being the balance of the Company Contribution Account in the AS Plan as at the Commencement Date. This account is credited (or debited) with investment returns at the Plan Earning Rate and is debited with Taxation as appropriate.

Credited Service in relation to a Member means:

- (a) the period (if any) advised in writing by the AS Trustee to the Trustee as being the "Credited Service" of that Member immediately prior to the Commencement Date; and

- (b) subject to Rules 47(c), 51 and 52(b), the period of the Member's Employment on and after the Commencement Date, excluding any part of that period during which the Member was classified as a casual Employee.

Credited Service shall also include any period granted pursuant to Rules 8.10 and 52(a).

In the case of:

- (c) a Former Qantas Division 2 Member, the total period of Credited Service shall be expressed in years with each complete month being regarded as one-twelfth (1/12th) of a year; and
- (d) a Former Qantas Division 3 Member, the total period of Credited Service shall be expressed in years with days counting pro rata.

PROVIDED THAT:

- (e) in the case of a Member who has been in part-time Employment at any time, Credited Service will mean the product of the following periods determined separately in respect of each period of Employment as an Employee during which the weekly hours of Employment remain constant:

Period of Employment	X	Ratio that actual paid weekly hours bears to fulltime paid weekly hours
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- (f) where the period of Credited Service being measured includes a future period, the Member's part-time or full-time status on the last day at work on or before the effective date of determination is assumed to continue unaltered throughout that future period.

Credited Service as a Flight Attendant or Technical Aircrew Member means that period (if any) advised in writing by the AS Trustee to the Trustee as representing the Credited Service of the Member in the Qantas Superannuation Plan as a Flight Attendant (as defined in the Qantas Rules) or a Technical Aircrew Member (as defined in the Qantas Rules).

Credited Service as a Ground Staff Member means that period (if any) of Credited Service other than Credited Service as a Flight Attendant or a Technical Aircrew Member.

Death Benefit means a benefit paid to a Member in accordance with the provisions of Rule 48(f) or Rule 48(g) (as the case may be).

Dependant has the same meaning as it has in the SIS Act.

Disability Benefit means a benefit paid to a Member in accordance with the provisions of Rule 48(i)(i).

Discount Factor means:

- (a) in relation to a Former Qantas Division 2 Member, one (1) minus D

where D equals 0.01 multiplied by the number of years (counting each complete

month as one twelfth of a year) from the date Employment ceased to the date of the Member's 55th birthday; and

(b) in relation to a Former Qantas Division 3 Member, one minus the lesser of:

- (i) 0.3; and
- (ii) 0.01 multiplied by the number of years (with days counting pro rata) from the date Employment ceased to the date of the Member's 55th birthday.

Division 2 Transferring Member means a Former Qantas Division 2 Member who the AS Trustee advised in writing to the Trustee was a "Division 2 Transferring Officer" immediately prior to the Commencement Date.

Division 3 Transferring Member means a Former Qantas Division 3 Member who the AS Trustee advised in writing to the Trustee was a "Division 3 Transferring Officer" immediately prior to the Commencement Date.

Division 3 Vesting Factor means the lesser of one and 0.2 times the number of whole years in the Member's period of Credited Service, **PROVIDED THAT** in the case of a Member who has been an Employee in part-time Employment at any time (whether on a permanent or temporary basis), for the purpose of determining the Division 3 Vesting Factor, Credited Service will be determined as if the Member had been in full-time Employment (but still on a permanent or temporary basis as the case may be) throughout that Member's period of Employment.

Employee means, subject to the Statutory Requirements, an Employee or director of an Employer, other than a person who is determined by the Employer to be a local employee based at a station outside Australia, provided that the Company may, in its discretion, determine that a person, whose contract of Employment with the Employer is terminated because of illness or accident, may be deemed to be an Employee for the purpose of this Part IIB for any period that the Company in its absolute discretion determines.

Employment in relation to a Member means:

- (a) the period (if any) advised in writing by the AS Trustee to the Trustee as being the "Employment" of that Member immediately prior to the Commencement Date" and
- (b) continuous employment in the service of an Employer on and after the Commencement Date including any period of leave or absence with the consent and approval of the Employer or under the provisions of any Act of Parliament

For the purposes of Rules 8.11, 48(l), 49(c) and 53(c) and the definitions of Serious Ill-Health, Total and Permanent Disablement and Plan Earning Rate (subject to the provisions of Rule 47(d)(iii), Employment includes any period during which the Member is an Initial Incapacitant or a Permanent Incapacitant.

In the case of a Former Qantas Division 3 Member, any period of Employment shall be expressed in years with days counting pro rata.

In the case of a Former Qantas Division 2 Member, any period of Employment shall be expressed in years with each complete month being regarded as one-twelfth (1/12th) of a year.

Family Law Account means the account maintained in respect of a Member of this Part IIB to which shall be debited or credited (as the case may be) an initial balance of an amount advised in writing by the AS Trustee to the Trustee (and which has been transferred to this Part IIB) as being the balance of the Family Law Account in the AS Plan immediately prior to the Commencement Date and subsequently with the amount of any payment made by this Part IIB in respect of a Non-Member Spouse, or any family law accounts or family law liabilities transferred from a former superannuation plan in respect of the Member, and credited with contributions made by the Member pursuant to Rule 47(g). This account is credited (or debited) with investment returns at the Plan Earning Rate and is debited with Taxation as appropriate.

Family Law Offset Contribution means the contributions determined in accordance with Rule 47(g).

Final Average Salary means:

- (a) in respect of a Former Qantas Division 2 Member – the highest final average annual Superannuation Salary calculated over any consecutive 3 years in the most recent 10 year period; and
- (b) in respect of a Former Qantas Division 3 Member – the greater of:
 - (ii) where the Member has Membership of at least 3 complete Financial Years, the highest average annual Superannuation Salary calculated over any consecutive 3 complete Financial Years in the most recent 10 year period; and
 - (i) the average annual Superannuation Salary calculated over the most recent period of 3 years.

PROVIDED THAT in the case of a Member who has been in part time Employment at any time, for the purposes of determining average annual Superannuation Salary only, Superannuation Salary will be deemed to be the equivalent full time Superannuation Salary.

Final Year Salary means the average annual Superannuation Salary calculated over the period of 1 year up to and including the Member's last day at work prior to the date of determination.

Financial Year means the period of 12 calendar months ending on the last day of June each year or such other period as the Trustee may from time to time determine.

Former Qantas Division 2 Member means a member of Division 2 of the Qantas Superannuation Plan immediately prior to the Qantas Transfer Date whose benefits were transferred from the Qantas Superannuation Plan to Part IIB of the Former Fund and from the Former Fund to the AS Plan.

Former Qantas Division 3 Member means a member of Division 3 of the Qantas Superannuation Plan immediately prior to the Qantas Transfer Date whose benefits were transferred from the Qantas Superannuation Plan to Part IIB of the Former Fund and from the Former Fund to the AS Plan.

Initial Incapacitant means a Member (other than a Permanent Incapacitant), who is receiving a Disability Benefit and whose contract of Employment with the Employer is not terminated, or any other Member who is receiving a Disability Benefit and who the

Company determines is an Initial Incapacitant.

Late Retirement Benefit means a benefit paid to a Member in accordance with the provisions of Rule 48(e).

Member Account in relation to a Former Qantas Division 2 Member means the account maintained in respect of a Member to which shall be credited an initial balance of an amount advised in writing by the AS Trustee to the Trustee (and which has been transferred to this Part IIB) as being the balance of the Member Account in the AS Plan immediately prior to the Commencement Date and subsequently with the contributions made by the Member pursuant to Rule 47(a)(i). This account is credited (or debited) with investment returns at the Plan Earning Rate and is debited with Taxation as appropriate,

Member Contributions means the contribution determined in accordance with Rule 47.

Member Extra Account in relation to a Former Qantas Division 2 Member, means the account maintained in respect of a Member to which shall be credited an initial balance of an amount advised in writing by the AS Trustee to the Trustee as being the balance of the Member Extra Account in the AS Plan immediately prior to the Commencement Date and subsequently with the contributions made by the Member pursuant to Rule 47(b) and with amounts pursuant to Rule 50. This account is credited (or debited) with investment returns at the Plan Earning Rate and is debited with Taxation as appropriate.

Membership in relation to a Member means:

- (a) the period (if any) advised in writing by the AS Trustee to the Trustee as being the "Membership" in relation to that Member immediately prior to the Commencement Date; and
- (b) on and from the Commencement Date, the most recent uninterrupted period during which the Member was:
 - (i) a Member; and
 - (ii) in Employment; and
- (c) any further period the Employer determines is Membership.

Nominated Beneficiary means any person Nominated by a Member in writing in terms of Rule 49(b), to succeed to benefits under this Part IIB on the death of the Member. Such form must be deposited with the Trustee prior to the Member's death to be effective. Nominated Beneficiary also means any person Nominated by a Member in writing to the AS Trustee to succeed to benefits under Part IIB of the AS Plan on the death of the Member, such form having been deposited with the AS Trustee prior to the Commencement Date and prior to the Member's death.

Offsetting Amounts means:

- (a) periodic payments received pursuant to workers compensation legislation;
- (b) periodic payments received pursuant to social security legislation;
- (c) any other income or lump sum payment from any source which the Trustee determines to be in respect of or arising out of the disability, including, but not

restricted to, any compensation for personal injury, and any payment for loss of income due to injury or illness;

- (d) in respect of a Disability Benefit – any income from Employment to the extent to which that income, together with the Disability Benefit otherwise payable, exceeds the Member's Superannuation Salary that would have been payable had the Member continued in Employment in the same job classification as the Member was in immediately prior to commencing to receive the Disability Benefit; and
- (e) any amounts which the Trustee considers may become payable under paragraphs (a), (b), (c) and (d) of this definition at a future date, but in relation to the period to which the Disability Benefit relates, or (in the case of a Former Qantas Division 3 Member) in relation to the condition that resulted in the Member being eligible for a Total and Permanent Disablement Benefit.

Where a Member is entitled to a Disability Benefit, and one or more of the items under this definition is in the form of a lump sum payment, the lump sum shall be converted to an equivalent income for the purpose of determining the Offsetting Amount, in such manner as the Trustee, with the approval of the Company, considers equitable.

Where a Member is entitled to a Total and Permanent Disablement Benefit, and one or more of the items under this definition is in the form of an income payment, the income shall be converted to an equivalent lump sum for the purpose of determining the Offsetting Amount, in such manner as the Trustee, with the approval of the Company, considers equitable.

Where the Trustee determines that a future income or lump sum benefit may become payable from a source that would otherwise require it to be treated as an Offsetting Amount in terms of this definition, the Trustee may ignore that potential benefit subject to the Member providing an undertaking acceptable to the Trustee that the Member will reimburse the Trustee if such future benefit does in fact become payable.

Permanent Incapacitant means a Member who is receiving a Disability Benefit, whose contract of Employment with the Employer has been terminated and is not currently reinstated, or any other Member who is receiving a Disability Benefit and who the Company determines is a Permanent Incapacitant.

Pre-1995 Service in respect of a TN Transferring Employee who was a Former Qantas Division 2 Member, means the period (if any) as advised in writing by the AS Trustee to the Trustee, as being the period of Employment prior to 30 June 1995.

Prior Service Amount in relation to a Former Qantas Division 2 Member means the amount (if any) advised in writing by the AS Trustee to the Trustee as being the fixed dollar amount in respect of the Member, known as the "prior service amount" under the Australian Airlines General Superannuation Plan, immediately prior to the Commencement Date.

Productivity Account means the account maintained in respect of a Member of this Part IIB to which contributions are made in accordance with Rules 46(a)(i) and 46(a)(ii) for a Former Qantas Division 2 Member. This account shall be credited with an initial balance of an amount advised in writing by the AS Trustee to the Trustee (and which has been transferred to this Part IIB) as being the balance of the Productivity Account in the AS Plan as at the Commencement Date and subsequently with amounts

credited pursuant to Rule 50. This account is credited (or debited) with investment returns at the Plan Earning Rate and debited with Taxation as appropriate.

Projected Retirement Benefit means the amount determined in terms of Rule 48(b).

Qantas Rules means the rules of the Qantas Superannuation Plan immediately prior to the Qantas Transfer Date.

Qantas Superannuation Plan means the Qantas Superannuation Plan established by a Declaration of Trust which was administered in terms of Regulations which came into effect on 1 June 1939 and the rules to that trust deed as amended from time to time.

Qantas Transfer Date means 31 May 2004.

Retirement Benefit means a benefit paid to a Member in accordance with the provisions of Rule 48(d)(i).

Retirement Date means:

- (a) in relation to a Former Qantas Division 2 Member – 1 July following the Member's 60th birthday, or with the consent of the Employer, any earlier date on or after the Member's 55th birthday; and
- (b) in relation to a Former Qantas Division 3 Member – any date in the period between the Member's 55th and 65th birthdays inclusive.

Retrenchment means the cessation of an Employee's service with the Employer because the Employee's service or position is not necessary, the work for which the Employee is engaged is finished or a reduction in the number of Employees is necessary because the quantity of work has diminished, or such other circumstances as the Company specifies to constitute retrenchment.

Retrenchment Benefit means a benefit paid to a Member in accordance with the provisions of Rule 48(k).

Review Date means the first day of July in each year or such other date as is determined by the Trustee.

Rollover Account means the account maintained in respect of a Member of this Part IIB to which shall be credited an initial balance of an amount advised in writing by the AS Trustee to the Trustee (and which has been transferred to this Part IIB) as being the balance of the Rollover Account in the AS Plan as at the Commencement Date and subsequently with amounts rolled over to this Part IIB by the Member pursuant to Rule 52(c). This account is credited (or debited) with investment returns at the Plan Earning Rate and is debited with Taxation as appropriate.

Salary Sacrifice Account means the account maintained in respect of a Member of this Part IIB to which shall be credited an initial balance of an amount advised in writing by the AS Trustee to the Trustee (and which has been transferred to this Part IIB) as being the balance of the Salary Sacrifice Account in the AS Plan as at the Commencement Date and subsequently with contributions made by, or in respect of the Member, pursuant to Rule 47(f), this account is credited (or debited) with investment returns at the Plan Earning Rate and is debited with Taxation as appropriate.

Serious Ill-Health means termination of Employment prior to the Superannuation Date

through Serious Ill-Health as determined by the Trustee after considering medical advice or other advice as the Trustee considers necessary or desirable and where the Member is not entitled to a Total and Permanent Disablement Benefit.

Serious Ill-Health Benefit in relation to a Former Qantas Division 2 Member means a benefit paid to a Member in accordance with Rules 48(h)(ii) and 48(j).

Shortfall Component has the meaning given in the Superannuation Guarantee legislation.

Superannuation Date means:

- (a) in relation to a Former Qantas Division 2 Member- the first day of July following the Member's 60th birthday; and
- (b) in relation to a Former Qantas Division 3 Member – the Member's 65th birthday.

Superannuation Salary means the remuneration of an Employee from an Employer including Base Salary, representation or field allowances, commission, shift allowances, cash bonuses and director's fees but excluding overtime and any payments made as a consequence of termination of service including long service leave and accrued annual leave. Payments which, in the opinion of the Company, are of a special nature unrelated to the normal work activity of the Employee such as suggestion awards and Quarter Century awards, are not included in the Superannuation Salary of the Employee.

Supplementary Benefit means the benefit determined in accordance with Rule 48(c).

Surcharge Account means the account maintained in respect of a Member of this Part IIB. The account shall be debited or credited (as the case may be) with an initial balance of an amount advised in writing by the AS Trustee to the Trustee (and which has been transferred to this Part IIB) as being the balance of the Surcharge Account in the AS Plan as at the Commencement Date and subsequently the amount of any Surcharge payment made by this Part IIB in respect of the Member, or any Surcharge accounts or Surcharge liabilities transferred from a former superannuation plan in respect of the Member, and credited with contributions made by the Member pursuant to Rule 47(e). This account is credited (or debited) with investment returns at the Plan Earning Rate and is debited with Taxation as appropriate.

Surcharge Offset Contribution means the contribution determined in accordance with Rule 47(e).

TN Adjusted Service Multiple in the case of a Former Qantas Division 2 Member who transferred to the Qantas Superannuation Plan from a TN Plan, means the multiple (if any) as advised in writing by the AS Trustee to the Trustee as being the "TN Adjusted Service Multiple" in relation to a Member immediately prior to the Commencement Date.

TN FAS in the case of a Former Qantas Division 2 Member who transferred to the Qantas Superannuation Plan from the Australian Airlines Flight Attendants Superannuation Scheme or from the contributory section of the Australian Airlines General Superannuation Plan, is the amount which would have been the Member's Final Average Salary at the relevant date under the rules of the plan from which the Member transferred. However, if as a result of a change in job classification of the Member or a

change in the structure of the Member's remuneration, it is not possible to determine an amount for the Member's Final Average Salary under the rules of the plan from which the Member transferred, the Member's TN FAS shall be calculated in a manner agreed between the Trustee and the Company as being appropriate in the circumstances.

TN Member Multiple in the case of a Former Qantas Division 2 Member who transferred to the Qantas Superannuation Plan from a TN Plan, means the multiple (if any) advised in writing by the AS Trustee to the Trustee, being the amount advised in writing by the Former Trustee to the Trustee on or before the Transfer Date as being the "TN Member Multiple" in relation to a Member immediately prior to the Transfer Date.

TN Plan means any one or more of the Australian Airlines General Superannuation Plan, the Australian Airlines Flight Attendants Superannuation Scheme and the Australian Airlines Pilots Accumulation Fund.

TN Service Multiple in the case of a Former Qantas Division 2 Member who transferred to the Qantas Superannuation Plan from a TN Plan, means the multiple (if any) advised in writing by the AS Trustee to the Trustee, being the amount advised in writing by the Former Trustee to the Trustee on or before the Transfer Date as being the "TN Service Multiple" in relation to that Member immediately prior to the Transfer Date.

TN Transferring Employee means a Member (if any) who the AS Trustee advised in writing to the Trustee was a 'TN Division 2 Transferring Officer immediately prior to the Commencement Date.

Total and Permanent Disablement occurs when there has been Termination of Employment prior to the Superannuation Date through injury or illness which in the opinion of the Trustee, after consideration of medical evidence and any other evidence, the Trustee considers to be necessary or desirable, has rendered the Member incapacitated to such an extent that the Member is unlikely ever to be able to resume work or to attend to any gainful profession or occupation for which the Member is reasonably qualified by education, training or experience, and **Totally and Permanently Disabled** has a corresponding meaning.

Total and Permanent Disablement Benefit means a benefit paid to a Member in accordance with the provisions of Rule 48(h).

Total but Temporary Disablement means absence from Employment resulting from illness, accident or injury:

- (a) which commences or occurs prior to the Superannuation Date;
- (b) as a result of which the Member has been absent from Employment with the Employer in respect of the illness, accident or injury for a period of at least 3 months (or such shorter period as the Trustee may consider appropriate if in its view hardship exists);
- (c) in respect of which the Trustee has considered such medical or other evidence as the Trustee may require; and
- (d) which in the opinion of the Trustee, has rendered the Member unable to be employed by the Employer in any position considered suitable by the Employer (whether or not such a position is currently vacant),

and **Totally but Temporarily Disabled** has a corresponding meaning.

Transfer Account means the account maintained in respect of a Former Qantas Division 2 Member of this Part IIB. The account shall be credited or debited (as the case may be) with an initial balance of an amount advised in writing by the AS Trustee to the Trustee as being the balance of the Transfer Account in the AS Plan as at the Commencement Date (and which amount has been transferred to this Part IIB) and subsequently with the amounts pursuant to Rule 50. This account is credited (or debited) with investment returns at the Plan Earning Rate and is debited with Taxation as appropriate.

Voluntary Contributions in respect of a Former Qantas Division 3 Member, means the contributions determined in accordance with Rule 47(b)(ii)(A) .

Voluntary Contribution Account means the account maintained in respect of a Former Qantas Division 3 Member, to which shall be credited an initial balance of an amount (if any) advised in writing by the AS Trustee to the Trustee (and which has been transferred to this Part IIB) as being the balance of the Voluntary Contribution Account in the AS Plan as at the Commencement Date and subsequently with contributions made by, or in respect of, the Member pursuant to Rule 47(b)(ii)(A). This account is credited (or debited) with investment returns at the Plan Earning Rate and is debited with taxes as appropriate.

Withdrawal Benefit means a benefit paid to a Member in accordance with the provisions of Rule 48(l).

45 **Eligibility for Membership**

- (a) A Former Qantas Division 2 Member or Former Qantas Division 3 Member is eligible to join this Part IIB with effect from the Commencement Date; and
- (b) Unless otherwise specified, any reference to a Member in this Part IIB shall be a reference to a Former Qantas Division 2 Member or a Former Qantas Division 3 Member (as the context requires).

46 **Employer Contributions**

The Employer shall contribute the following in respect of each Member of Part IIB from the Commencement Date until the Member ceases to be a Permanent Employee or as otherwise provided the following amounts:

- (a) in relation to a Former Qantas Division 2 Member, subject to Rule 51:
 - (i) 3% of the Member's Superannuation Salary paid into the Productivity Account maintained in respect of that Member, until the Member ceases to be a Permanent Employee, or if earlier, the Member's Superannuation Date;
 - (ii) if a Member continues as a Permanent Employee beyond the Member's Superannuation Date, subject to the Statutory Requirements, the appropriate percentage of the Member's Superannuation Salary from time to time in accordance with the Superannuation Guarantee legislation, paid

into the Productivity Account in respect of service after the Superannuation Date;

- (iii) 2% of the Member's Superannuation Salary shall be allocated to the Company Account maintained in respect of that Member, until the Member's Superannuation Date, provided that for a Permanent Incapacitant these amounts will instead be allocated from the general assets of the Sub-Division. The Trustee may make a deduction for notional Taxation from any amount allocated from the general assets of the Sub-Division under this Rule, as if they had been paid by the Employer; and
- (iv) such other sum as advised by the Actuary from time to time as being necessary to provide benefits in accordance with this Part 2; and
- (b) In relation to a Former Qantas Division 3 Member, such sum as advised by the Actuary from time to time as being necessary to provide benefits in accordance with this Part IIB.

47 Member Contributions

(a) Standard Contributions

- (i) Each Former Qantas Division 2 Member shall contribute whilst a Member of this Part IIB, a percentage of Superannuation Salary in accordance with the following table:

Age upon joining the Qantas Superannuation Plan	Standard Contribution percentage of Superannuation Salary
Less than 25 years	4
25 but under 35	5
35 years and over	6

such amount being credited to the Member Account maintained in respect of the Member; and

- (ii) Each Former Qantas Division 3 Member shall contribute whilst a Member of this Part IIB prior to the Member's Superannuation Date, 5% of Superannuation Salary except that no such contributions shall be payable while the Member is in receipt of a Disability Benefit.

(b) Extra Contributions

- (i) The following Rules apply to a Former Qantas Division 2 Member:
 - (A) In addition to contributions made in accordance with Rule 47 a Member, whilst a Member of this Part IIB, may elect by notice to the Trustee to make extra contributions of such amounts as the Member shall determine from time to time, subject to Rules 47(b)(i)(B), 47(b)(i)(C), 47(b)(i)(D) and 47(b)(i)(E); such amounts being credited to the Member Extra Account maintained in respect of the Member.

- (B) Extra contributions made by a Member in accordance with Rule 47(b)(i)(A) may be varied upon application by the Member to the Trustee at such time as the Trustee may allow.
 - (C) All extra contributions made by a Member must be of an integral percentage of Superannuation Salary.
 - (D) The Employer shall deduct such contributions from each payment of a Member's remuneration, and pay the same to the Trustee.
 - (E) The contributions by a Member shall cease on the earliest of:
 - (I) such date as required by the Statutory Requirements;
 - (II) the Member ceasing to be a Permanent Employee; or
 - (III) the Member's Superannuation Date, unless the Member elects otherwise.
- (ii) The following Rules apply to a Former Qantas Division 3 Member:
- (A) A Member may elect to make additional contributions to this Part IIB and may elect to have Shortfall Components paid to this Part IIB of such amounts as the Member shall determine from time to time, subject to Rules 47(b)(ii)(C), 47(b)(ii)(D), 47(b)(ii)(E) and 47(b)(ii)(F). Such contributions and Shortfall Components are referred to as "Voluntary Contributions".
 - (B) Voluntary Contributions shall be credited to the Voluntary Contribution Account maintained in respect of the Member.
 - (C) Voluntary Contributions may be varied upon application by the Member to the Trustee at such time as the Trustee may allow.
 - (D) All Voluntary Contributions made by a Member, other than Shortfall Components, must be of an integral percentage of Superannuation Salary.
 - (E) The Company shall deduct all Member Contributions other than Shortfall Components from each payment of a Member's pay and remit the same to the Trustee.
 - (F) Voluntary Contributions made by a Member shall cease on the earlier of:
 - (I) the Member ceasing to be an Employee; or
 - (II) such date as required by the Statutory Requirements.

(c) Suspension or reduction of Member Contributions

Notwithstanding Rules 47(a) and 47(b), at the request of a Member and with the approval of both the Trustee and the Company, the Employer may allow a suspension or reduction in the contribution to be paid by that Member. In the event of such suspension or reduction, the Trustee shall consider the advice of the Actuary and make such alterations to the benefit entitlement of that Member as it considers appropriate.

(d) Payment of Member Contributions During Disability

The following Rules apply to a Former Qantas Division 2 Member:

- (i) Whilst a Member is receiving a Disability Benefit or workers compensation payment, contributions will be calculated in accordance with Rule 47(a).
- (ii) Subject to Rule 47(d)(iii), the Member Contributions while the Member is an Initial Incapacitant will be allocated from the general assets of the Sub-Division and will be deemed to have been paid by the Member.
- (iii) Member Contributions allocated from the general assets of the Sub-Division shall not result in the total of such payments together with the Disability Benefit, and any Accountable Income exceeding the Members Superannuation Salary and the Member will be required to pay any excess of the required Member Contributions. Further, a Member receiving workers compensation payment will be required to pay his or her own contribution from any remuneration paid by the Company which is additional to the workers compensation payment.
- (iv) Subject to the Statutory Requirements, a Member, while a Permanent Incapacitant, shall have the option of continuing to make contributions in accordance with Rule 47. If the Member does not make such continuing contributions then the Trustee shall, on the advice of the Actuary, make such alterations to the benefit entitlements of that Member as it considers appropriate.

(e) Surcharge Offset Contribution

A Member may make a lump sum Surcharge Offset Contribution at a time permitted by the Trustee of an amount not exceeding the debt balance of the Surcharge Account (if any) of the Member. Such Surcharge Offset Contribution must be credited to the Member's Surcharge Account. Surcharge Offset Contributions may be made in accordance with a Salary Sacrifice Arrangement with the Company's consent and subject to any conditions as the Company may from time to time determine.

(f) Salary Sacrifice Contribution

Salary Sacrifice Contributions may be made by the Employer in accordance with a Salary Sacrifice Arrangement with the Company's consent, and subject to any such condition as the Company may from time to time determine. Such contribution shall be credited to the Member's Salary Sacrifice Account.

(g) Family law offset contribution

A Member may make a lump sum Family Law Offset Contribution at a time permitted by the Trustee of an amount not exceeding the debit balance of the Family Law Account (if any) of the Member. Such Family Law Offset Contribution must be credited to the Member's Family Law Account. Family Law Offset Contributions may be made in accordance with a Salary Sacrifice Arrangement with the Company's consent and subject to any conditions as the Company may from time to time determine.

48 Determination of Benefits

(a) Accrued Retirement Benefit

(i) The Accrued Retirement Benefit for a Former Qantas Division 2 Member shall be:

(A) 10.6% of Final Average Salary for each year of Credited Service as a Flight Attendant or Technical Aircrew Member; and

(B) 9.3% of Final Average Salary for each year of Credited Service as a Ground staff Member,

multiplied by the Discount Factor.

(ii) The Accrued Retirement Benefit for a Former Qantas Division 3 Member shall be 18% of Final Average Salary for each year of Credited Service.

(b) Projected Retirement Benefit in respect of a Former Qantas Division 3 Member

The Projected Retirement Benefit shall be equal to 18% of Final Year Salary for each year of Credited Service, calculated as if Credited Service included the period from the date of Member's death or the date the Member became Totally and Permanently Disabled (as applicable) as determined by the Trustee, up to the Member's Superannuation Date.

(c) Supplementary Benefit in respect of a Former Qantas Division 3 Member

The Supplementary Benefit in respect of a Member shall be equal to the sum of the balance of the Member in that Member's:

(i) Voluntary Contribution Account (if any);

(ii) Rollover Account (if any);

(iii) Transfer Account (if any);

(iv) Salary Sacrifice Account (if any);

(v) Surcharge Account (if any);

(vi) Family Law Account (if any); and

(vii) Company Contribution Account (if any).

(d) Retirement Benefit

A Member who retires from Employment at Retirement Date shall be entitled to receive a Retirement Benefit. The Retirement Benefit shall be a lump sum equal to:

(i) in respect of a Former Qantas Division 2 Member – the sum of the balances in the following accounts maintained in respect of that Member:

(A) the Member Account;

(B) the Member Extra Account (if any);

(C) the Company Account;

(D) the Productivity Account (if any);

(E) the Rollover Account (if any);

(F) the Transfer Account (if any);

(G) Salary Sacrifice Account (if any);

- (H) the Surcharge Account (if any); and
 - (I) the Family Law Account (if any),
- together with the Accrued Retirement Benefit; and
- (ii) in respect of a Former Qantas Division 3 Member – the sum of:
 - (A) the Accrued Retirement Benefit; and
 - (B) the Supplementary Benefit.

(e) Late Retirement Benefit

A Member who retires from Employment after the Member's Superannuation Date shall be entitled to receive a Late Retirement Benefit. The Late Retirement Benefit shall be:

- (i) in respect of a Former Qantas Division 2 Member – a lump sum equal to the Retirement Benefit at the Superannuation Date together with any further contributions under the terms of this Part IIB, increased with investment returns at the Plan Earning Rate during the period from the Superannuation Date to the date of actual retirement; and
- (ii) in respect of a Former Qantas Division 3 Member – a lump sum equal to the Retirement Benefit determined as at the Member's Superannuation Date together with any further contributions under this Part IIB (including contributions required to satisfy minimum benefits under Rule 54) and credited (or debited) with investment returns at the Plan Earning Rate and debited with Taxation as appropriate.

(f) Death Benefit in relation to a Former Qantas Division 2 Member

- (i) On the death of a Former Qantas Division 2 Member in Employment, a Death Benefit shall be payable.
- (ii) The Death Benefit in respect of a Former Qantas Division 2 Member who died prior to Superannuation Date shall, subject to Rules 48(f)(iii) and 48(f)(iv), be a lump sum equal to the sum of the balances in the following accounts maintained in respect of that Member:
 - (A) the Member Account;
 - (B) the Member Extra Account (if any);
 - (C) the Company Account;
 - (D) the Productivity Account (if any);
 - (E) the Rollover Account (if any);
 - (F) the Transfer Account (if any);
 - (G) Salary Sacrifice Account (if any);
 - (H) the Surcharge Account (if any); and
 - (I) the Family Law Account (if any),

together with the Accrued Retirement Benefit, but in calculating the Accrued Retirement Benefit the Trustee shall not apply the discount specified in Rule 48(a).

- (iii) (A) For the purposes of Rule 48(f)(ii), the Member Account and the Company Account, shall be deemed to include contributions (based on the Superannuation Salary of the Member at the date of death) which would have been paid if the Member had remained in Employment until Superannuation Date.
 - (B) The Accrued Retirement Benefit will be calculated as if Credited Service included that period from the date of death until the Superannuation Date in respect of the Member, in addition to Employment completed before death.
- (iv) The Death Benefit shall be subject to a minimum of 5 times annual rate of Superannuation Salary at the date of death plus the sum of the balances in the Member Account, the Member Extra Account, the Rollover Account, the Productivity Account, the Surcharge Account and the Family Law Account as at the date of death of the Member.
- (v) The Death Benefit shall be equal to:
 - (A) in respect of a Former Qantas Division 2 Member who dies on the Superannuation Date – the Retirement Benefit; and
 - (B) in respect of a Former Qantas Division 2 Member Who dies after the Superannuation Date – the Late Retirement Benefit.
- (g) **Death Benefit in relation to a Former Qantas Division 3 Member**
 - (i) In respect of a Former Qantas Division 3 Member, subject to Rule 48(m), the Death Benefit in respect of a Member who dies prior to the Superannuation Date shall be a lump sum equal to the sum of:
 - (A) the Member's Projected Retirement Benefit; and
 - (B) the Supplementary Benefit.
 - (ii) The Death Benefit shall be equal to:
 - (A) in respect of a Former Qantas Division 3 Member who dies on the Superannuation Date – the Retirement Benefit; and
 - (B) In respect of a Former Qantas Division 3 Member who dies after the Superannuation Date – the Late Retirement Benefit.
- (h) **Total and permanent disablement benefit**
 - (i) On ceasing to be in Employment on the grounds of Total and Permanent Disablement prior to the Member's Superannuation Date, the Member is entitled to receive a Total and Permanent Disablement Benefit.
 - (ii) A Former Qantas Division 2 Member who is Totally and Permanently Disabled may, subject to the approval of the Employer and the Trustee, elect to receive either a Serious Ill-Health Benefit or a Total and Permanent Disablement Benefit. If the Member elects to receive a Serious Ill-Health Benefit, any further rights to a Total and Permanent Disablement Benefit or any other benefit under the terms of this Part IIB will cease.
 - (iii) The Total and Permanent Disablement Benefit in respect of a Former Qantas Division 2 Member shall be a pension equal to the Disability Benefit specified in Rule 48(i) payable until the Member's Superannuation

Date at which date the Member will be entitled to his or her Retirement Benefit,

- (iv) The Total and Permanent Disablement Benefit in respect of a Former Qantas Division 3 Member, subject to Rule 48(m), shall be a lump sum equal to the sum of:

- (A) the Member's Projected Retirement Benefit; and
- (B) the Supplementary Benefit.

PROVIDED THAT in the case of a Total and Permanent Disablement Benefit the amount determined in accordance with this Rule 48(h)(iv) shall be reduced by any Offsetting Amounts determined by the Trustee.

(i) **Disability Benefit**

- (i) A Member who is Totally but Temporarily Disabled shall be entitled to a Disability Benefit if:

- (A) all sick and annual leave entitlements have been exhausted; and
- (B) in the case of a Former Qantas Division 3 Member, the Member is not Totally and Permanently Disabled.

- (ii) In respect of a Former Qantas Division 2 Member:

- (A) the Disability Benefit shall, subject to the Statutory Requirements, be a pension (payable in instalments at monthly intervals, or such other intervals as determined by the Trustee) equal to 70% of Superannuation Salary per annum reduced by any Offsetting Amounts as determined by the Trustee.
- (B) If the Member is currently insured for health benefits, under tables and in funds which are determined as acceptable for this purpose by the Trustee from time to time, the Disability Benefit will be increased by and thus include an amount determined by the Trustee as being a reasonable approximation to the average premium applicable for a single person's insurance cover at an appropriate level under those funds.
- (C) The Disability Benefit will cease for any period during which sick leave, annual leave or public holidays are paid.
- (D) The Disability Benefit will terminate in any event on the earliest of:
 - (III) the Superannuation Date;
 - (IV) the Member's death;
 - (V) the Member's entitlement to the Withdrawal Benefit;
 - (VI) the Member's entitlement to the Early Retirement Benefit;
 - (VII) the Member's entitlement to the Serious Ill-Health Benefit;
 - (VIII) the Member's entitlement to the Total and Permanent Disablement Benefit;
 - (IX) in the case of a full-time Employee, the Member's return to permanent full-time duty;
 - (X) in the case of a part-time Employee, the Member's return to permanent part-time or full-time duty; and

(XI) the Member ceasing to be Totally but Temporarily Disabled.

(iii) In respect of a Former Qantas Division 3 Member:

- (A) Subject to the Statutory Requirements, the Disability Benefit shall be an annual pension (payable in instalments at monthly intervals or as determined by the Trustee) equal to seventy-five percent (75%) of the Member's Final Year Salary reduced by any Offsetting Amounts as determined by the Trustee.
- (B) The Disability Benefit will cease for any period during which sick leave, annual leave or public holidays are paid.
- (C) The Disability Benefit will terminate in any event on the earliest of:
 - (XII) the Member reaching the Superannuation Date;
 - (XIII) the Member's death;
 - (XIV) the Member becoming eligible to receive any other benefit under this Part IIB;
 - (XV) the benefit having been paid for two consecutive years;
 - (XVI) in the case of a full-time Employee, the Member's return to permanent full-time duty;
 - (XVII) in the case of a part-time Employee, the Member's return to permanent part-time duty; and
 - (XVIII) the Member ceasing to be Totally but Temporarily Disabled.

(j) **Serious Ill-Health Benefit**

- (i) A Former Qantas Division 2 Member who ceases Employment due to Serious Ill-Health but who is not entitled to a Total and Permanent Disablement Benefit shall be entitled to receive a Serious Ill-Health Benefit.
- (ii) A Serious Ill-Health Benefit in respect of a Former Qantas Division 2 Member shall be a lump sum equal to the sum of the balances in the following accounts maintained in respect of that Member:
 - (A) the Member Account;
 - (B) the Member Extra Account (if any);
 - (C) the Company Account;
 - (D) the Productivity Account (if any);
 - (E) the Rollover Account (if any);
 - (F) the Transfer Account (if any);
 - (G) Salary Sacrifice Account (if any);
 - (H) the Surcharge Account (if any); and
 - (I) the Family Law Account (if any),together with the Accrued Retirement Benefit.

(k) **Retrenchment Benefit for a Former Qantas Division 3 Member**

A Former Qantas Division 3 Member who ceases to be in Employment as a result of Retrenchment, shall be entitled to receive a Retrenchment Benefit. The Retrenchment Benefit shall be a lump sum equal to the sum of:

- (i) the Member's Accrued Retirement Benefit; and
- (ii) the Supplementary Benefit.

(l) Withdrawal Benefit

- (i) On ceasing to be in Employment, a Member who is not entitled to receive a Retirement Benefit, a Late Retirement Benefit, a Total and Permanent Disablement Benefit, a Serious Ill-Health Benefit or a Disability Benefit and in respect of whom a Death Benefit is not payable, shall be entitled to receive a Withdrawal Benefit.
- (ii) The Withdrawal Benefit payable to a Former Qantas Division 2 Member, subject to Rule 48(l)(iii), shall be a lump sum equal to the sum of the balances in the following accounts maintained in respect of that Member:
 - (A) the Member Account;
 - (B) the Member Extra Account (if any);
 - (C) the Productivity Account (if any);
 - (D) the Rollover Account (if any);
 - (E) the Transfer Account (if any);
 - (F) Salary Sacrifice Account (if any);
 - (G) the Surcharge Account (if any); and
 - (H) the Family Law Account (if any),

plus a percentage of both the amount standing to the credit of the Member in the Company Account and the Accrued Retirement Benefit, such percentage being in accordance with the following table:

Vesting Scale	Percentage
if age at ceasing Employment is not less than 55	100%
otherwise, but subject to Rule 48(l)(iv), according to Credited Service as follows:	
Period of Credited Service	Percentage
Less than 1 year	0.00
1	6.67
2	13.33
3	20.00
4	26.67
5	33.33
6	40.00
7	46.67

8	53.33
9	60.00
10	66.67
11	73.33
12	80.00
13	86.67
14	93.33
15 years or more	100.00

The Vesting Scale above is interpolated between table entries for complete months.

Subject to the approval of the Company, a percentage not exceeding 100% may be used in lieu of the percentage determined from the above table.

- (iii) The Withdrawal Benefit payable to a Former Qantas Division 2 Member whose Employment is terminated by summary dismissal shall be a lump sum equal to the balances in the following accounts maintained in respect of that Member:

- (A) the Member Account;
- (B) the Member Extra Account;
- (C) the Productivity Account (if any);
- (D) the Rollover Account (if any);
- (E) the Transfer Account (if any);
- (F) Salary Sacrifice Account (if any);
- (G) the Surcharge Account (if any); and
- (H) the Family Law Account (if any).

Subject to the approval of the Company this benefit may be increased to an amount not more than the benefit determined in accordance with Rule 48(1)(ii).

- (iv) In the case of a Former Qantas Division 2 Member who has been an Employee in part-time Employment at any time, for the purpose of interpreting the Vesting Scale above, Credited Service will be determined as if the Member had been in full-time Employment throughout the Member's period of Employment.
- (v) The Withdrawal Benefit in relation to a Former Qantas Division 3 Member shall be a lump sum equal to the sum of the Supplementary Benefit and an amount determined in accordance with the following formula:

$$BR \times \text{Credited Service} \times FAS \times (1-d)$$

where:

BR is determined in accordance with the following table:

Whole Years of Credited Service	BR
0	13%
1	14%
2	15%
3	16%
4	17%
5 or more	18%

PROVIDED THAT:

- (i) in the case of a Member who has been an Employee in part-time Employment at any time (whether on a permanent or temporary basis), for the purpose of determining BR, Credited Service will be determined as if the Member had been in full-time Employment (but still on a permanent or temporary basis as the case may be) throughout that Member's period of Employment; and
- (ii) at the request of the Company, BR may be increased for a Member with less than 5 years of Credited Service, to a percentage greater than that obtained from the above table but not exceeding 18%,

FAS is equal to the Member's Final Average Salary; and

d is equal to the lesser of:

- (A) 0.3; and
- (B) 0.01 multiplied by the number of years (with days counting pro rata) from the date Employment ceased to the date of the Member's fifty fifth (55th) birthday.

In exceptional cases of ill-health where a Member would otherwise be expected, in the opinion of the Trustee, to qualify for a Death Benefit within 6 months, or such other period as the Trustee considers appropriate, of the date of ceasing Employment, the Trustee may, with the approval of the Company, increase the benefit otherwise payable up to an amount equal to the Death Benefit.

(m) Limitations on Former Qantas Division 3 Members where previous benefits received

- (i) Where a Member was a Member of the Former Fund and of the Qantas Superannuation Plan prior to the current period of Employment and as a result of the termination of that earlier period of Employment, the Trustee is advised by the Former Trustee that the Member received:
 - (A) a Total and Permanent Disablement benefit under Division 1 of the Qantas Superannuation Plan or Part IIB of the Former Fund in excess of the Serious Ill-Health Benefit at that time;
 - (B) a lump sum benefit under Division 2, Division 3 or Division 3A of the Qantas Superannuation Plan or Part IIB of the Former Fund in excess of an amount equal to the Member's Retirement Benefit at

that time (irrespective of whether or not the Member was eligible to receive the Retirement Benefit at that time); or

- (C) a lump sum benefit under the regulations which applied prior to the deed of amendment dated 21 September 1989, in excess of the sum of the member's Accumulated Credit and the amount of the additional benefit for past credited service at that time (irrespective of whether or not the Member was eligible to receive that additional benefit at that time),

the Death Benefit and the Total and Permanent Disablement Benefit otherwise determined in accordance with Rules 48(f), 48(g) and 48(h) shall not exceed a lump sum equal to the sum of:

- (D) the Member's Accrued Retirement Benefit; and
- (E) the Supplementary Benefit.

- (ii) For the purposes of Rule 48(m)(i):

- (A) any reference to Division 1 includes the Improved Old Benefits Category (as that term was defined in the Qantas Rules in force at the relevant time);
- (B) any reference to Division 2 includes the New Benefits Category (as defined in the Qantas Rules in force at the relevant time);
- (C) any reference to the Retirement Benefit determined at a time prior to the introduction of that defined term in the Qantas Rules, means the Normal Retirement Benefit (as that term was defined in the Qantas Rules in force at the relevant time); and
- (D) any reference to a benefit or other amount at a particular time, means the benefit or other amount determined in accordance with the Qantas Rules in force at that particular time.

(n) Accrued Benefit Multiple

- (i) The Accrued Benefit Multiple:

- (A) in respect of a Former Qantas Division 2 Member means an amount equal to:
 - (XIX) 10.6% for each year of Credited Service as a Flight Attendant or Technical Aircrew Member; and
 - (XX) 9.3% for each year of Credited Service as a Ground Staff Member; and
- (B) in respect of a Former Qantas Division 3 Member means an amount equal to 18% for each year of Credited Service.

(o) Post 65 Access to Retirement or Late Retirement Benefits

A Member who has attained the age of 65 years but has not retired from Employment is entitled to receive one or more amounts which, in total, do not exceed the value of the Retirement Benefit or Late Retirement Benefit (as the case may be) that would be payable in respect of the Member if the member was to immediately retire from Employment (**Post 65 Access**). In the event that a Member elects Post 65 Access to his or her Retirement Benefit or Late Retirement Benefit (as the case may be), the Trustee shall adjust the amount of any benefit

which is or may become payable from the Sub-Division in respect of the Member, as the Trustee, determines on the advice on the Actuary.

49 Payment of Benefits

(a) Payment of Death Benefits

- (i) A Death Benefit shall be paid by the Trustee in the exercise of an absolute discretion, in such proportions as it considers fit, to any one or more of the following persons:
 - (A) the Nominated Beneficiary provided that the Nominated Beneficiary is a Dependant of the deceased Member;
 - (B) all or any of the Dependents of the deceased Member; or
 - (C) the Legal Personal Representative of the deceased Member.
- (ii) If the Trustee is satisfied that there are no such persons and no application for Probate of the Member's will or Letters of Administration has been made or is likely to be made with respect to the Member then the benefit shall be paid to a Nominated Beneficiary (if any) who is not a Dependant and if such payment is permitted by the Statutory Requirements. If the Trustee is unable to make a payment to any of the persons referred to in this Rule, then the amount which would otherwise be payable in accordance with this Rule shall be forfeited and form part of the general assets of the Sub-Division.

(b) Nomination of Nominated Beneficiary

A Member wishing to Nominate a Nominated Beneficiary shall do so in writing to the Trustee in such form as the Trustee may from time to time require.

(c) Alternative Forms of Benefit

- (i) A Member who is entitled to a benefit upon ceasing to be a Member may elect, with the agreement of the Trustee within 14 days prior to Employment ceasing or in the case of a Total and Permanent Disablement Benefit within 14 days prior to becoming so entitled, to substitute for such benefit or part of such benefit a pension or annuity subject to such terms and conditions as may be agreed by the Trustee and of such annual amount as is determined by the Trustee, after considering the advice of the Actuary, to be equivalent in value to the benefit being substituted.
- (ii) The Company may arrange with the Trustee for any particular Member's benefit to be varied from that shown in this Part IIB subject to the payment of such special contributions by the Member or the Employer or both as may be agreed between the Company and the Trustee with the advice of the Actuary, **PROVIDED THAT** Member contributions shall not be increased nor benefits reduced, unless the Member's agreement in writing is obtained.
- (iii) The Company may determine that the benefit for any particular Member shall be increased above that which would otherwise apply in terms of this Part IIB, subject to:

- (A) the payment by the Company of a special contribution equal to the amount of the increase in the benefit, together with any taxes and expenses associated with that contribution;
 - (B) the said special contribution being paid coincident with or prior to the payment of the increased benefit; and
 - (C) the Trustee being satisfied that such action would not jeopardise the continuing approval of the Sub-Division by a Responsible Authority.
- (iv) The Trustee may in its discretion, subject to the consent of the person entitled, substitute for all or any part of a Death Benefit, a pension of such annual amount and subject to such terms and conditions as may be determined by the Trustee, after considering the advice of the Actuary, to be equivalent in value to the benefit for which it is being substituted.

50 Special Conditions: Division 2 and Division 3 Transferring Members

(a) Qantas Division 2 Members

The provisions of this Rule 50(a) shall apply to a Division 2 Transferring Member.

- (i) A Division 2 Transferring Member shall be entitled where relevant to benefits determined in accordance with Rules 48(d)(i), 48(e)(i), 48(f), 48(h), 48(i), 48(j) and 48(l) but in calculating those benefits the Trustee shall take into account the following special conditions which apply to a Division 2 Transferring Member:
 - (A) From the Qantas Transfer Date the percentage referred to in Rule 46(a)(ii) shall be increased by a percentage based on the period from the date the Member originally joined the Qantas Superannuation Plan to that Member's Superannuation Date as set out in the following table:

Period from Date Joined the Qantas Superannuation Plan to Superannuation Date (Years)	Extra Employer Contribution (%)
35 or more	nil
30 to 34	2
25 to 29	4
20 to 24	6
15 to 19	8
10 to 14	10
0 to 9	12

The extra contribution paid in accordance with this Rule will be paid into the Company Account maintained in respect of that Member.

- (B) The Death Benefit determined in accordance with Rule 48(f) shall be subject to a special minimum equal to the Death Benefit that would have been payable from the Qantas Superannuation Plan if the Member had died at 1 July 1989.
- (C) The Accrued Retirement Benefit in respect of the period of Employment before 1 July 1988 shall be equal to the Discount Factor multiplied by the sum of:
 - (XXI) 12.5% of Final Average Salary for each year of Credited Service as a Flight Attendant or Technical Aircrew Member before 1 July 1988 (as advised in writing by the AS to the Trustee); and
 - (XXII) 11.0% of Final Average Salary for each year of Credited Service as a Ground Staff Member before 1 July 1988 (as advised in writing by the AS Trustee to the Trustee).
- (ii) In lieu of the contributions otherwise payable by the Member under Rule 47(a), a TN Transferring Employee shall contribute 5% of Superannuation Salary, irrespective of the Member's age at joining, and such amount shall be credited to the Member Account maintained in respect of the Member.
- (iii) A TN Transferring Employee shall be entitled where relevant to benefits determined in accordance with Rule 48 but in calculating those benefits the Trustee shall take into account the following special conditions which apply to a TN Transferring Employee:

Exclusion of minimum death benefit – transferees from AAGSP (non-contributory)

- (A) In the case of the death prior to the Superannuation Date of a Member who the AS Trustee has advised the Trustee has transferred from the non-contributory section of the Australian Airlines General Superannuation Plan to the Qantas Superannuation Plan, Rule 48(f)(iv) shall not apply.

Defined benefits in respect of membership of a TN Plan

- (B) In the case of a Member who the AS Trustee has advised the Trustee has transferred from the Australian Airlines Flight Attendants Superannuation Scheme or from the contributory section of the Australian Airlines General Superannuation Plan to the Qantas Superannuation Plan, and who is entitled to a Retirement Benefit, a late Retirement Benefit, a Death Benefit or a Serious Ill-Health Benefit, the Member's Accrued Retirement Benefit shall be increased by an amount equal to the Member's TN FAS multiplied by the sum of:
 - (I) the Member's TN Member Multiple; and
 - (II) the Member's TN Adjusted Service Multiple multiplied, in the case of a Serious Ill-Health Benefit, by the Discount Factor.
- (C) In the case of a Member who the AS Trustee advised the Trustee has transferred from the Australian Airlines Flight Attendants Superannuation Scheme or from the contributory section of the Australian Airlines General Superannuation Plan to the Qantas

Superannuation Plan, and who is entitled to a Withdrawal Benefit, the Member's Withdrawal Benefit shall be increased by an amount equal to the Member's TN FAS multiplied by the sum of:

- (I) the Member's TN Member Multiple; and
- (II) the Member's TN Adjusted Service Multiple multiplied by the percentage determined under Rule 48(l)(ii) and multiplied by the Discount Factor.

Prior service amount – transferees from the AAGSP

- (D) In the case of a Member who the AS Trustee has advised the Trustee has transferred from the Australian Airlines General Superannuation Plan to the Qantas Superannuation Plan, the amount of any Retirement Benefit, Late Retirement Benefit, Death Benefit, Serious Ill-Health Benefit or Withdrawal Benefit shall be reduced by the Prior Service Amount.

Exclusion of Employment prior to 30 June 1995 for all transferees

- (E) Other than for the purpose of determining the percentage in Rule 48(l)(ii), Pre-1995 Service shall not be recognised in the determination of Credited Service.

Initial Final Average Salary for all transferees

- (F) All periods prior to 30 June 1995 shall be excluded from consideration when calculating Final Average Salary.

Minimum benefits based on TN Plan rules

- (G) Subject to Rule 50(a)(iii)(L) hereof, where:

(XXIII) a Member is entitled to a Retirement Benefit, a Serious Ill-Health Benefit or a Withdrawal Benefit;

(XXIV) a Member who the AS Trustee has advised the Trustee has transferred from the Australian Airlines General Superannuation Plan to the Qantas Superannuation Plan is entitled to a Late Retirement Benefit; or

(XXV) a Member who the AS Trustee has advised the Trustee has transferred from the Australian Airlines Flight Attendants Superannuation Scheme to the Qantas Superannuation Plan is entitled to a Late Retirement Benefit and the Member has elected under Rule 47(b)(i)(E)(III) to continue contributing under Rule 47(a),

the lump sum payable shall be subject to a special minimum equal to the benefit that would have been payable in the same circumstances under the rules of the TN Plan from which the Member transferred plus the Surcharge Account and Family Law Account.

- (H) Subject to Rule 50(a)(iii)(L) hereof, where a Member who the AS Trustee has advised the Trustee has transferred from the Australian Airlines Flight Attendants Superannuation Scheme to the Qantas Superannuation Scheme is entitled to a Late Retirement Benefit

and the Member has not elected under Rule 47(b)(i)(E)(III) of this Part 2 to continue contributing under Rule 47(a), the Member's Retirement Benefit at the Superannuation Date (as determined for the calculation of the Late Retirement Benefit) shall be subject to a special minimum in accordance with Rule 50(a)(iii)(G) above as if the Member had been entitled to a Retirement Benefit at that date.

- (I) Where a Death Benefit is payable in respect of a Member, the lump sum payable shall be subject to a special minimum equal to the greater of the benefit that would have been payable under the rules of the TN Plan from which the Member transferred (as advised by the AS Trustee):

(XXVI) had the Member died on 30 June 1995; or

(XXVII) had the Member voluntarily left Employment on the date of the Member's death, plus the Surcharge Account and Family Law Account.

- (J) Where the Employment of a Member ceases as a result of Total and Permanent Disablement, the Member may elect to receive, in lieu of the benefits otherwise payable (currently or prospectively) under this Part IIB, a lump sum benefit equal to the greater of the benefit that would have been payable (as advised by the AS Trustee):

(XXVIII) under the rules of the TN Plan from which that Member transferred had the Member ceased Employment as a result of Total and Permanent Disablement on 30 June 1995; or

(XXIX) had the Member left Employment as a result of Serious Ill-Health on the date of the Member's Total and Permanent Disablement, plus the Surcharge Account and Family Law Account.

- (K) For the purposes of Rules 50(a)(iii)(G), 50(a)(iii)(H), 50(a)(iii)(I) and 50(a)(iii)(J) above, any contributions:

(XXX) made by the Member under Rule 47(b); and

(XXXI) made by a Member, other than a Member who transferred from the Australian Airlines Flight Attendants Superannuation Scheme to the Qantas Superannuation Plan, under Rule 47(a) after the Superannuation Date,

shall be treated as if they were voluntary contributions to the relevant TN Plan and the benefits under the relevant TN Plan shall be determined assuming that the investment returns added to contributions under that plan after 30 June 1995 would have been at the same rate as the Plan Earning Rate from time to time.

- (L) Where the classification of a Member changes, a determination under Rule 50(a)(iii)(G) or Rule 50(a)(iii)(H) shall be made as if the Member had voluntarily left Employment at the date of change of classification. To the extent that Rule 50(a)(iii)(G) or Rule 50(a)(iii)(H) determines a greater benefit than would otherwise be calculated under the Rules, the excess shall be credited to the Member's Transfer Account at the date of change of classification

and Rules 50(a)(iii)(G) and 50(a)(iii)(H) shall no longer apply to the Member.

Accrued Benefit Multiple - Australian Airlines General Superannuation Plan

- (M) In the case of a Member who the AS Trustee has advised the Trustee has transferred from the Contributory Section of the Australian Airlines General Superannuation Plan the Accrued Benefit Multiple is an amount equal to 18% multiplied by years of membership. Where years of membership has the same meaning as given in the rules of the Australian Airlines General Superannuation Plan and is determined as if the member were still a member of the Australian Airlines General Superannuation Plan.

Accrued Benefit Multiple - Australian Airlines Flight Attendants' Superannuation Scheme

- (N) In the case of a Member who the AS Trustee has advised the Trustee has transferred from the Defined Benefit Section of the Australian Airlines Flight Attendants' Superannuation Scheme to the Qantas Superannuation Plan, the Accrued Benefit Multiple is an amount equal to 14% multiplied by Years of Benefit Service. Where Years of Benefit Service has the same meaning as given in the rules of the Australian Airlines Flight Attendants' Superannuation Scheme and is determined as if the member were still a member of the Australian Airlines Flight Attendants' Superannuation Scheme.

(b) Special Conditions: Qantas Division 3 Transferring Members

The provisions of this Rule 50(b) shall apply to a Division 3 Transferring Member.

- (i) A Division 3 Transferring Member shall be entitled where relevant to benefits determined in accordance with Rule 48, but in calculating those benefits the Trustee shall take into account the following special conditions which apply to a Division 3 Transferring Member **Defined Benefits at 30 June 1995 - transferees from Division 2 of the Qantas Superannuation Plan**

- (A) In the case of a Member who the AS Trustee has advised the Trustee has transferred from Division 2 to Division 3 of the Qantas Superannuation Plan and whose Superannuation Date immediately prior to transferring to Division 3 of the Qantas Superannuation Plan was after 30 June 1995, the Member's Accrued Retirement Benefit and Projected Retirement Benefit shall be increased by an amount equal to the Member's Final Average Salary which would have applied had the Member remained in Division 2 of the Qantas Superannuation Plan, multiplied by:

- (XXXII) 12.5% for each year of Credited Service prior to 1 July 1988 (as advised in writing by the AS Trustee) plus 10.6% for each year after 30 June 1988 and before 1 July 1995 of Credited Service as a Flight Attendant or Technical Aircrew Member (as advised in writing by the AS Trustee); and

(XXXIII) 11% for each year of Credited Service prior to 1 July 1988 (as advised in writing by the AS Trustee) plus 9.3% for each year after 30 June 1988 and before 1 July 1995 (as advised in writing by the AS Trustee) of Credited Service as a Ground Staff Member (as advised in writing by the AS Trustee).

For the purpose of this calculation, Employment and Credited Service shall be calculated in the manner which applies to a Former Qantas Division 2 Member.

(B) In the case of a Member who the AS Trustee has advised the Trustee has transferred from Division 2 to Division 3 of the Qantas Superannuation Plan and whose Superannuation Date immediately prior to transferring to Division 3 of the Qantas Superannuation Plan was after 30 June 1995, the Member's Withdrawal Benefit shall be increased by an amount equal to the Member's Final Average Salary which would have applied had the Member remained in Division 2 of the Qantas Superannuation Plan, multiplied by the Division 3 Vesting Factor, the Discount Factor, and:

(I) 12.5% for each year of Credited Service prior to 1 July 1988 (as advised in writing by the AS Trustee) plus 10.6% for each year after 30 June 1988 and before 1 July 1995 of Credited Service as a Flight Attendant or Technical Aircrew Member (as advised in writing by the AS Trustee); and

(II) 11% for each year of Credited Service prior to 1 July 1988 (as advised in writing by the AS Trustee) plus 9.3% for each year 30 June 1988 and before 1 July 1995 of Credited Service as a Ground Staff Member (as advised in writing by the AS Trustee).

For the purpose of this calculation, Employment and Credited Service shall be calculated in the manner which applies to a Former Qantas Division 2 Member.

Defined benefits in respect of membership of a TN Plan

(C) In the case of a Member who the AS Trustee has advised the Trustee has transferred from the Australian Airlines Flight Attendants Superannuation Scheme or from the contributory section of the Australian Airlines General Superannuation Plan to the Qantas Superannuation Plan, the Member's Accrued Retirement Benefit and Projected Retirement Benefit shall be increased by an amount equal to the Member's TN FAS multiplied by the Member's TN Service Multiple.

(D) In the case of a Member who the AS Trustee has advised the Trustee has transferred from the Australian Airlines Flight Attendants Superannuation Scheme or from the contributory section of the Australian Airlines General Superannuation Plan to the Qantas Superannuation Plan, and whose Credited Service is at least 5 years, the Member's Withdrawal Benefit shall be increased

by an amount equal to the Member's TN FAS multiplied by the Member's TN Service Multiple, and by the Discount Factor.

- (E) In the case of a Member who the AS Trustee has advised the Trustee has transferred from the contributory section of the Australian Airlines General Superannuation Plan (AAGSP) to the Qantas Superannuation Plan, and whose Credited Service is less than 5 years, the Member's Withdrawal Benefit shall be increased by an amount equal to the Member's TN FAS multiplied by the Discount Factor, by BR (as determined for the purpose of Rule 48(l)(v)) and by the Member's years of membership in the AAGSP (as determined for benefit purposes under the Qantas Superannuation Plan) prior to 30 June 1995.
- (F) In the case of a Member who the AS Trustee has advised the Trustee has transferred from the Australian Airlines Flight Attendants Superannuation Scheme (AAFASS) to the Qantas Superannuation Plan, and whose Credited Service is less than 5 years, the Member's Withdrawal Benefit shall be increased by an amount equal to the Member's TN FAS multiplied by the Discount Factor, by $(BR - 4\%)$, where BR is as determined for the purpose of Rule 48(l)(v), and by the Member's years of benefit service in that the AAFASS (as determined for benefit purposes under the Qantas Superannuation Plan) prior to 30 June 1995.

Prior service amount – transferees from the AAGSP

- (G) In the case of a Member who the AS Trustee advised the Trustee has transferred from the AAGSP to the Qantas Superannuation Plan, the amount of any Retirement Benefit, Late Retirement Benefit, Death Benefit, Serious Ill-Health Benefit or Withdrawal Benefit shall be reduced by the fixed dollar amount in respect of the Member, if any, known as the prior service amount under the AAGSP.

Exclusion of Employment prior to 30 June 1995 for all transferees

- (H) Other than for:
 - (I) the purpose of determining the Division 3 Vesting Factor;
 - (II) the purpose of determining BR in Rule 48(l)(v); and
 - (XXXIV) the calculations in Rules 50(b)(i)(A), 50(b)(i)(B), 50(b)(i)(D), 50(b)(i)(E) and 50(b)(i)(F).

Employment prior to 30 June 1995 shall not be recognised in the determination of Credited Service.

Initial Final Year Salary and Final Average Salary for all transferees

- (I) All periods prior to 30 June 1995 shall be excluded from consideration when calculating Final Year Salary and Final Average Salary, other than for the calculations in Rules 50(b)(i)(A) and 50(b)(i)(B).

51 Leave of Absence

- (a) Subject to the Statutory Requirements, a Member who shall have been granted leave of absence with salary shall remain a Member of this Part IIB and the period of such leave of absence shall be included as Credited Service.
- (b) Subject to the Statutory Requirements a Member who shall have been granted leave of absence without salary shall remain a Member of this Part IIB and the Company may, in its discretion, determine that the contribution by the Member shall be discontinued and the period of leave excluded from Credited Service **PROVIDED THAT**, in the event that contributions and Credited Service are to be continued, the Company shall determine the Superannuation Salary to be used and the Member shall pay Member Contributions which fall due during such period of absence and the Company may, in its discretion, require the Member to pay the Employer's contribution to the Sub-Division on behalf of the Member for the same period, **PROVIDED FURTHER THAT** in the event that a Member is in receipt of the disability income benefit, the membership and contributions of the Member shall be governed by Rule 47(c).
- (c) Subject to the Statutory Requirements a Member who is on leave of absence by reason of service with the armed forces of Australia or of any of its allies, shall continue to be a Member of this Part IIB as if such Member were on leave of absence without salary.
- (d) The Employer shall notify the Trustee whenever any Member shall be given leave of absence without salary and whenever the Employment of any such Member has been terminated.

52 Miscellaneous Provisions

(a) Additional Credited Service

The Employer may arrange with the Trustee for a Member's Credited Service to be increased by a number of years and months agreed with the Company subject to payment of such special contributions by the Member or the Employer or both as are determined by the Actuary. The Employer may arrange for any such additional Credited Service to apply only in respect of some and not all of the benefits under the Sub-Division which are calculated having regard to the Member's Credited Service.

(b) Transfer from permanent to temporary or casual Employment

If a Member who is classified as a Permanent Employee becomes a temporary or casual Employee without a break in Employment then Employment will be regarded as having terminated at the date of change of classification and the Member will be regarded as having commenced a new and separate period of Employment from that time. Subject to the Statutory Requirements, the Member will be entitled to a benefit as provided in Rule 48 as a result of ceasing Employment.

Subject to the Statutory Requirements, the Member will be entitled to a benefit as provided in Rule 48 as a result of ceasing Employment.

(c) **Rollovers to the Sub-Division**

At any time before the later of 1 January 1996 or 6 months after becoming a member of the Qantas Superannuation Plan, or within such longer period as the Trustee allows in the particular case, a person who is classified as a Former Qantas Division 2 Member, may elect to pay, or have paid, one or more eligible termination payments into the Sub-Division. Such amounts shall be credited to the Member's Rollover Account.

53 **Winding Up**

- (a) This Part IIB shall be wound up as provided in this Rule upon the happening of any of the following events:
- (i) if the Trustee shall consider that this Part IIB is insolvent or if it shall be advised by the Actuary that this Part IIB is insolvent and it resolves to terminate this Part IIB;
 - (ii) if the Employer decides that it will permanently cease contributing to this Part IIB; or
 - (iii) if an order is made or an effective resolution is passed for the winding up of the Employer's business other than for the purpose of amalgamation or reconstruction.
- (b) In such event the Trustee shall give notice in writing to the Employer and the Members that this Part IIB shall terminate on a specified date (Termination Date). As from the Termination Date the following shall apply:
- (i) no further contributions shall be made by the Employer and the Members other than arrears of contributions due up to the Termination Date; and
 - (ii) any arrears of contributions shall be paid forthwith.
- (c) Upon termination of this Part IIB, the Trustee, after considering the advice of the Actuary shall:
- (i) make such provision out of the assets of this Part IIB as is necessary to provide for the following payments in the listed order of priority:
 - (A) the costs, charges and expenses of the Trustee and the winding up of this Part IIB so far as the same are not met by the Employer;
 - (B) benefits which became payable before the Termination Date and have not been paid including provision for the continuation of the payment of any pensions payable from this Part IIB on the same terms and conditions as prior to the Termination Date;
 - (C) in respect of each Member who is still in Employment at the Termination Date and who has reached or who has passed Retirement Date or who has not reached Retirement Date but who would qualify for a Withdrawal Benefit had Employment ceased immediately prior to the Termination Date, benefits having a value equal to the Retirement Benefit, the Late Retirement Benefit or the Withdrawal Benefit as the case may be;
 - (D) in respect of each Member who is still in Employment at the Termination Date, and who is not entitled to a benefit under Rule

53(c)(i)(C) above, benefits having a value equal to the Withdrawal Benefit that would have been payable had the Member ceased to be in Employment immediately prior to the Termination Date other than for summary dismissal; and

- (E) In respect of a Member who is still in Employment at the Termination Date and who is not entitled to a benefit under Rule 53(c)(i)(C), benefits having a value equal to the Withdrawal Benefit that would have applied if the actual vesting percentage (determined in accordance with Rule 48(l)) were replaced by 100% less any benefits determined under Rule 53(c)(i)(D);

The balance of assets of this Part IIB, if any, will be apportioned amongst Members in Employment at the Termination Date, in such manner as the Trustee considers fair and equitable after taking into account the benefits determined under Rules 53(c)(i)(C), 53(c)(i)(D) and 53(c)(i)(E).

- (d) Subject to the Statutory Requirements, the benefits to be provided under Rule 53(c) hereof shall be in cash, or with the agreement of the Member, by provision of life assurance or annuity policies or participation in any other Benefit Arrangement as determined by the Trustee but shall not be payable to a Member or transferred to another Benefit Arrangement unless and until the Member ceases to be in Employment.

54 Minimum Benefits

- (a) Notwithstanding anything contained elsewhere in this Part 2, where a State, Commonwealth or Territory law requires the Employer to provide a minimum level of superannuation benefits in respect of a Member or Members, or where a State, Commonwealth or Territory law would impose a penalty, charge or Taxation upon the Employer if such a minimum superannuation benefit is not provided, the Company may require the benefits otherwise payable from this Part IIB to or in respect of the Member or Members to be increased (if necessary) so that the benefits payable from this Part IIB when aggregated with superannuation benefits provided to that Member or Members by the Employer from any other superannuation fund or arrangement which satisfies the statutory requirements are not less than the minimum superannuation benefit or such part thereof as the Company specifies.
- (b) The benefits otherwise payable from this Part IIB shall not be increased in accordance with Rule 54(a) of this Rule unless and until the Company provides to the Trustee written notification of its requirements under Rule 54(a) of this Rule, including what part of the minimum superannuation benefit is to be provided by the Sub-Division and details of the Members to which this requirement applies.
- (c) At any time after providing written notification to the Trustee in accordance with Rule 54(b) of this Rule, the Company may revoke or amend that notification by further notification in writing to the Trustee **PROVIDED THAT** no such revocation or amendment shall reduce the level of benefits payable from the Sub-Division in accordance with the previous notification, to the extent that that level of benefits:
- (i) relates to any period of membership or Employment of a Member before the date of notification of the revocation or amendment: or

- (ii) has otherwise accrued or become payable to a Member before the date of notification of the revocation or amendment,
- (d) Where the Company provides a written notification to the Trustee in accordance with Rule 54(b) or Rule 54(c) of this Rule, the Trustee shall provide a copy of that notification to the Actuary, and the adjustment to the benefits otherwise payable from the Sub-Division shall be calculated by the Actuary or shall be calculated by reference to formulae determined by the Actuary and certified in writing to the Trustee for this purpose.

55 Alteration of Benefits in the Qantas Superannuation Plan

Notwithstanding any other provisions of this Part IIB, where a Member's benefit has been reduced by the Qantas Trustee of the Qantas Superannuation Plan pursuant to the Qantas Deed or by the Former Trustee of the Former Fund pursuant to the trust deed of the Former Fund, then, unless the Trustee determines otherwise, that reduction shall continue to be applied by the Trustee to the Member's benefits under this Part IIB.