For LYB Operations & Maintenance

Product Disclosure Statement Part 2
1 October 2019

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This PDS is a summary of significant information, parts 1 and 2 should be read in conjunction. The information provided in this PDS is general information only and does not take into account your personal financial situation or needs. The final authority on any issue relating to Equip is the Trust Deed governing Equip, any applicable Participation Agreement and the relevant insurance policy. You should consider whether this information is appropriate to your personal circumstances before acting on it and, if necessary, you should also seek professional financial advice tailored to your personal circumstances. Where tax information is included you should consider obtaining personal taxation advice.

This PDS was up to date at the time it was prepared. Some information in this PDS is subject to change from time to time. If a change does not adversely affect you, we may update the information by notice on our website, www.equipsuper.com.au, and/or inclusion in the next available edition of our newsletter. You can find updated information by logging into the members area of our website or calling our Helpline 1800 682 626. A paper copy of updated information will be given to you without charge on request.

Togethr Trustees Pty Ltd ABN 64 006 964 049, AFSL 246383 ("the Trustee") is the Trustee of the Equipsuper Superannuation Fund ABN 33 813 823 017 ("Equip").
Defined benefit overview

This Part 2 PDS provides information specific to your defined benefits, including the formula to calculate your benefit if you leave your employer, retire or die. It also contains details on the fees for your additional accumulation account. This document should be read in conjunction with Part 1 of the PDS.

Your contributions

You are not required to contribute to fund your defined benefit. All the necessary contributions are paid by your employer.

Additional accumulation account
If you want to increase the amount of money you have in retirement you can make additional contributions to Equip. The investment options available are detailed in Part 1 of this PDS. Please contact your employer’s payroll department if you wish to make regular additional contributions to Equip.

Notional taxed contributions (NTCs)
Each year, notional contributions called notional taxed contributions (NTCs) are calculated based on a formula set down in legislation. NTCs are calculated as a percentage of your salary at 1 July. The NTCs are important as they count towards your concessional contributions cap and allow you to work out what additional before-tax contributions you can make before extra tax applies.

Your NTCs are deemed to take into account all costs associated with your defined benefit account.

Your NTCs are calculated as:

\[10.8\% \times S \times D\]

Where:

- ‘S’ means your superannuation salary at the start of the financial year (1 July).
- ‘D’ means the number of days that your benefit accrued in the financial year, divided by 365.

Example
John’s salary as at 1 July 2019 is $100,000. His NTC for the financial year ending 30 June 2020 is calculated as:

\[100,000 \times 10.8\% \times 365/365 = 10,800\]

He can then compare this value with the concessional contributions cap to determine what additional before-tax contributions he can make into his accumulation account without incurring additional tax.

Your benefits

Benefit summary

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaving service</td>
<td>A lump sum payable when you leave your employer before age 55 and are not entitled to any other benefit.</td>
</tr>
<tr>
<td>Retirement</td>
<td>A lump sum payable when you retire from your employer between age 55 and 65 and are not entitled to any other benefit.</td>
</tr>
<tr>
<td>Late retirement</td>
<td>A lump sum payable when you leave your employer after age 65.</td>
</tr>
<tr>
<td>Retrenchment</td>
<td>A lump sum payable if you are retrenched before age 65.</td>
</tr>
<tr>
<td>Ill-health</td>
<td>A lump sum payable if your employer advises Equip that you have been terminated on the grounds of ill-health before age 65.</td>
</tr>
<tr>
<td>Death</td>
<td>A lump sum payable to your dependants or estate in the event of your death.</td>
</tr>
<tr>
<td>Total and permanent disablement (TPD)</td>
<td>A lump sum payable if you retire as a consequence of being totally and permanently disabled.</td>
</tr>
</tbody>
</table>

Definitions

Accrued Leaving Service Multiple (ALSM)
Your ALSM is calculated by multiplying your membership period in years and days to the date you leave employment by 12%.
Age Factor
If you’re between 50 and 55, an Age Factor may be used in the calculation of your benefit. We interpolate between ages based on the number of days.

<table>
<thead>
<tr>
<th>Age (in years)</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 or less</td>
<td>0.00</td>
</tr>
<tr>
<td>51</td>
<td>0.20</td>
</tr>
<tr>
<td>52</td>
<td>0.40</td>
</tr>
<tr>
<td>53</td>
<td>0.60</td>
</tr>
<tr>
<td>54</td>
<td>0.80</td>
</tr>
<tr>
<td>55 or more</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Annual Salary
Your Annual Salary is your ordinary salary excluding bonuses, commissions, overtime payments or other allowances (unless agreed to by the Trustee).

Final Average Salary (FAS)
Your FAS is calculated as the highest average Annual Salary during any period of 12 consecutive months of membership during the period of 10 years immediately preceding the date you leave. If you have been a member for less than 12 months, your FAS will be based on your average Annual Salary during the period of your membership.

Phase-in Factor
A Phase-in Factor is used in the calculation of your leaving service benefit if you’re over age 50 or have more than 16 years service. Your Phase-in Factor is calculated as the greater of the Age Factor and Service Factor at the date you leave employment.

Projected Death and Disability Multiple (PDM)
Your PDM is calculated by multiplying your membership period in years and days projected forward to the day you turn 65 by 16%.

Retirement Benefit Multiple (RBM)
Your RBM is calculated by multiplying your membership period in years and days to the date you leave employment by 16%.

Service Factor
If you’ve had between 16 and 20 years of service, a Service Factor may be used in the calculation of your benefit. We interpolate between factors based on the number of days.

<table>
<thead>
<tr>
<th>Service Period (in years)</th>
<th>Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 or less</td>
<td>0.00</td>
</tr>
<tr>
<td>17</td>
<td>0.25</td>
</tr>
<tr>
<td>18</td>
<td>0.50</td>
</tr>
<tr>
<td>19</td>
<td>0.75</td>
</tr>
<tr>
<td>20 or more</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Leaving service benefit
If you leave your employer before age 50 and are not entitled to any other benefit then you will receive a lump sum benefit calculated as the sum of:
- your ALSM x FAS
- your additional accumulation account

If you leave your employer between age 50 and 55, or if you have more than 16 years service, then a Phase-in Factor applies that gradually turns the leaving service benefit into the retirement benefit. You will receive a lump sum benefit calculated as the sum of:
- your ALSM x FAS x (1 - Phase-in Factor)
- your Retirement Benefit (calculated as at age 55) x Phase-in Factor
- your additional accumulation account

Retirement benefit
If you retire from your employer between age 55 and 65 then you will receive a lump sum benefit calculated as the sum of:
- your RBM x FAS
- your additional accumulation account

Late retirement benefit
If you reach age 65 and continue in service with your employer, you will have the option of:
- ceasing your defined benefit and transferring your lump sum retirement benefit to an accumulation account in Equip MyFuture; or
- continuing as a defined benefit member. Your benefits will continue to be calculated in the same way as your retirement benefit.

Retrenchment benefit
If our employer advises Equip that you have been retrenched then you will be paid a benefit calculated in the same way as the retirement benefit, up to the date of your retrenchment.

Ill-health benefit
If your employer advises Equip that you have been terminated on the grounds of ill-health not amounting to TPD, then you will be paid a lump sum benefit calculated in the same way as your retirement benefit.

There is no insurance component in the ill-health benefit. Ill-health benefits can only be paid in cash when a condition of release is satisfied.
Death or Total and Permanent Disableness (TPD) benefit

If you die or are totally and permanently disabled before age 65, you will receive a lump sum benefit will be calculated effective the date you die or become disabled as the sum of:

■ your PDM x Annual Salary at the date of death or disablement
■ your additional accumulation account

Part of your death or TPD benefit described above may be insured through an insurance policy between Equip and Hannover Life Re of Australasia Ltd (ABN 37 062 395 484, the insurer). The premium associated with this automatic cover is paid by your employer. If the insurer imposes limitations or conditions on the cover Equip holds for you, or if we don’t receive payment from the insurer, then your benefits may be reduced.

Payment of TPD benefits

Equip and the insurer will consider a claim on the basis of your total and permanent disablement if, while you are insured, something happens that results in you meeting one of the following definitions of disablement. You will need to provide relevant medical evidence to support your claim.

Definitions of disablement

If you were a permanent employee working 15 or more hours each week in the 6 months prior to the date of your disablement, you can receive a benefit if you meet either of definitions 1, 2, 3 or 4.

If you were not a permanent employee or were not working 15 or more hours each week in the 6 months prior to the date of your disablement, you can receive a benefit if you meet either of definitions 2, 3, or 4.

1. You are unlikely to return to work.

You are unable to do any work as a result of injury or illness (whether physical or mental) for 3 consecutive months (the waiting period) and, at the end of that 3 months, in the opinion of the insurer, you continue to be so disabled that you are unlikely to resume any occupation which you are reasonably capable of performing by reason of education, training or experience.

In the event of a claim, the insurer will determine which definition applies to you based on your employment status.

2. You suffer the loss of limbs and/or sight

You suffer the permanent and irrecoverable loss of use of:

■ 2 limbs, or
■ the sight of both eyes, or
■ one limb, and the sight of one eye and
you continue to be so disabled that you are, in the insurer’s opinion, unlikely to resume any occupation which you are reasonably capable of performing by reason of education, training or experience.

Loss of use of – means:

■ the permanent loss of sight as a result of illness or injury to the extent that the visual acuity on the Snellen Scale eye chart is 6/60 or less in both eyes, or to the extent that visual field is reduced to 20 degrees or less of arc irrespective of corrected visual acuity, or
■ the loss of the use of a leg from at or above the ankle, or an arm from at or above the wrist, which is permanent.

3. You suffer cognitive loss

The insurer determines you have suffered permanent deterioration or loss of intellectual capacity which has required you to be under the continuous care and supervision of another adult person for at least 3 consecutive months (the waiting period) and, at the end of that 3 month period, you are likely to require permanent, on-going continuous care and supervision by another adult and you continue to be so disabled that, in the insurer’s opinion, you are unlikely to resume any occupation which you are reasonably capable of performing by reason of education, training or experience.

4. You are unable to complete the Everyday Working Activities.

You suffer an illness or injury that:

■ has prevented you from being able to perform at least 2 of the Everyday Working Activities without assistance from another adult, despite the use of appropriate aids, for at least 6 consecutive months, and
■ since you became ill or injured, you have been under the regular care and attention of a doctor for that illness or injury, and
■ in the insurer’s opinion, the illness or injury means that you are unlikely to ever again be able to perform at least 2 of the Everyday Working Activities without assistance from another adult, despite the use of appropriate aids, and
■ in the insurer’s opinion, your illness or injury means you are unlikely to ever again return to work for which you are reasonably capable of performing by reason of education, training or experience.

Everyday Working Activities – means:

Mobility – you cannot:

■ walk more than 200m on a level surface without stopping due to breathlessness; or
■ bend, kneel or squat to pick something up from the floor and straighten up again; or
■ get in and out of a standard sedan car.

Communicating – you cannot:

■ speak in your first language so that you are understood in a quiet room; or
■ speak in your first language so that you are understood in a quiet room, nor can you hear (even with a hearing aid or other aid) an instruction given in a normal voice in your first language in a quiet room, or
■ understand a simple message in your first language, and relay that message to another person.

Vision – you cannot:

■ even with glasses, read ordinary newsprint; and
■ pass the standard eyesight test for a car licence.

Lifting – you cannot:

■ lift, carry or move objects weighing up to 5kg using your hands.

Manual dexterity – you cannot:

■ use your hands or fingers to manipulate small objects with precision.
Immediate assessment for certain illnesses and injuries

If you are unable to perform your usual job as a result of suffering one or more defined medical conditions, the insurer will waive the usual 3 month waiting period and will start the assessment of your claim on receipt of your initial claim documentation. The illnesses and injuries that can be assessed immediately are blindness, cardiomyopathy, chronic lung disease, dementia and Alzheimer’s disease, diplegia, hemiplegia, loss of hearing, loss of speech, major head trauma, motor neurone disease, multiple sclerosis, muscular dystrophy, paraplegia, Parkinson’s disease, primary pulmonary hypertension, quadriplegia, severe burns, severe rheumatoid arthritis, and tetraplegia.

Lodging a TPD claim after your cover has ceased

A claim for TPD will not be paid if your date of disablement is after the date that your TPD cover ceased.

If you had a formalised graded return to work which failed within 12 months, the date of disablement will be the date you first ceased work

Terminal illness benefit

You may be eligible for a terminal illness benefit if you have a disease or condition that in the opinion of 2 doctors, who are approved by the insurer, including one who is a specialist practising in the relevant field, is likely to lead to your death within 24 months from the date of diagnosis.

The immediate benefit payable to you will be the lesser of your death benefit amount or $3 million. If your death benefit is higher than $3 million, then any residual death benefit will be paid following your death provided that you continue to be insured and pay the cost of your residual death cover.

The date of diagnosis of the terminal illness must be after the date that insurance cover commenced and you must supply, at your own expense, supporting medical evidence from your doctors and any requested additional information.

Should you lodge a claim for a terminal illness benefit, you will no longer be eligible for TPD cover. You will also no longer be eligible to increase the amount of your cover or reinstate cover you previously had.

Exclusions – when a death, TPD or terminal illness claim won’t be paid

No claim will be paid for any part of your death and TPD cover where it arose directly or indirectly as a result of:

- war, an act of war; or
- you having been in a country listed on the Department of Foreign Affairs & Trade website dfat.gov.au as subject to a “Do not travel” warning.

For any increase in cover you applied and were accepted for which required you to complete the Personal Statement, no claim will be payable if it arises directly or indirectly as a result of:

- death caused by suicide in the 13 month period commencing from the day that your increase in cover was accepted;
- disablement caused by self-inflicted injury or attempted suicide regardless of whether you were sane or insane at the time; and
- any other exclusions advised to you at the time of underwriting.

Underwriting – is the process the insurer uses to assess the risk of providing you with insurance cover. The risk is measured taking into account your current health, past medical history and your family medical history. For most underwriting cases, the first and only step in this process is to complete the Personal Statement. In certain cases, you may then be asked to provide further health evidence, have some blood tests, or, a full medical examination by your doctor. The results of this underwriting process will determine whether you are accepted for cover and, if so, the terms and cost of your cover.

Who is eligible for insurance cover in Equip

To be eligible for insurance cover in Equip, you must be:

- an Australian citizen, a New Zealand citizen living and working in Australia, the holder of a permanent Australian visa, or living in Australia on a temporary skilled work visa; and
- older than 15; and
- younger than 65 for automatic death and automatic or additional voluntary TPD, and 70 for additional voluntary death cover.

These are known as the eligibility conditions.

Automatic cover

Part of your defined benefit death and TPD benefits described earlier may be insured through an insurance policy taken out by Equip. In most cases we take this cover out automatically, provided you meet the eligibility conditions described above and the automatic acceptance conditions described below.

If the level of your automatic insurance cover is higher than the Automatic Acceptance Limit (AAL) of $1 million, then we may ask that you provide health evidence to support an increase in cover. If our insurer does not agree to provide an increase in cover, your benefit may be reduced by the amount that the insurer does not agree to provide.

The conditions for automatic cover are:

- you must meet the eligibility conditions; and
- you must not already have another super account in Equip; and
- you must not be applying for, intending to apply for, or have been paid a TPD or terminal illness benefit from another super fund or Australian life insurer; and
- we must receive an employer contribution for you within 120 days of you starting with your new employer.
Additional voluntary cover

Equip provides you the flexibility to apply for additional voluntary death and TPD cover in addition to the automatic cover used to support the death and TPD benefits described earlier. You can request a fixed dollar value of additional voluntary cover in multiples of $1,000.

You can apply for any level of additional voluntary death cover you require. For TPD cover, a limit of $3 million applies to all TPD cover you have. This includes TPD cover we hold to support your defined benefit, as well as any TPD cover you hold with Hannover or another insurer, both inside or outside super.

Fixed cover progressively declines in value from age 61 by 20% each year for TPD cover (cover ceases at 65) and 10% for death cover (cover ceases at 70).

You will need to satisfy the insurer’s underwriting requirements to be approved for any additional voluntary cover. If you would like to apply, please complete the Membership Options form accompanying this PDS and a Personal Statement, available from our website equipsuper.com.au or by contacting Helpline 1800 682 626.

The cost of additional voluntary cover

The cost of any additional voluntary cover you have is calculated monthly and deducted from your account. Annual premium rates per $1,000 of additional voluntary cover are shown in the following table and do not include any loading that the insurer may apply to your cover during the underwriting process.

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Death and TPD insurance premiums

Annual cost per $1,000 of cover

The table shows the annual cost of $1,000 of death only or death and TPD insurance cover.

<table>
<thead>
<tr>
<th>Age next birthday</th>
<th>Death</th>
<th>Death and TPD</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-36</td>
<td>$0.19</td>
<td>$0.43</td>
</tr>
<tr>
<td>37</td>
<td>$0.20</td>
<td>$0.47</td>
</tr>
<tr>
<td>38</td>
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<tr>
<td>39</td>
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<tr>
<td>40</td>
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</tr>
<tr>
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</tr>
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</tr>
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</tr>
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</tr>
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<td>$1.76</td>
</tr>
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</tr>
<tr>
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<tr>
<td>70</td>
<td>$10.76</td>
<td></td>
</tr>
</tbody>
</table>

Check your insurance benefits via our website or by calling our Helpline. www.equipsuper.com.au | 1800 682 626
Insurance conditions

You’re covered while you’re applying for cover

If your application for cover or increased cover requires you to complete the Personal Statement and be underwritten, you will be covered by interim accident cover for the same type of cover that you have applied for (death, TPD, or death and TPD) while your application is being considered by the insurer. The amount of interim accident cover you are provided is the lower of the increase you’re applying for and $1.5 million.

An interim accident cover benefit is only payable if you suffer an injury that results in:

- your death (if your application was for death cover);
- you becoming totally and permanently disabled (if your application was for TPD cover).

This interim accident cover applies from the date we receive your completed form and Personal Statement and ceases when:

- the insurer makes a decision on your application;
- you withdraw or cancel your application;
- 90 days has passed since your accident cover started; or
- all cover is terminated under the policy.

When your insurance stops

Your insurance cover will cease under certain circumstances including:

- you reach your maximum insurable age (65 for death and TPD cover for your defined benefit and, in respect of additional voluntary cover, age 65 for TPD and 70 for death cover);
- you commence service with the armed forces of any country other than the Australian Defence Force Reserves whilst performing duties in Australia;
- you cease to be an Australian citizen, a New Zealand citizen living and working in Australia, the holder of a permanent Australian visa, or you stop living in Australia on a temporary skilled work visa;
- you are the subject of a fraudulent claim;
- there are insufficient funds in your account to meet the next premium that falls due;
- you cease to be an Equip member;
- your benefit transfers to the Eligible Rollover Fund;
- you die;
- you advise us that you no longer wish to be covered;
- for death and TPD, you or your dependants claim a benefit and the Insurer admits that benefit;
- for terminal illness, when we admit and pay a claim equal to your total death benefit.

Once your cover ceases, it will not restart automatically. You will need to apply for cover and will need to complete underwriting.

What happens to my cover if I leave my employer?

Your employer will let us know when you’re no longer working for them and we’ll write to you to let you know that we will transfer your account to our Equip MyFuture product. This transfer will happen automatically 35 days after we write to you. The level of cover you have will transfer to Equip MyFuture as a fixed dollar value (fixed cover). The cost of this cover will be deducted from your Equip MyFuture account.

Please keep in mind that any restrictions, conditions or exclusions that applied to any of your insurance cover in Equip Corporate will continue to apply under Equip MyFuture unless otherwise advised.

Equip MyFuture fees and insurance rates will apply to your account from the date your membership commences in Equip MyFuture.

What happens to my cover while I am on employer approved leave?

Your cover will continue while you are on leave, provided there are sufficient funds in your accumulation account to pay for any additional voluntary cover you may have.

What happens to my cover if I am overseas?

Any cover you have with us will continue if you choose to work overseas provided that you remain a member of Equip and continue to meet the eligibility conditions.

You may also need to return to Australia to make a TPD or terminal illness claim.
Fees and costs

Additional accumulation accounts

Did you know?
Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.
For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from $100,000 to $80,000).
You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE
If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

For defined benefit members in Equip, the direct administration costs and expenses associated with providing your defined benefit are paid for by your employer.
The section appearing below shows the fees and costs that you may be charged if you have chosen to establish an additional accumulation account. These fees and costs may be deducted from your account or may be deducted from the returns on your investment or from the fund assets as a whole.

Other fees, such as activity fees, advice fees for personal advice and insurance fees for any additional insurance you may have, may be charged, but these will depend on the nature of the activity, advice, or insurance chosen by you.
Taxes and insurance costs are set out in another part of this document.
You should read all the information about fees and costs because it is important to understand their impact on your investment.

Main fees and costs

<table>
<thead>
<tr>
<th>Type of fee</th>
<th>Amount</th>
<th>How and when paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment fee</td>
<td>Estimated to range from 0.06% to 0.47%, depending on your investment options.</td>
<td>Investment fees are deducted from the underlying asset value and reflected in the daily unit prices applied to your account. The fee depends on the investment option you choose.</td>
</tr>
<tr>
<td>Administration fee</td>
<td>0.25% per annum of your account balance (up to a maximum of $1,250)</td>
<td>Deducted from your account effective on the last day of every month.</td>
</tr>
<tr>
<td>Buy-sell spread fee</td>
<td>Nil</td>
<td>N/A</td>
</tr>
<tr>
<td>Switching fee</td>
<td>Nil</td>
<td>N/A</td>
</tr>
<tr>
<td>Advice fees</td>
<td>Nil</td>
<td>N/A</td>
</tr>
<tr>
<td>Other fees and costs</td>
<td>Refer to the additional explanation of fees and costs table on the following page.</td>
<td>The investment related costs are not deducted from your account; rather, they reduce the value of the assets of each investment option before the daily unit price is determined.</td>
</tr>
<tr>
<td>Indirect cost ratio</td>
<td>Investment related costs estimated to range from 0% to 0.68%, depending on your investment options.</td>
<td></td>
</tr>
</tbody>
</table>
Example of annual fees and costs

This table gives an example of how the fees and costs in the Balanced Growth investment option can affect your superannuation investment over a one year period. You should use this table to compare this product with other superannuation products.

Example – Balanced Growth option

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment fees</td>
<td>0.30% p.a.</td>
<td>For every $50,000 you have in the Balanced Growth option you will be charged $150 each year</td>
</tr>
<tr>
<td>PLUS Administration fees</td>
<td>0.25% p.a. asset fee on your account balance</td>
<td>AND you will be charged $125 in administration fees on your account balance</td>
</tr>
<tr>
<td>PLUS Indirect costs for Balanced Growth</td>
<td>0.31% p.a.</td>
<td>AND indirect costs of $155 each year will be deducted from your investment</td>
</tr>
<tr>
<td>EQUALS cost of product</td>
<td>$430</td>
<td>If your balance was $50,000, then for that year you will be charged fees of $430 for the Balanced Growth option.</td>
</tr>
</tbody>
</table>

Additional explanation of fees and costs

Estimated fees and costs for each investment option

The table shows a detailed explanation of the total estimated fees and costs for each investment option. The total investment fee shown is estimated for the financial year from 1 July 2019, while the indirect cost ratio (ICR) shown is an estimate based on the financial year ending 30 June 2019.

As the performance fee shown is an estimate, the actual performance fee for each investment option will likely to vary from year to year.

<table>
<thead>
<tr>
<th>Diversified options</th>
<th>Base investment fee</th>
<th>Estimated performance fee</th>
<th>Total estimated investment fee</th>
<th>Indirect cost ratio (ICR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth Plus</td>
<td>0.35%</td>
<td>0.06%</td>
<td>0.41%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Growth</td>
<td>0.28%</td>
<td>0.05%</td>
<td>0.33%</td>
<td>0.28%</td>
</tr>
<tr>
<td>Balanced Growth</td>
<td>0.27%</td>
<td>0.03%</td>
<td>0.30%</td>
<td>0.31%</td>
</tr>
<tr>
<td>Balanced</td>
<td>0.20%</td>
<td>0.02%</td>
<td>0.22%</td>
<td>0.27%</td>
</tr>
<tr>
<td>Conservative</td>
<td>0.18%</td>
<td>0.01%</td>
<td>0.19%</td>
<td>0.23%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sector Specific options</th>
<th>Base investment fee</th>
<th>Estimated performance fee</th>
<th>Total estimated investment fee</th>
<th>Indirect cost ratio (ICR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Shares</td>
<td>0.39%</td>
<td>0.08%</td>
<td>0.47%</td>
<td>0.10%</td>
</tr>
<tr>
<td>Overseas Shares</td>
<td>0.28%</td>
<td>0.07%</td>
<td>0.35%</td>
<td>0.16%</td>
</tr>
<tr>
<td>Sustainable Responsible Investments (SRI)</td>
<td>0.44%</td>
<td>0.00%</td>
<td>0.44%</td>
<td>0.24%</td>
</tr>
<tr>
<td>Property</td>
<td>0.15%</td>
<td>0.00%</td>
<td>0.15%</td>
<td>0.68%</td>
</tr>
<tr>
<td>Fixed Interest</td>
<td>0.19%</td>
<td>0.00%</td>
<td>0.19%</td>
<td>0.12%</td>
</tr>
<tr>
<td>Cash</td>
<td>0.06%</td>
<td>0.00%</td>
<td>0.06%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

If your account balance is below $6,000

If your accumulation account balance for a product offered by the fund is less than $6,000 at the end of the fund’s year of income, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of your account balance. Any amount charged in excess of that cap must be refunded.

As our fees are below this level, we do not expect that we will charge you more than this limit. However, at the end of each financial year (or if you are leaving the fund), we will check and refund any excess fees charged. You’ll see any of these types of refunds on your annual statement.

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If your accumulation account balance for a product offered by the fund is less than $6,000 at the end of the fund’s year of income, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of your account balance. Any amount charged in excess of that cap must be refunded.

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### Defined fees

#### Activity fee

A fee is an activity fee if:

a) the fee relates to costs incurred by the trustee of a superannuation entity that are directly related to an activity of the trustee:
   - i) that is engaged in at the request, or with the consent, of a member; or
   - ii) that relates to a member and is required by law; and
b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

**Explanation**

Some super funds may apply a fee if you make a contribution splitting request, family law information request or a family law account split request.

**Equip does not charge any activity fees.**

#### Administration fee

An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:

a) borrowing costs; and

b) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and

c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

**Explanation**

Administration fees help cover the cost of running a superannuation fund.

**Equip charges an administration fee of 0.25% p.a. of your accumulation account balance.**

#### Advice fee

A fee is an advice fee if:

a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
   - i) a trustee of the entity, or
   - ii) another person acting as an employee of, or under an arrangement with the trustee of the entity, and

b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.

**Explanation**

 Equip members can access two levels of advice and any fee for that advice may be deducted from your super account. Equip does not pay commissions to financial advisors.

**Limited advice**

 Equip Member Services can offer limited advice on your investment options. A fee may apply for some advice, and you can find out more by contacting our helpline on **1800 682 626**.

**Personal advice**

 Equip Financial Planning can offer you full personal advice. The fees for this service are outlined in the Financial Services Guide for Equip Financial Planning as well as in any statement of advice you receive, but we’ll also let you know the fees upfront before any service is provided. You can book an appointment with Equip Financial Planning on our website or by contacting **1800 065 753**.

#### Buy-sell spread

A buy-sell spread is a fee to recover transaction costs incurred by the trustee of a superannuation entity in relation to the sale and purchase of assets of the entity.

**Explanation**

Some super funds may charge a buy-sell spread to recover the cost of buying and selling various investments when you change your investment options.

**Equip does not charge a buy-sell spread to your account.**
### Indirect cost ratio

The indirect cost ratio (ICR) for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

**Note:** A fee deducted directly from a member’s account is not included in the indirect cost ratio.

### Investment fee

An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:

a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and

b) costs that relate to the investment of assets of the entity, other than:

i) borrowing costs; and

ii) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and

iii) costs that are otherwise charged as an administration fee, a buy/sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

### Insurance fee

A fee is an insurance fee if:

a) the fee relates directly to either or both of the following:

i) insurance premiums paid by the trustee of a superannuation entity in relation to a member or members of the entity;

ii) costs incurred by the trustee of a superannuation entity in relation to the provision of insurance for a member or members of the entity;

b) the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and


c) the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.

### Switching fee

A switching fee for a MySuper product is a fee to recover the costs of switching all or part of a member’s interest in a superannuation entity from one class of beneficial interest in the entity to another.

A switching fee for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member’s interest in the superannuation entity from one investment option or product in the entity to another.

### Explanation

The investment fee and indirect cost ratio (ICR) are the costs associated with investing, including the fees paid to external managers, custodians and valuation fees. They are not deducted from your account directly, but are deducted from the underlying asset value and are reflected in the daily unit prices.

The investment fees and ICR for each investment option are shown later in Table 2 (Estimated fees and costs for each investment option).

The investment fee shown is comprised of a base fee (including an amount for the care and expertise in investing assets) and an estimated performance fee.

#### Performance fees

Any performance fees that Equip pays directly to an investment manager are paid if the manager outperforms its benchmarks by a certain hurdle rate.

If the manager exceeds the hurdle, we will apportion the amount of the fee payments to the unit prices of those investment options to which the fee relates. Unit prices will be adjusted monthly to reflect actual performance payments to external managers.

Performance fees cannot be known precisely in any given year, since the managers’ outperformance cannot be anticipated. However, we have provided an estimate of the performance fees in this PDS. The performance fees may exceed this estimate, they may be lower or they may not be paid at all.

### Explanation

Equip deducts the cost of any additional voluntary cover you have from your account on the last day of every month, and we pay the same amount to the insurer. Equip does not charge any other fee relating to insurance.

### Explanation

Some super funds may charge you a fee when you change your investment options. **Equip does not charge a fee to switch your investment options.**
**Transactional and operational costs**

Transactional and operational costs are costs relating to the purchase or sale of the assets of the fund, an underlying fund or other investment vehicle as well as costs associated with managing property investments.

These costs are deducted from the assets of the fund or of the underlying investment vehicle and are an additional cost to you.

Transaction costs include both explicit and implicit costs.

**Explicit costs**

Explicit costs include, but are not limited to, brokerage, clearing costs, stamp duty, commissions, buy-sell spreads, due diligence costs and custody fees.

Explicit costs of investments are included in the indirect cost ratio (ICR) for each investment option.

**Implicit costs**

Implicit costs are embedded in the price of certain investments and include, but are not limited to, a bid/offer spread, which is the difference between the price a buyer is willing to pay (the bid price) and the price a seller is willing to accept (the ask price) for a particular security. Bid/offer spreads may be incurred when buying and selling fixed income securities such as bonds, foreign currency conversions and listed equities. Many of these implicit costs are estimates as they are not known with certainty.

The table below shows the estimated implicit costs for the 12 months to 30 June 2019 for each investment option.

Implicit costs are not included in the investment fee or indirect cost ratio (ICR).

**Borrowing costs**

Borrowing costs are costs that relate to a credit provided to the superannuation fund trustee, or to entities in which the fund invests. They are additional costs to the investor which are deducted from the underlying assets and not from your account directly; they reduce the earnings returned to the fund. These costs are not included in the investment fee or indirect cost ratio (ICR).

The table below shows the estimated borrowing costs for each investment option for the past 12 months to 30 June 2019.

Borrowing costs are not included in the investment fee or indirect cost ratio (ICR).

**Property operating costs**

Property operating costs include a range of costs associated with managing property investments, for example council and water rates, utilities and lease renewal costs. These costs are not included in the investment fee or indirect cost ratio (ICR).

The table below shows the estimated property operating cost for each investment option for the past 12 months to 30 June 2019.

Changes to fees

Equip can change fees and costs at any time without member consent. We will provide you with written notice of any increase or material change 30 days before it occurs.

**Surcharge**

Surcharge was an additional superannuation tax payable by higher income earners and was abolished from 1 July 2005. However, if a surcharge assessment is received for you, we will initially pay the amount. We will then write to you providing details of the assessment and the options available to you to make the surcharge payment back to the Fund. If you have an additional accumulation account, you may opt to have the surcharge amount deducted from that account. If you owe the Fund a surcharge amount, a notional earnings rate (which may be positive or negative) is applied to that account based on the returns of the Conservative investment option. The final balance in that notional surcharge account will be deducted from your final benefit payment.

---

### Estimated Implicit Cost Table

<table>
<thead>
<tr>
<th>Investment option</th>
<th>Estimated implicit transactional and operational costs</th>
<th>Estimated borrowing costs</th>
<th>Estimated property operating costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Diversified options</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth Plus</td>
<td>0.06%</td>
<td>0.04%</td>
<td>0.04%</td>
</tr>
<tr>
<td>Growth</td>
<td>0.06%</td>
<td>0.05%</td>
<td>0.04%</td>
</tr>
<tr>
<td>Balanced Growth</td>
<td>0.06%</td>
<td>0.07%</td>
<td>0.06%</td>
</tr>
<tr>
<td>Balanced</td>
<td>0.07%</td>
<td>0.05%</td>
<td>0.04%</td>
</tr>
<tr>
<td>Conservative</td>
<td>0.07%</td>
<td>0.04%</td>
<td>0.04%</td>
</tr>
<tr>
<td><strong>Sector specific options</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Shares</td>
<td>0.08%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Overseas Shares</td>
<td>0.04%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Sustainable Responsible Investments (SRI)</td>
<td>0.03%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Property</td>
<td>0.09%</td>
<td>0.66%</td>
<td>0.68%</td>
</tr>
<tr>
<td>Fixed Interest</td>
<td>0.08%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Cash</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
**General information**

**Transferring to accumulation**

You have the option of ceasing your defined benefit at any time and transferring your benefit to an accumulation account in Equip MyFuture. Once you transfer out of defined benefit, you are unable to return - it’s a permanent transfer.

The amount of your benefit that will be transferred to Equip MyFuture will depend on your age and whether you are eligible for the leaving service or retirement benefit. If you are considering transferring to accumulation, please contact Helpline 1800 682 626. You will receive detailed information outlining your options and the arrangements if you don’t make choices upon transfer.

LYB Operations & Maintenance will contribute to your accumulation account at a rate sufficient to satisfy the requirements of the Superannuation Guarantee (Administration) Act. LYB Operations & Maintenance currently contributes 13.5% for accumulation members.

Any surcharge you have at the time of transfer will be charged against the amount of benefit that is transferred. Any future surcharge assessments will be charged directly to your accumulation account.
Super fair and square
SuperRatings has awarded Equip a platinum choice rating, the top rating given to only the best superannuation products. Go to superratings.com.au for the full rating criteria.