

# **Funeral Benefit Fund Rules**

[Formerly administered by Australian Friendly Society Ltd ABN 29 087 648 851 prior to the merger with KeyInvest Ltd ABN 74 087 649 474, as amended by KeyInvest Ltd]

## **SCHEDULE 1**

### **THE FUNERAL BENEFIT FUNDS**

#### **1. Establishment of the Funds**

1.1 The Funeral Benefit Funds are Benefit Funds maintained by the Company from time to time.

1.2 The Funeral Benefit Funds are:

(a) the Capital Guaranteed Fund; and

(b) the Diversified Funeral Benefit Fund established on the date on which APRA approves the amendment of the Rules under Section 16Q of the Life Insurance Act or 1 April 2021, whichever is the later.

1.3 There shall be two classes of membership in the Capital Guaranteed Fund, non-taxable members, being those Members who joined the Fund before 1 January 2003 and taxable members, being those Members who joined the Fund on or after that date, with the assets of each class of membership being held in two distinct Investment Pools.

1.4 The Funds shall be held upon and subject to the terms of the Rules and the Act, with specific rules for each Fund being detailed in the Schedules.

#### **2. Fund Rule Definitions:**

2.1 In this Rule unless the context otherwise requires –

**“Act”** means the *Life Insurance Act 1995* (Cth), the *Life Insurance Regulations 1995* (Cth),

the prudential and reporting standards, practice guides and other guidance made pursuant thereto as the context requires.

**“Application”** means the Company’s application in a form determined by the Board and for completion by the Person proposing to become a Member and take out a Policy with the Company.

**“APRA”** means the Australian Prudential Regulation Authority and any successor thereto.

**“Benefit”** in respect of the Policy at any time, means the entitlement arising out of having an interest in a Fund at the relevant time.

**“Benefit Fund”** means a fund that has been approved by APRA under the Act and maintained and administered by the Company for the purposes of enabling persons to invest monies.

**“Board”** shall have the meaning ascribed to that term in clause 105 of the Company’s constitution.

**“Closure Date”** means the date being the later of 31 March 2023 and the date the benefit fund rule amendments to give effect to the closure of the Diversified Funeral Benefit Fund referred to in rule 4 are approved by APRA.

**“Company”** means KeyInvest Ltd ABN 74 087 649 474.

**“Contribution”** or **“Contributions”** means the single lump sum amount or other periodical amounts invested by a Member under a Policy.

**“Corporations Law”** means the *Corporations Act 2001* (Cth).

**“Fund”** shall mean one of the Funeral Benefit Funds established under these Rules and where the context requires or admits, in respect to the Capital Guaranteed Fund, shall include and mean collectively or individually, each of the Investment Pools comprising the Fund.

**“Investment Pools”** means the two investment pools maintained within the books and records of the Company, segregating the assets and liabilities of the Capital Guaranteed Fund that relate solely to non-taxable members and to taxable members as referred to in Rule 1.4.

**“KeyInvest Funeral Bond Fund”** means the KeyInvest Funeral Bond Fund administered by the Company under Division 1 (General) and Division 6 (KeyInvest Funeral Bond) of the KeyInvest Rules.

**“KeyInvest Rules”** means the KeyInvest Benefit Fund Rules administered by the Company, as amended from time to time.

**“Life Insured”** means the person, (or persons in the case of joint lives insured), specified by the Applicant to be the life insured in respect of a Policy.

**“Member”** or **“Members”** means, subject to Rule 1.15, Persons who have each met the requirements of the Rule and who each individually take out a Policy or jointly take out a Joint Policy pursuant to this Rule or in relation to a Policy taken out by a trustee Applicant, the Life Insured, being the person beneficially entitled to the Policy and as the case requires in the context in which the term is used in these Rules, may include a Policyholder.

**“Policy”** means a Member’s contract with the Company initiated by the Application under which a Contribution or Contributions are made for Benefits which are supported by the assets of a Benefit Fund and shall include Policies which are supported by assets which have been transferred to a Benefit Fund as a result of a restructure of Benefit Funds.

**“Policyholder”** means a person who is entitled to a Benefit from a Fund (including a Life Insured in respect of a trustee Applicant), or in respect of whom a Benefit must be paid from a Fund, pursuant to a contract entered into with the Company under the Rules and includes persons jointly so entitled to the Policy and as the case requires in the context in which the term is used in these Rules, may include a Member.

**“Relevant Law”** includes, as the context requires:

- (a) the Act;
- (b) the Corporations Law;
- (c) the Tax Act; and
- (d) any law affecting the conduct of the Company in relation to a Fund and any regulations, rulings, guidelines or standards under those Acts or replacement or additional legislation to those Acts as amended from time to time.

“**Restructure Date**” means the date being the later of 31 March 2023 and the date the benefit fund rule amendments to give effect to the restructure referred to in rule 3 are approved by APRA.

“**Rules or this Rule**” means the rules governing the Funds.

“**Tax Act**” means the *Income Tax Assessment Act 1936* (Cth) (as amended) and the *Income Tax Assessment Act 1997* (Cth) and any Regulation made pursuant thereto and includes any other statute (including any regulation or order made thereunder) that controls or regulates the income tax system in Australia.

2.2 Unless inconsistent with the context, in these Rules:

- (a) words importing the singular include the plural and vice versa and words importing one gender include the other gender;
- (b) subject to these Rules, words and expressions defined in the Relevant Law have the same meaning in these Rules;
- (c) headings are for convenience only and do not affect the interpretation of these Rules; and
- (d) reference to any legislation includes any modification, re-enactment or consolidation of that legislation and all regulations and other statutory instruments made under that legislation.

### **3. Restructure of Capital Guaranteed Fund**

3.1 With effect from the Restructure Date, the Capital Guaranteed Fund (being the Benefit Fund known together as the AFS Funeral Benefit Fund (Taxable) and AFS Funeral Benefit Fund (Non-Assessable) immediately prior to the Restructure Date) ceases to exist and is replaced by or referable to the KeyInvest Funeral Bond Fund which is governed by the KeyInvest Rules on and from the Restructure Date.

3.2 For the avoidance of doubt all persons who were Members of the Capital Guaranteed Fund immediately prior to the Restructure Date will continue as Members of the KeyInvest Funeral Bond Fund (governed prior to and after the Restructure Date under the KeyInvest Rules) on the terms and conditions set out in the KeyInvest Rules.

3.3 With effect from the Restructure Date every Policy that was issued in respect of the Capital Guaranteed Fund will be taken to be continuing and to have been varied such

that the Policy is now referable to the KeyInvest Funeral Bond Fund on the terms and conditions set out in the KeyInvest Rules.

#### **4 Closure of Diversified Funeral Benefit Fund**

4.1 With effect from the Closure Date, the Diversified Funeral Benefit Fund which was governed by these Rules immediately prior to the Closure Date, is closed and will cease to exist.

4.2 For the avoidance of doubt, at all times before and on the Closure Date, the Diversified Funeral Benefit Fund had no Members, Policies or any assets or liabilities referable to it.