

Product Disclosure Statement

The JLT (Electrical and Plumbing) Discretionary Trust Arrangement

Distinctive. Choice.



JLT GROUP SERVICES PTY LTD

Distinctive Choice

JLT is an international group of Risk Specialists and Employee Benefits Consultants and one of the largest companies of its type in the world. We offer a distinctive choice to our clients and partners through our combination of independence, scale and specialism.

As an independent business, we are able to operate with autonomy and flexibility. We have the scale to provide solutions to the complex demands of the world's leading companies and to deliver global servicing whilst recognizing that the needs of each of our clients are unique. By developing highly specialised services, we provide our clients with a depth of expertise and experience.

The value we create is driven through the personal determination of our 5,000 highly motivated and skilled people.

Table of Contents

PDS Section 1 – Member Information.....	4
PDS Section 2 – Insurance Cover Information.....	7
PDS Section 3 – Risks Under Scheme Cover and Insurance Cover.....	11
PDS Section 4 – JLT Discretionary Trust Scheme Rules	12
PDS Section 5 – Acceptance Form.....	26

Introduction

This Product Disclosure Statement (PDS) is designed to tell the Potential Member about the JDT Arrangement and to help the Potential Member decide whether to become a Member of the JDT Arrangement. The Potential Member should read this PDS carefully before making their decision.

Definitions

Reference throughout this document to:

“Acceptance Form” means the form (as per the sample provided in Section 5 of this PDS) which must be completed and returned to the Trustee in order for a Potential Member to become a Member.

“APRA” means the Australian Prudential Regulation Authority

“Authorised Representative” (of a financial services licensee) means a person authorised under the Corporations Act (Cth) 2001 to provide a financial service or financial services on behalf of the licensee.

“Broker” means Jardine Lloyd Thompson Pty Ltd

“Claim” means any claim made by a person or entity on the JDT Arrangement.

“Claimant” means the person or entity who lodges a Claim.

“Echelon” means Echelon Australia Pty Ltd, the provider of claims and risk management services to the Trust.

“FSG” means Financial Services Guide as defined in the Corporations Act (Cth) 2001.

“Fund” means the bank account created by the Trustee in which all of the Membership Contributions are held.

“Fund Period” means the period under the Scheme Cover during which Claims will be considered by the Trustee which follows the period of insurance under the Insurance Cover. **In the case of this Scheme the Fund Period is the period 31st December 2009 to 31st December 2010.**

“Individual Member’s Deductible” means the amount of any Claim payable by a Member before the Scheme Cover or Insurance Cover will respond.

“Insurance Cover” means the insurance cover which is purchased by the Trustee for the JDT Arrangement and its Members.

“Insurance Policy” means the document issued by the Insurer which contains all of the terms and conditions of the Insurance Cover (and includes the Insurer’s PDS, where relevant) purchased by the Trustee for the JDT Arrangement and its Members.

“Insurer” means QBE Insurance (Australia) Limited

“JDT Arrangement” means the JLT (Electrical and Plumbing) Discretionary Trust Arrangement.

“JGS” means JLT Group Services Pty Limited

“Managed Investment Scheme” means a managed investment scheme as defined in the Corporations Act (Cth) 2001.

“Member” means an incorporated body, person, company, trust or other legal entity which has been admitted to the JDT Arrangement.

“Membership Contributions” means the contributions payable by Members as detailed in the Acceptance Form.

“PDS” means Product Disclosure Statement as defined in the Corporations Act (Cth) 2001.

“Period of Cover” means the period shown on the Acceptance Form which reflects the period during which a Member is covered

“Potential Member” means an incorporated body, person, company, trust or other legal entity who are entitled to be, but have not yet been, admitted as a Member of the JDT Arrangement.

“Promoter” means Communications Electrical Electronic Energy Information Postal Plumbing & Allied Services Union of Australia

“Scheme” or “Trust” mean the trust established under the Trust Deed.

“Scheme Cover” means the discretionary part of the JDT Arrangement which is not insurance.

“Scheme Cover Aggregate Limit” means the amount of money in the Fund available to meet Claims and Claims costs under the Scheme Cover. This amount is subject to variation depending on actual membership levels.

“Scheme Cover Any One Event Limit” means the limit of \$100,000 which applies to Claims under the Scheme.

“Trust” or “Scheme” means the trust established under the Trust Deed.

“Trust Deed” means the deed establishing the Scheme and by which JGS declares itself as Trustee and Manager thereof (as amended from time to time).

“Trustee” means JGS as the trustee and scheme manager of the Trust.

General Information

If the Potential Member decides that the cover provided under the JDT Arrangement is suitable, they should complete the Acceptance Form and return it to the Broker at the address shown on the Acceptance Form.

The Acceptance Form in this PDS is a sample only. The individual Acceptance Form will be sent separately.

Should the Member decide that the JDT Arrangement does not suit their needs, they have fourteen (14) days from the date of payment to cancel their cover and receive a full refund of their Membership Contributions.

This PDS is distributed by the Broker who is appointed by the Trustee and the Promoter and whose contact details are as follows:

Jardine Lloyd Thompson Pty Ltd, (“the Broker”)
3rd Floor, 70 Hindmarsh Square,
ADELAIDE SA 5000

Telephone: (08) 8418 0288
Facsimile: (08) 8223 6903

as detailed in the FSG distributed by the Broker on behalf of the Trustee and the Broker.

The details of the Promoter of this JDT Arrangement are:

Communications Electrical Electronic Energy Information Postal Plumbing & Allied Services Union of Australia Electrical Energy & Services – South Australian Branch
312 South Road Richmond
South Australia 5033
Telephone: (08) 8234 2130

If you have not received all of this PDS or if you have any questions, please contact the Trustee, whose details are as follows:

JLT Group Services Pty Ltd ABN 26 004 485 214
Level 3, 70 Hindmarsh Square ADELAIDE SA 5000 □□
Phone: +61 (0)8 8100 3000 □□
Fax: +61 (0)8 8100 3099 □□

The Trustee is a wholly owned subsidiary of the Broker and is also an Authorised Representative of the Broker and is authorised to provide certain financial services in relation to this JDT Arrangement to the Members including issuing the JDT Arrangement. The respective roles of the Trustee and the Broker are set out in detail in the FSG.

The JLT (Electrical and Plumbing) Discretionary Trust Arrangement

PDS Section 1 – Member Information

What is the JLT (Electrical and Plumbing) Discretionary Trust (JDT) Arrangement?

Below is a summary of the key information about the JDT Arrangement.

Brief Overview

The JDT Arrangement is **not insurance** because one element of the Arrangement involves the Trustee's absolute discretion whether or not to pay a Claim and how much to pay.

The JDT Arrangement is a Managed Investment Scheme made up of two parts:

The Scheme Cover; and

The Insurance Cover.

The JDT Arrangement was established to help manage the Members' risk of Personal Accident and Illness, occurring outside of working hours.

A Potential Member can become a Member of the JDT Arrangement by signing the individual Acceptance Form provided separately and returning it to the Broker together with payment of the Membership Contributions shown on the Acceptance Form and Tax Invoice within 30 days of receipt of this PDS and individual Acceptance Form, whichever is later. The Broker will forward the Acceptance Form and Membership Contribution to the Trustee.

Note: A Potential Member does not become a Member until the Trustee has received the signed Acceptance Form and Membership Contribution.

The Trustee pools the Membership Contributions of all Members and holds them in the Fund. The Fund is used to meet Claims under the Scheme Cover, purchase the Insurance Cover and meet the costs of establishing and running the JDT Arrangement.

Membership of the JDT Arrangement is for the Period of Cover, unless cancelled earlier. A Claimant is entitled to lodge a Claim for events which occur after the Potential Member becomes a Member and during the Fund Period.

At the end of the Fund Period the membership of each Member under the Fund ceases and they cease to be covered. The Trustee will determine and advise the Member and the Promoter in writing (by means of a PDS or supplementary PDS) not later than 10 days prior to the end of the Fund Period whether the Member will be offered renewed membership for the next Fund Period and if so, the terms of cover and the Membership Contribution payable.

All Claims under the Scheme Cover are decided by the Trustee in its absolute discretion. If the Claim is accepted by the Trustee, the Claimant must pay the Individual Member's Deductible as shown below or on the individual Acceptance Form. At the Trustee's discretion, the Trustee may pay expenses under the Scheme Cover up to the Scheme Cover Any One Event Limit. The most the Trustee can pay in the Fund Period is the Scheme Cover Aggregate Limit.

Once the Scheme Cover Aggregate or Any One Event Limit is exceeded or the time for lodging a Claim under the Scheme Cover has expired, the Trustee will refer the Claim to the Insurer for the Insurer to decide in accordance with the Insurance Cover (see below).

Note: If you become a Member, you will be subject to the Rules at Section 3 of this PDS.

The JDT Arrangement is not authorised under nor subject to the Insurance Act 1973 nor is it regulated by the Australian Prudential Regulation Authority ("APRA").

Upon the closing of the Fund, any surplus in the Fund will be disbursed at the Trustee's discretion.

The Trustee will determine and advise the Promoter in writing not later than 10 days prior to the end of the Fund Period whether Members will be offered renewed Membership for the next Fund Period and if so, the Membership Contribution payable.

The Trustee can dissolve the Trust after the Fund Period. Upon dissolution of the Trust, any Fund balance remaining after payment of all liabilities of the Trust must be paid to the Australian Red Cross Society or another charity at the Trustee's discretion.

Individual Member's Deductible

On any Claim accepted by the Trustee, the Member will have to pay the following deductible or period of time from the date of first medical treatment (“**Excluded Period of Claim**”) for each and every loss or series of losses arising out of any one event:

Excluded period

1	Psychological Illness	28 days
2	Football Injuries	21 days
3.	Workers Compensation Top Up (as defined by Workcover Corporation SA)	First 13 weeks
4.	All other claims	14 days

Scheme Cover

For any loss above the Individual Member's Deductible, a Claim can be notified to the Trustee.

Note: Due to the Trustee's discretion, a Claim can be lodged under the Scheme Cover for any event, not only those events that would be covered under the Insurance Cover (see Section 2 of the PDS) and the Trustee will consider the Claim.

The benefit of the discretionary Scheme Cover is that Claims which would not be paid under the Insurance Policy wording of the Insurance Cover may be paid by the Trustee. The risk is that the Trustee may not exercise its discretion in favour of the Claimant. **For details of further risks associated with this product please refer to Section 3 of this PDS.**

In exercising its discretion, the Trustee cannot be influenced by anyone and is legally bound to conduct its duties and obligations in accordance with trust law and the Trust Deed between the Trustee and the Promoter. The Trustee must settle each Claim in accordance with the merits of the Claim.

For any Claim in excess of the Individual Member's Deductible and the Scheme Cover, the Insurance Cover may come into play.

Insurance Cover

Insurance is purchased by the Trustee for the JDT Arrangement and its Members and provides cover for a Claim which is:

- in excess of the Individual Member's Deductible and the Scheme Cover Aggregate Limit or the Scheme Cover Any One Event Limit or where the time for lodging a Claim under the Scheme Cover has expired; and
- covered by the Insurance Policy terms and conditions.

Details of the Insurance Cover including the Insurance Cover limits are at Section 2 of this PDS. A copy of the Insurance Policy can be viewed on the Internet at www.jlta.com.au/jdt/episa or available on request from the Broker.

Any Claim not met by the Scheme Cover and/or the Insurance Cover will be borne by the Claimant.

Cancellation and Termination of Membership

Cancellation by a Member:- A Member may cancel their membership at any time by giving 30 days notice in writing to the Trustee. Cancellation does not entitle the Member to a refund of Membership Contribution paid in respect of the Scheme Cover, but they are entitled to a refund of the Membership Contribution paid in respect of the unexpired portion of the Insurance Cover. In the event that the Member has a business that they are selling, the Membership and rights may form part of the settlement and Membership may transfer from the Member to the purchaser of the business.

Cancellation by the Trustee:- The Trustee can cancel membership as permitted in the Scheme Rules (see Section 4).

Membership terminates automatically at the end of the Fund Period.

How and When to Make a Claim

Note: All Claims or potential Claims are to be notified to Echelon as soon as possible. Echelon's details are set out below. A Claim form can be found on the Internet at <http://www.jlta.com.au/jdt/episa>, or by contacting Echelon.

A Claim or potential Claim must be notified by the Claimant as soon as possible but at the latest within the two (2) month period after the expiry of the Fund Period (i.e. 28th February 2011), otherwise it cannot be considered by the Trustee. Claims notified after 28th February 2011 will be referred to the Insurer for consideration.

The 2 month limitation when notice must be given does not apply to Claims under the Insurance Cover. Such a Claim may be lodged within a reasonable time of and for an event which occurs while a Member and it will be subject to the Insurer's policy terms and conditions and relevant legislation.

Information about the Service Providers

The Trustee uses various third parties to assist it in carrying out its functions

- **Claims Management and Risk Management Services:** Echelon Australia Pty Limited, ABN 96 085 720 056 (a wholly owned subsidiary of Jardine Lloyd Thompson Australia Pty Limited)
Telephone (08) 8235 6455: Fax (08) 8235 6448
- **Broking Services:** Jardine Lloyd Thompson Pty Limited, ABN 69 009 098 864 AFSL 226827 Telephone: (08) 8418 0288 Fax: (08) 8223 6903
- **Actuary:** Cumpston Sarjeant Pty Ltd, Level 13, 160 Queen St Melbourne VIC 3000
- **Auditor:** PKF Chartered Accountants & Business Advisers, Level 2, 139 Frome Street, Adelaide SA 5000
- **Taxation Agent:** PKF Chartered Accountants & Business Advisers, Level 2, 139 Frome Street, Adelaide SA 5000
- **Bank:** National Australia Bank
- **Legal Advisers:** Thompson Playford Cutlers, Solicitors, 19 Gouger St Adelaide SA 5000

Reporting

The accounts of the Trust are audited annually by an external auditor. A Member can request the accounting and other records of the Trust.

A copy of the quarterly financial report and the annual audited report will be provided to the Member upon request.

Complaints Handling

If a Member or Claimant has a complaint about this JDT Arrangement, including but not limited to a complaint about any non- payment of a Claim by the Trustee, they can communicate it to the Trustee or the Broker in the first instance. Alternatively, they can refer it to the Broker's Complaints Manager. The Broker's contact details are shown in the Introduction to this PDS.

The complainant will be asked to provide comprehensive details to help investigate their complaint. All information will be treated in the strictest confidence.

The Trustee belongs to an approved external dispute resolution scheme designed to provide independent and free assistance to the complainant:-

- The Financial Ombudsman Service (FOS) Limited (Ph: 1300 78 08 08)

They will refer the matter to the JLT Complaints Manager for further investigation.

Privacy

The Broker and the Trustee are committed to protecting Member's privacy and are bound by the National Privacy Principles for the handling of information.

The Broker's Privacy Policy can be viewed on the Internet at www.jlta.com.au or available on request from the Broker.

The Trustee further advises that as part of the JDT Arrangement's annual financial report, the Trustee will declare Members' detailed Claims data to all Members and to the service providers referred to in "Information about the Service Providers" above.

The JLT (Electrical and Plumbing) Discretionary Trust Arrangement

PDS Section 2 – Insurance Cover Information

Below is a summary of the Insurance Cover purchased by the Trustee for the JDT Arrangement and its Members. The summary does not fully represent all covers, limitations, exclusions or conditions. For all such terms and conditions, refer to the Insurance Policy available at www.jlta.com.au/jdt/episa or on request from the Broker. If there is any ambiguity between this information and the Insurance Policy, the Insurance Policy prevails.

The Insurance Cover provides cover for a Claim which is

- in excess of the Individual Member's Deductible and the Scheme Cover; and
- covered by the Insurance Policy terms and conditions;

Any Claim against the Insurance Cover is not subject to the Trustee's discretion.

Contact Details for Making an Enquiry

For all advice, simply phone the Broker whose details are given in Section 1 of this PDS under General Information.-

Summary

Insured

The JLT (Electrical and Plumbing) Discretionary Trust and its Members are the Insured. A statutory right to make a claim under the Insurance Policy may also arise pursuant to section 48 of the *Insurance Contracts Act 1984* (Cth), where the claimant is specified or referred to in the Insurance Policy as a person to whom the insurance cover extends.

Insurer (also referred to throughout this Section 2 as We/Us)

QBE Insurance (Australia) Limited
45 Pirie Street, Adelaide, SA, 5000
ABN 78 003 191 035
AFS Licence No. 239545

Period of Insurance

From: 31 December 2009 at 4 pm Local Standard Time
To: 31 December 2010 at 4 pm Local Standard Time

Classes of Insurance

Personal Accident and Illness Insurance

Cost of the Insurance Cover

See the individual Acceptance Form for details of the Membership Contribution for this Insurance Cover.

Interest Insured

All participating employee members

Scope of Cover

Compensation for Injury and Illness occurring outside working hours including Workers Compensation Top-Up Cover (except for benefits marked to the contrary on the Policy Certificate).

Geographical Scope

Worldwide

Policy Wording

QBE Insurance (Australia) Limited Income Protection – Discretionary Fund Administrative Policy (QM849-1106), agreed endorsements (CEPU-031708-11/01/2010) and JLT Discretionary Trust Arrangement Clauses.

Insurance Cover Limits

Section A – Capital Benefits

Death and Permanent Total Disablement (Accidents other than Journey claims) Up to \$50,000 each insured person, as per the Compensation Table

Section B and C – Weekly Benefits

100% of gross weekly basic wage up to a maximum of:

Weekly benefit (Worker)	\$1,400 per week
Weekly benefit (1 st and 2 nd year Apprentice)	\$ 690 per week
Weekly benefit (3 rd and 4 th year Apprentice)	\$ 980 per week
Maximum period - Non-psychological illness	104 weeks
Maximum period - Psychological illness	26 weeks

Temporary Partial Disablement

100% of gross weekly basic wage, less adjustments for any partial return to work, up to a maximum of:

Weekly benefit (Worker)	\$1,400 per week
Weekly benefit (1 st and 2 nd year Apprentice)	\$ 690 per week
Weekly benefit (3 rd and 4 th year Apprentice)	\$ 980 per week
Maximum period - Non-psychological illness	104 weeks
Maximum period - Psychological illness	26 weeks

Section D – Workcover Top Up

Temporary Total Disablement

Benefit period 13-26 weeks 10% of income as defined up to a maximum of \$216 per person per week.
Benefit period 26-52 weeks 20% of income as defined up to a maximum of \$432 per person per week.

Temporary Partial Disablement

Benefit period 13-26 weeks 10% of income as defined up to a maximum of \$216 per person per week.
Benefit period 26-52 weeks 20% of income as defined up to a maximum of \$432 per person per week.

Compensation Table

Insured Event		% of Capital Benefit Limit
1.	Death	100%
2.	Death from an injury at work – in addition to 1. above	\$200,000
3.	Permanent total disablement	100%
4.	Permanent total disablement from an injury at work – in addition to 3. above	\$200,000
5.	Permanent quadriplegia	100%
6.	Permanent paraplegia	100%
7.	Permanent unsound mind to the extent of legal incapacity	100%
8.	Permanent and incurable paralysis of all limbs	100%
9.	Permanent total loss of the entire sight in one or both eyes	100%
10.	Permanent total loss of hearing in both ears	100%
11.	Permanent total loss of the use of both hands	100%
12.	Permanent total loss of the use of both arms	100%
13.	Permanent total loss of the use of both feet	100%
14.	Permanent total loss of the use of both legs	100%
15.	Permanent total loss of the use of one hand and one foot	100%
16.	Permanent total loss of the use of one hand and one arm	100%
17.	Permanent total loss of the lens of one eye	50%
18.	Permanent total loss of the hearing in one ear	50%
19.	Permanent total loss of the use of one foot or one leg	50%
20.	Permanent total loss of the use of four fingers and thumb of either hand	75%
21.	Permanent total loss of the use of one thumb, both joints	50%
22.	Permanent total loss of the use of one thumb, one joint	15%
23.	Permanent total loss of the use of a finger, three joints	10%
24.	Permanent total loss of the use of a finger, two joints	8%
25.	Permanent total loss of the use of a finger, one joint	5%
26.	Permanent total loss of the use of all the toes of one foot	15%
27.	Permanent total loss of the use of great toe – both joints	5%
28.	Permanent total loss of the use of great toe – one joint	3%
29.	Permanent total loss of the use of other toe (each toe)	1%
30.	Fractured leg or patella with established non-union	10%
31.	Shortening of leg by at least 5cm	7.5%
32.	Third degree burns and/or resultant disfigurement which covers more than 40% of the entire body	50%

Broken Bones Compensation Table

Injury resulting in the following broken bone		Insurance cover limit
1.	Neck, skull or spine (full break)	\$8,000
2.	Hip	\$6,250
3.	Pelvis	\$6,250
4.	Ankle or Knee (full break)	\$4,000
5.	Ankle or Knee (hairline fracture)	\$1,500
6.	Cheekbone	\$2,500
7.	Shoulder Blade	\$4,000
8.	Hairline fracture of skull or spine	\$2,500
9.	Arm, elbow or wrist	\$2,000
10.	Upper leg (full break)	\$4,000
11.	Upper leg (hairline fracture)	\$1,500
12.	Lower leg (full break)	\$4,000
13.	Lower leg (hairline fracture)	\$1,500
14.	Jaw	\$4,000
15.	Nose	\$1,500
16.	Collarbone	\$2,500
17.	Ribs	\$1,500
18.	Foot or hand	\$2,000

Aggregate Limit of Liability

\$10,000,000 for any one event.

Deductible Excess

In the event that either the Scheme Cover Any One Event Limit is reached or the Scheme Cover Aggregate Limit is eroded, this Policy shall be liable for all losses, subject to the Policy Limits, Conditions and Exclusions. Losses in excess of the Scheme Cover Aggregate Limit are subject to the Individual Members Deductible. No further deductible or excess shall be applied.

Important Notes about this Policy

Insurance Policy Conditions

In the Insurance Policy the Insurer sets out important information, including information about making a claim. These are the general obligations which apply under the Insurance Policy before the Insurer will pay any Claim.

Insurance Cover Limitations and Exclusions

The Insurer has limited or excluded some matters from the cover. Some limitations which may be significant to members are noted in the Insurance Cover above.

However, to ascertain all of the limitations and exclusions and those which are important to Members, they should refer to the Policy and read it carefully. If any queries arise, contact the Broker for advice.

The JLT (Electrical and Plumbing) Discretionary Trust Arrangement

PDS Section 3 – Risks Under Scheme Cover and Insurance Cover

There are a number of risks a Potential Member should be aware of under the JDT Arrangement including:

- The payment of benefits under the Scheme Cover is at the absolute discretion of the Trustee which means that the Trustee may exercise its discretion not to pay a Claim;
- The Insurance Cover component of the JDT Arrangement only comes into effect for a Claim in excess of the Individual Member's Deductible and the Scheme Cover or when the time for lodging a Claim under the Scheme Cover has expired;
- The Insurance Cover component has various conditions and exclusions. Therefore, if a Claim is in excess of the Individual Member's Deductible and the Scheme Cover or the time for lodging a Claim under the Scheme Cover has expired and the Insurance Cover component comes into effect, the Claim may not be covered under the Insurance Cover component as a result of the conditions and exclusions;
- Renewed membership of the JDT Arrangement is at the discretion of the Trustee and a Member's cover will cease after the expiry of the Fund Period (**i.e. on 31st December 2010**) if renewed membership is not offered. If this happens, a Claim cannot be made for an event occurring after the expiry of the Fund Period.

The JLT (Electrical and Plumbing) Discretionary Trust Arrangement

PDS Section 4 – JLT Discretionary Trust Scheme Rules

This PDS Section 4 sets out a Member’s rights and obligations under the JLT (Electrical and Plumbing) Discretionary Trust.

The Trust was established solely for the benefit of its Members and in some instances provides an alternative to conventional insurance.

The Rules

Part 1 - Interpretation

Structure of Scheme Rules

Purpose of Scheme Rules

Part 2 – Scheme Membership Offer

Offer of scheme membership (The PDS)

Details of offer

Acceptance of offer

Subsequent fund periods

Manner of renewal

General membership obligations

Scheme does not warrant risk levels

Part 3 – Commencement of Cover and Closure of Accounts for Fund Periods

Fund period

Subsequent fund periods

Commencement of cover

Closure of Accounts for Fund period

Part 4 – Membership Contributions

Relevant factors in determination

Time for payment

Overdue payments

Part 5 – Loss Protection

Coverage

Change to scope of protection

Recourse to scheme assets only

Payment of Claims

Reimbursable deductible

How to Make a Claim

If a Claim needs to be made on the Scheme Cover

Part 6 – Scheme Membership

Notice of Claims

Information to be provided

Corporations Act/Privacy Act notice

Grant or refusal of cover for Claim

Claim may be refused

Subrogation

Settlement of Claims

Member’s litigation responsibilities

Relinquish control

Reasonable care

Contribution

Part 7 – Member’s Default and Cancellation of Membership

Withdrawal

Effect of withdrawal

Notice to show cause why Membership should not be cancelled

Cancellation of membership

Effective date of cancellation

Effect of cancellation

Additional contribution to cover cost of default

Additional contribution for additional risks

Set off against monies due to Member

Part 1 - Interpretation

1. Structure of Scheme Rules

These Scheme Rules are divided into parts as follows

Part 1	Interpretation
Part 2	Scheme Membership Offer
Part 3	Commencement of Cover and Closure of Accounts for Fund Periods
Part 4	Membership Contributions
Part 5	Loss Protection
Part 6	Scheme Membership
Part 7	Member Default and Cancellation of Membership

2. Purpose of Scheme Rules

- 2.1. These Scheme Rules form one of the three principal constituent documents of the Scheme. The other two are:
 - 2.1.1. The Trust Deed which constitutes the Scheme and sets out its purpose and intent as well as its underlying legal structure and controls; and
 - 2.1.2. The rest of this PDS.

The purpose of these Scheme Rules is to set out the administrative mechanisms by which the Scheme is administered so as to put the purpose and intent of the Trust Deed into effect.

Part 2 - Scheme Membership Offer

1. Offer of the Scheme Membership (The PDS)

An offer of membership of the Scheme may be made to any Potential Member.

2. Details of Offer

An offer of membership must include:

- 2.1. a disclosure that the Fund is not insurance or a contract of indemnity;
- 2.2. details of the Scheme Cover and Insurance Cover offered by the Scheme to the Potential Member;
- 2.3. a copy of these Scheme Rules; and
- 2.4. advice as to the contribution payable for the Fund Period of Scheme membership.

3. Acceptance of Offer

A Potential Member becomes a Member when;

- 3.1. The Potential Member accepts the offer in writing by signing the acknowledgment on the Acceptance Form and returns this to the Broker; and
- 3.2. The Potential Member pays the Membership Contributions; and
- 3.3. The Broker forwards the Acceptance Form and Membership Contribution to the Trustee;

within 30 days of the date of the offer (or such longer period as is determined by JGS) failing which, unless otherwise determined by JGS, the offer of membership lapses.

4. Subsequent Fund Periods

Not later than 10 days prior to the end of a Fund Period, The Trustee must determine in respect of each Member and advise the Member and the Promoter in writing (by means of a PDS or supplementary PDS):

- 4.1. Whether that Member will be offered renewed membership of the Scheme for the next Fund Period;
- 4.2. If so, the terms of cover and the Membership Contribution payable by that Member in respect of that Fund Period.

5. Manner of Renewal

A Member who wishes to accept an offer of renewed membership of the Scheme for the next Fund Period must pay the Membership Contribution for that Fund Period within 30 days of the offer if not, unless otherwise determined by the Trustee, the offer of renewed membership lapses.

6. General Membership Obligations

- 6.1. By its acceptance of any offer of membership (or renewed membership) a Member agrees that, at all times while they remain a Member of the Scheme:
 - 6.1.1. subject to rule 8.3, the Trust Deed and these Scheme Rules as amended from time to time constitute a contract between the Trustee and the Member;
 - 6.1.2. they will be bound by the Trust Deed and Scheme Rules and perform the obligations of a Member under the same accordingly;
 - 6.1.3. they will make available to the Scheme all information and data which either of them reasonably require in order to determine the claims and risk management experience of the Member for the purpose of assessing Membership Contributions;
 - 6.1.4. the Scheme shall be permitted (but not obligated) to carry out a risk management audit or otherwise inspect the Member's property and operations at any time; and
 - 6.1.5. the Scheme may examine and audit the Member's books and records at any time (but only so far as they relate to membership of the Scheme or risks covered by the Scheme).
- 6.2. For avoidance of doubt, the contract mentioned in clause 8.1.1 is a contract between a Member and the Trustee only and that contract does not create, as between any Member and any other Member or Potential Members, any joint rights or obligations or any mutual rights or duties.
- 6.3. To the extent, if any, to which a provision of these Scheme Rules or the Trust Deed provides or implies:
 - 6.3.1. in any way contrary to rule 8.2; or
 - 6.3.2. that the Trustee is constituted a joint or mutual agent for Members or any of them,
that provision is, to that extent, inoperative and does not form part of the legal relationship between a Member and the Trustee.

7. Scheme Does Not Warrant Scheme Levels

Each Member acknowledges that neither the Scheme's rights to make inspections nor the making thereof nor any report thereon constitutes an agreement or the assumption of an obligation, on behalf of or for the benefit of the Member or others, to determine or warrant that such property or operations are safe.

Part 3 - Commencement of cover and closure of accounts for Fund Periods

8. Fund Period

The Fund Period is specified in Section 5 of the PDS (ie 31st December 2009 to 31st December 2010).

9. Subsequent Fund Periods

Subsequent Fund Periods are advised to Members in a Supplementary PDS issued at each anniversary.

10. Commencement of Cover

In respect of any Fund Period, cover for any Claim under the Scheme cover commences:

- 10.1. upon payment of the Potential Member's contribution for that Fund Period; or
- 10.2. at the Trustee's absolute discretion, at the start of the Fund Period.

11. Closure of Accounts for Fund Period

- 11.1. The Trustee must determine when the accounts for a Fund Period will be closed and the final results for the Fund Period determined and declared.
- 11.2. No Member has any entitlement to be paid any amount from a surplus in a Fund Period and any surplus will be dealt with in accordance with the Trust Deed.

Part 4 – Membership Contributions

12. Relevant Factors in Determination

The Membership Contributions determined for any Member and/or Potential Member in respect of any Fund Period will be determined having regard to such matters as the Trustee considers relevant to the Member's and/or Potential Member's level of risk including, without limitation:

- 12.1. the location, nature and scale of the Member's and/or Potential Member's activities (including changes from time to time in those matters).
- 12.2. the Member's and/or Potential Member's Claims history (both during and prior to its membership of the Scheme);
- 12.3. Any other matters relating to any aspect of the Member's and/or Potential Member's business which create increased or reduced risks of Claims; and
- 12.4. Matters relevant to the Member's and/or Potential Member's risk management practices which are known to the Trustee.

13. Time for Payment

All Membership Contributions (including any additional contribution mentioned in Part 7) must be paid within 30 days of the date of the offer to the Members and/or Potential Members.

14. Overdue Payments

Without affecting any other Rule, if the amount of any contribution (including any additional contribution mentioned in Part 7) is not paid by the due date:

- 14.1. interest thereon may, if the Trustee so determines, accrue at the Commonwealth Bank of Australia Corporate Loan Reference rate plus 2% from day to day and compounding monthly until the amount is paid; and
- 14.2. the amount (and interest) may be recovered against the Member by the Trustee on behalf of the Scheme as a debt payable by the defaulting Member.

Part 5 - Loss Protection

15. Coverage

The Trustee is obliged to consider all Claims referred, whether or not the event would be covered under the Insurance Cover. If the Trustee's discretion is applied in favour of the Claimant, the Trustee will pay for expenses claimed up to the Scheme Cover Any One Event Limit, subject at all times to the Scheme Cover Aggregate Limit. Any expenses claimed which are greater than the Scheme Cover Aggregate Limit will be referred to the insurer. Claims against the Insurer are subject to the Insurance Policy terms and conditions.

16. Change to Scope of Protection

- 16.1. The Trustee may from Fund Period to Fund Period alter, add to, reduce or otherwise vary the scope of protection under the Scheme Cover and Insurance Cover.
- 16.2. Where the Trustee makes a change mentioned in rule 18.1, it must include a copy of the supplementary PDS or details of the change with every offer of renewed membership for the Fund Period in which the change takes effect.

17. Recourse to Scheme Assets Only

For the payment of any Claim against the Scheme Cover or the performance of any obligation of the Scheme hereunder, resort may be had solely to the Fund and any other assets and property of the Scheme and no Claim may be made or enforced by a Member against:

- 17.1. JGS in any capacity other than as Trustee of the Scheme;
- 17.2. The Promoter; or
- 17.3. Any other Member

18. Payment of Claims

The amount of any Claim settlement approved by the Trustee during a Fund Period in respect of Claims made during the Fund Period will be met, subject to the individual Member's deductible (and subject always to the discretion of the Trustee):

- 18.1. to the extent that the amount does not exceed the amount payable from Scheme Cover, from the Fund;
- 18.2. to the extent that the amount exceeds the amount of the Scheme Cover;
 - 18.2.1. to the limit of the Scheme Cover, from the Fund;

- 18.2.2. thereafter from the Insurance Cover, to the extent of that cover;
- 18.3. to the extent that the amount exceeds the amount of the Scheme Cover and the Insurance Cover:
 - 18.3.1. to the limit of the Scheme Cover, from the Fund;
 - 18.3.2. to the limit of the Insurance Cover, to the extent of that cover; and
 - 18.3.3. the balance by the Claimant.

19. Reimbursable Deductible

- 19.1. If the Fund pays any individual Member's deductible, the Member must reimburse the Fund within 14 days of written notice from the Scheme.
- 19.2. Without affecting anything in the Rules, if the amount of the individual Member's deductible is not paid within that time, interest accrues thereon and the amount is recoverable in accordance with Rule 16 as though the deductible were an overdue contribution.

How to Make a Claim

To Make a Claim on the Scheme Cover

Refer to Section 1 of this PDS for details of How to Make a Claim.

When a Claimant calls, Echelon will,

1. Advise if a Claim form is required;
2. Provide instructions to proceed or appoint an assessor, if required;
3. Advise of any additional information requirements or instructions;
4. Refer the Claim to the Broker if it relates to any conventional insurance placements.

Part 6 - Scheme Membership

Claims Procedures

20. Notice of Claims

Notice in writing (by email, fax or post (refer to Section 1 of this PDS for details) must be given as soon as possible to the Trustee:

Important Notice - applicable to the Scheme Cover only - NOT the Insurance Cover. In order that Claims will not be prejudiced due to late notification, the Claimant must notify the Trustee of any potential Claim, within the time period specified in Section 1 of this PDS under How To Make A Claim, otherwise the Trustee will not be able to consider the Claim.

- 20.1. of any occurrence, circumstance, Claim, or inquest, or knowledge of any occurrence or circumstance which may subsequently give rise to a Claim covered by the Scheme Cover, irrespective of the amount of such Claim; and
- 20.2. of any change materially varying any of the facts or circumstances existing at the commencement of cover by the Scheme Cover that shall come to the knowledge of the Member.

Such notice shall be given by the entity whose knowledge shall be deemed to include the knowledge of any person whose knowledge would in law be that of the Member.

21. Information to be Provided

A Member must provide to the Trustee and/or its representatives or other agent appointed by the Trustee with respect to a Claim or potential Claim all information requested by such party in the manner and format requested by such party.

22. Corporations Act/Privacy Act Notice

Due to the provisions of the Corporations Act (Cth) 2001 and/ or the Privacy Act (Cth) 1988, the Trustee has included a statement within the Acceptance Form whereby the Member acknowledges the Trustee's practice of declaring detailed Claims data of all the current Members of the Fund in its regular financial reports issued to all Members.

23. Grant or Refusal of Indemnity

The Trustee and/or its representatives must advise the Claimant as soon as practicable after receipt of a Claim as to whether the Trustee will accept the Claim.

24. Claim May be Refused

Without limiting the discretion of the Trustee, it will not cover the Claimant against any Claim (and may withdraw cover previously granted) where:

24.1. the Member has:

- 24.1.1. breached or failed to comply with any condition or obligation in these Scheme Rules; or
- 24.1.2. committed any other act or made any other omission which entitles the Trustee to cancel the membership of the Member under rule 36; and

24.2. the Scheme is prejudiced by that failure, act or omission.

25. Subrogation

The Member agrees that in the event of payment of any Claim by the Scheme Cover, the Scheme will be subrogated to the extent of such payment to all the rights of the Member against any person or other entity legally responsible for the Claim, and in such event, the Member must render to the Trustee or other agent appointed by the Trustee, all assistance, other than pecuniary, as is reasonably necessary to effect recovery.

26. Settlement of Claims

26.1. The Member must promptly take at its own expense all reasonable steps to prevent other Claims from arising out of the same or similar conditions which have given rise to a Claim, but such expense shall not be recoverable from the Scheme.

26.2. The Member must use its best endeavours to preserve any damaged or defective property which might prove necessary or useful by way of evidence in connection with any Claim and, except where some other course is required by rule 29.1 but only so far as may be reasonably practicable, the Member must not make an alteration or repair to any premises, machinery, fittings, appliances or plant without the consent of the Trustee and/or his representatives until the Trustee has had an opportunity of inspection.

The Trustee has full discretion in the conduct of any proceedings in connection with any Claim.

27. Members Litigation Responsibilities

In connection with any litigation conducted by the Trustee in the name of the Member, or any action taken by the Trustee in exercise of the Scheme's rights of subrogation:

27.1. If a personal appearance by a director, partner, employee, officer or agent of the Member is necessary at any conference, in any Court or elsewhere, the expense of such appearance must be paid by the Member; and

27.2. The Member must fully co-operate by supplying any information and assistance requested by the Trustee or an agent appointed by the Trustee with respect to the litigation or Claim.

28. Relinquish Control

The Trustee may at any time pay to the Claimant an amount not exceeding the Scheme Cover Any One Event / Aggregate Limit and shall then be under no further liability in connection with such Claim. A Claimant may lodge more than one Claim arising from any one event or cause. A Claimant is entitled to submit invoices or receipts in respect of the Claim at any stage within the two (2) month period of the expiry of the Fund Period and the Trustee shall consider the Claim provided that the total amount of such receipts or invoices does not exceed the Scheme Cover Any One Event / Aggregate Limit.

29. Reasonable Care

A Member must as far as reasonably practicable:

29.1. exercise reasonable care that only competent employees are employed and take reasonable measures to maintain all premises, fittings and plant in safe and sound condition.

29.2. take all reasonable precautions to:

29.2.1. prevent economic or financial loss, from occurring in the course of carrying on a Member's business;

29.2.2. comply and ensure that its employees, servants and agents comply with all statutory obligations, by laws or regulations imposed by any public authority for the safety of persons or property.

30. Contribution

When a loss paid under the Schedule is also recoverable under an insurance policy and the Scheme has paid more than its rateable share, the Scheme reserves its rights to seek contribution from the other party or insurer.

Part 7 – Member’s default and cancellation of membership

31. Withdrawal

A Member may withdraw from membership of the Scheme at any time by giving 30 days notice in writing to the Trustee.

32. Effect of Withdrawal

Unless otherwise determined by the Trustee, withdrawal by a Member does not:

- 32.1. entitle the Member to a refund of contributions (in full or in part) in respect of the unexpired part of the Fund Period;
- 32.2. vary or waive the obligations of the continuing Member to comply with the provisions of the Scheme Rules; or
- 32.3. affect the withdrawing Member’s current or subsequent obligation to make further Membership Contributions for any Fund Period whilst the Member was a Member of the Scheme.

33. Notice to Show Cause why Membership Should Not be Cancelled

In the event that any Member (in these Scheme Rules referred to as “the defaulting Member”):

- 33.1. fails to comply with the reasonable directions of the Trustee as to the conduct of its operations so as to minimise risks;
- 33.2. fails to:
 - 33.2.1. make available to the Trustee all information and data which it reasonably requires in order to assess Membership Contributions;
 - 33.2.2. permit the Trustee to carry out a risk management audit or otherwise inspect the Member’s property and operations;
 - 33.2.3. permit the Trustee to examine and audit the Member’s books and records (but only so far as they relate to membership of the Scheme or risks covered by the Scheme Cover;
- 33.3. fails to pay Membership Contributions due to the Scheme within 30 days of the offer; or
- 33.4. commits any other breach of the Scheme Rules which is not remedied within the time specified in a notice to the Member in that regard,

the Trustee may by notice in writing to the defaulting Member require that Member to show cause within 14 days why its membership of the Scheme should not be cancelled.

34. Cancellation of Membership

The Trustee, after consulting with The Promoter, may cancel the membership of any Member by giving the Member written notice to that effect, where the Member:

- 34.1. fails to comply with the duty to the Trustee at clause 8.1.3, or
- 34.2. has made a misrepresentation to the Scheme during negotiations for and before the commencement date of its membership (or subsequent renewal), or
- 34.3. had made a fraudulent Claim to the Scheme or under any concurrent policy of insurance; or
- 34.4. fails to show sufficient cause to the contrary in response to a notice under rule 35.

35. Effective Date of Cancellation

A notice of cancellation takes effect at;

- 35.1. the time when a Policy of Insurance between the Member and an insurer, being a Policy of Insurance that is intended by the Member to replace its cover under the Scheme, is entered into; or
- 35.2. pm on the 30th business day after the day on which notice was given to the Member (or such later time as is specified in the notice)

whichever first occurs.

36. Effect of Cancellation

Upon a notice of cancellation taking effect;

- 36.1. from that date the defaulting Member shall have no right to Claim against the Scheme Cover; and
- 36.2. such cancellation nevertheless does not otherwise affect entitlement to cover for any Claim already covered by the Trustee nor vary or waive the obligations of the defaulting Member to comply with the provisions of the Scheme Rules in respect of any Fund Period during which the defaulting Member was a Member of the Scheme.

37. Additional Membership Contribution to Cover Cost of Default

In the event that a Member is in default in payment of a Membership contribution or in any other way whereby the Fund suffers any financial loss or incurs additional expense the Trustee may as an alternative to cancellation require the defaulting Member to pay to the Fund an additional contribution in an amount to be determined by the Trustee to reimburse the Fund for the loss or additional expense.

38. Additional Membership Contribution for Additional Risks

In the event that a Member fails to comply with a direction of the Trustee and, in doing so, in the opinion of the Trustee exposes the Scheme to an increased, additional or readily avoidable risk, the Trustee may as an alternative to cancellation;

- 38.1. require the Member to pay an additional contribution to cover that risk; or
- 38.2. exclude that risk from the Scheme Cover and the Insurance Cover applicable to that Member or Members associated with that Member; or
- 38.3. otherwise limit the exposure of the Scheme and the Insurer to such risk.

39. Set off Against Monies Due to a Member

In the event that the Member is otherwise entitled to a refund of Membership Contributions made to the Fund, any amount due to a defaulting Member will be set off against:

- 39.1. any Membership Contributions or other monies due but unpaid by the defaulting Member to the Scheme; and
- 39.2. any loss or expense incurred by the Scheme by through or in connection with the default by that defaulting Member or Members associated with that Member.

THE JLT (ELECTRICAL AND PLUMBING) DISCRETIONARY TRUST ARRANGEMENT

Acceptance Form

Before completing this Acceptance Form, be sure to read Sections 1, 2, 3, 4 and 5 of our PDS. Our PDS will help a Potential Member decide whether to become a Member of the JDT Arrangement.

This Acceptance Form relates to both the Scheme Cover and Insurance Cover components of the JDT Arrangement.

Date of Trust Deed: **1st November 2006** Fund Period: **31st December 2009** to **31st December 2010**

PLEASE NOTE You are not a member of this JDT Arrangement until we receive your **Membership Contribution** and completed **Acceptance form**

Employer ABN

TOTAL CONTRIBUTION (Incl. GST)	
Breakdown of Contribution	
Aggregate Contribution* This is the proportion of the Total Membership Contribution payable by a Member to meet claims and costs attributable to claims management	42.93%
Administration Contribution** This is the proportion of the Total Membership Contribution payable by a Member which represents the administrative fees of the JDT Arrangement	6.86%
Insurance Cover Contribution. This is the proportion of the Total Membership Contribution payable by a Member which represents the premium paid to the Insurer for the Insurance Cover	23.30%
Insurance Cover premium stamp duty (GST Exempt)	2.82%
Jardine Lloyd Thompson Pty Ltd (the Broker's) Broking Fee***	8.61%
CEPU Essential Benefits Program (the Promoter's) Fee. This is a contribution towards improved services planned to be provided by the Promoter for future years.	5.50%
Kevin Tinson Consultant Fee	1.15%
GST Payable	8.89%

*Includes Claims Management Service Fee \$215.00 per claim

** The Administration Contribution can be broken down as follows based on budgeted estimations:

- Actuary fees- 9%
- Legal costs- 4%
- Audit fees- 21%
- Scheme Manager's (JGS's) Fees- 66%

*** In addition to its Broking Fee, the Broker receives commission from the insurer of 20% of the Insurance Cover Contribution

Please complete and return this Acceptance Form with your payment and retain a copy for your records.

Declaration (In addition to the duty to disclose certain information to the Insurer and the Trustee):

a) I have read the PDS and agree to be bound by the Rules. I am aware that the withdrawal from the JDT Arrangement as a Member does not entitle the Member to a refund of the Total Membership Contribution in full or in part, other than any applicable return Membership Contribution in respect of the unexpired portion of the Insurance Cover.

b) I agree to receive the PDS, FSG and annual report for this product online at www.jlta.com.au/episa or I have obtained a hard copy of the PDS and FSG

c) Privacy Act implications: Upon joining the JDT Arrangement you, as a Member, acknowledge that, as part of the financial reports, the Trustee will be declaring Members' detailed Claims data to all Members and service providers performing specific tasks on behalf of the Trust.

LEVEL OF COVER (PLEASE TICK)

Silver - max \$1,400 pw, 1st & 2nd yr Apprentices \$690 pw, 3rd & 4th yr Apprentices \$980 pw

Bronze - max \$1,100 pw, 1st & 2nd yr Apprentices \$450 pw, 3rd & 4th yr Apprentices \$660 pw

Signature Date

PLEASE TURN THE PAGE TO COMPLETE ALL DETAILS

Proprietary Nature of Proposal

This proposal is prepared for the sole and exclusive use of the party or organisation to which it is addressed. Therefore, this document is considered proprietary to Jardine Lloyd Thompson Pty Ltd (JLT) and may not be made available to anyone other than the addressee or person within the addressee's organisation who are designated to evaluate or implement the proposal. JLT proposals may be made available to other persons or organisations only with written permission of JLT.

© Copyright 2009

All rights reserved. No part of this document may be reproduced or transmitted in any form by any means, electronic or mechanical, including photocopying and recording, or by an information storage or retrieval system, except as may be permitted, in writing, by JLT.

The value we create is driven through the personal determination of our 5,000 highly motivated and skilled people.

The Product Issuer of the JLT (Electrical and Plumbing)
Discretionary Trust ABN is 25 170 298 009

Jardine Lloyd Thompson Pty Ltd
ABN 69 009 098 864 AFS Licence 226827

Level 11, 66 Clarence Street
SYDNEY NSW 2000
Tel +61 (0)2 9290 8000
Fax +61 (0)2 9299 7280
Preparation Date 21 January 2010

A member of the Jardine Lloyd Thompson Group.