Macquarie Superannuation Plan Group Income Protection Contract

This Contract applies to the following products:

- Macquarie Superannuation Insurance
- Macquarie Super Manager Life Insurance
- SuperOptions Insurance Cover
- Insurance Cover - Superannuation

Macquarie Life Limited (ABN 56 003 963 773 AFSL 237 497)
Macquarie Investment Management Limited (ABN 66 002 867 003 AFSL 237 492)
Dated 21 May 2011

FORWARD thinking

Contract endorsement issued 2011

Contract No: AFA 00002

Superannuation Fund: Macquarie Superannuation Plan
(ABN 65 508 799 106)

Policy Owner: Macquarie Investment Management Limited

This document records amendments to the contract of insurance between Macquarie Life Limited (Macquarie Life/we/our/us) and Macquarie Investment Management Limited (the Trustee) The contract commenced 23 February 2000 and has been varied with effect from 1 July 2004 (the Contract).

The terms and conditions of the Contract are hereby further varied by agreement between Macquarie Life Limited and Macquarie Investment Management Limited.

The variation applies with effect from 21 May 2011, with respect to all claims which arise as a result of events or conditions that first occur on or after 21 May 2011.

The Contract is varied by deleting the existing terms and conditions in their entirety and replacing them with the terms and conditions attached as annexure A, with the following exception:

1. Should the replacement terms and conditions result in a less favourable outcome for a *life insured* in the event of a claim, the original terms and conditions of the Contract can be relied upon.

   For the avoidance of doubt, in applying the terms and conditions of the Contract, all payments made under the Contract will be taken into account in determining reductions to the *agreed insured cover* where such reductions would apply under the terms and conditions under which the payment was made.

Annexure A. Replacement Terms and Conditions

Conditional upon payment of premiums, we hereby agree to extend cover and to pay benefits with respect to a *life insured* on the basis set out in and subject to the terms and conditions of this Contract.

Where words have a special meaning they are shown in *italics* and have the meaning given in the Defined Terms section on page 8 or the Schedule on page 11.

Income Protection

Waiting period

The majority of benefits under Income Protection are subject to a waiting period before the benefits become payable.

The following waiting periods are available:

- 30 days
- 90 days

The waiting period that applies in respect of a *life insured* depends on the election made by the *life insured* and agreed to by us.

The waiting period begins the day the *life insured* is *disabled* due to *sickness* or *injury* and has consulted a *medical practitioner* in relation to their *disability*.

On the basis of medical and other evidence acceptable to us, we will reduce the waiting period by the number of continuous days for which the *life insured* was absent from *gainful employment* due to *sickness* or *injury* prior to first consulting a *medical practitioner* in relation to their *disability*, to a maximum of seven days.

Return to work during the waiting period

The *life insured* can return to work (and not be disabled) during the waiting period for up to:

- five consecutive days if the waiting period is 30 days
- 10 consecutive days if the waiting period is 90 days

The waiting period will be extended by the number of days worked while the *life insured* is not disabled.

Benefit period

The benefit period is the maximum period for which a claim for a disability is payable.

The following benefit periods are available:

- 2 years
- 5 years

The benefit period that applies in respect of a *life insured* depends on the election made by the *life insured* and agreed to by us.

The benefit period for an individual claim starts at the end of the waiting period and continues until the earlier of:

- the end of the selected benefit period, and
- the date when cover ends for the *life insured* (see the section, “When cover ends” on page 5).

Recurrent Disability

Any claim for a *disability* arising from the same or a related cause as a previous claim within six months of the previous claim ending, will be treated as a continuation of the previous claim and the waiting period will be waived. If the claim is made more than six months after the previous claim ended a new waiting period will apply. A new benefit period will apply only if the *life insured* made a successful return to *gainful employment* of at least 20 hours per week for a continuous period of six months.

Occupational classes

The occupational classes are as follows, unless otherwise agreed between us:

- Professional
- Medical
- White collar clerical
- Other white collar including supervision of light blue workers
- Light blue
- Dark blue

We retain an absolute discretion to decide which class a *life insured* belongs to.

Total Disability

A *total disability* benefit is payable if, after the cover commenced and before cover ends for the *life insured*, as explained in the section “when cover ends”:

- the *life insured* has been continuously *disabled* during the waiting period and is *totally disabled* for at least five consecutive days during that time and
- the *life insured* is *totally disabled* after the end of the waiting period, or after a period during which a benefit for *partial disability* has been paid for the same *disability*.

The *total disability* benefit payable is the *monthly benefit*, adjusted to take into account any:

- offsets which apply, as explained in the section titled "When the *monthly benefit* is reduced" on page 5, and
- increases under the Claims Escalation option, if it applies, as explained on page 4.

The monthly benefit for *total disability* is payable monthly in arrears for each day of *total disability* after the end of the waiting period (1/30th of the monthly benefit per day if the benefit is only payable for part of a month), but not beyond the end of the benefit period for that *disability*.

Partial Disability

A *partial disability* benefit is payable if, after the cover commenced and before cover ends for the *life insured*, as explained in the section "when cover ends", the *life insured*:

- has been continuously *disabled* during the waiting period, and
- is *partially disabled* after the end of the waiting period, or after a period during which a benefit for *total disability* has been paid for the same *disability*.

The *partial disability* benefit payable is a proportion of the *monthly benefit*, calculated as follows:

$$\frac{\textit{pre-disability income} - \textit{post-disability income}}{\textit{pre-disability income}} \times \textit{monthly benefit}$$

adjusted to take into account any:

- offsets which apply, as explained in the section titled "When the *monthly benefit* is reduced" on page 5, and
- increases under the Claims Escalation option, if it applies, as explained on page 4.

The monthly benefit for *partial disability* is payable monthly in arrears for each day of *partial disability* after the end of the waiting period (1/30th of the monthly benefit for *partial disability* per day if the benefit is only for part of a month) but not beyond the end of the benefit period for that *disability*.

Death benefit

If the *life insured* dies after the cover commenced and before cover ends for the *life insured*, we will pay an amount equal to four times the *agreed insured cover*, to a maximum of $75,000 on receipt of the death certificate.

Premium Waiver

We will waive the premium payable for Income Protection in respect of a *life insured* while a benefit is payable for the *life insured*.

Involuntary Unemployment Premium Waiver

If Income Protection cover has been continuously in force in respect of a *life insured* for six months preceding *involuntary unemployment* of at least 10 consecutive working days, we will waive the premium payable for Income Protection in respect of that *life insured* for up to three months at a time for the period while the *life insured* is *involuntarily unemployed* and registered with a recognised employment agency.

The premium will be waived due to *involuntary unemployment* for a maximum of 3 months in any 12 month period and a total maximum of 6 months inclusive of all cover held with Macquarie Life for the *life insured* over the life of the cover. If the premium is paid on an annual basis, we will provide a pro rata refund to the *fund* of the premium that has already been paid for each month that a *life insured* is eligible for the Involuntary Unemployment Premium Waiver.

Rehabilitation Expenses

If a benefit for *total disability* is payable, we will increase the amount we will pay in a month to cover all or part of any rehabilitation expenses or costs associated with a rehabilitation programme for the *life insured* that we have approved in advance and where reimbursement cannot be claimed from other sources. A maximum payment of six times the *monthly benefit* applies under this benefit. This benefit is in addition to any benefit payable for *total disability* or *partial disability*.

Claims Escalation option

This is an option for which an additional premium is charged.

The Claims escalation applies in respect of a *life insured* if it was elected by the *life insured* and agreed to by us.

While a benefit for *total disability* or *partial disability* is being paid, we will increase the *monthly benefit* by any increase in the *consumer price index* at the Annual Review Date.

Medical professionals feature

If a medical professional contracts HIV or Hepatitis B or C, professional guidelines may restrict their ability to perform certain procedures and result in a reduction of income, well before the illness results in a physical inability to perform the duties of their occupation.

Under Income Protection, Macquarie Life will consider that a medical professional has satisfied the occupational duties component of the *total disability* or *partial disability* definition if the following apply:

- the *life insured* was accepted for cover by us on the basis of the occupational classification of medical

- the *life insured* becomes infected with HIV, Hepatitis B or Hepatitis C as confirmed by documented proof of the infection
- at the time of infection, exposure prone procedures, as defined by the relevant professional governing body, are at least one of the duties of the *life insured's usual occupation* necessary to produce income, and
- due to the *life insured's* HIV, Hepatitis B or Hepatitis C status, the *life insured* is required to cease performing exposure prone procedures as a result of the guidelines of the professional governing body in their state.

The other components of *total disability* and *partial disability*, as applicable, must also be satisfied in order for a claim to be admitted.

The Medical Professionals feature will not apply in respect of a claim for a *life insured* if:

- a treatment is available which renders the HIV or Hepatitis B or C virus inactive and non-infectious, or
- the *life insured* has elected not to take a relevant vaccine that is recommended by the relevant professional governing body and which is available prior to the event which causes infection.

When the *monthly benefit* is reduced

The *monthly benefit* payable for *total disability* or *partial disability* may be reduced by any of the following payments received by the *life insured*:

- legislated compensation schemes and Workers Compensation (unless we agreed to insure the *life insured* on the basis of an occupation class of professional or medical), and
- any other insurance that provides income payments due to sickness or injury, which commenced prior to the commencement of this Income Protection in respect of the *life insured* unless we have expressly agreed not to apply a reduction.

If a lump sum is received from any of the above sources, we will convert that lump sum to a monthly payment at the rate of 1% of the lump sum paid per month.

The benefit we will pay will only be reduced to ensure that, when combined with the payments from any of the above sources, it does not exceed the monthly equivalent of 75% of *pre-disability income* (100% of *pre-disability income* for *partial disability*).

More than one benefit payable

A *life insured* is entitled to receive benefits only in respect of *total disablement* or *partial disablement* at any point in time.

When we won't pay

A benefit will not be payable in respect of a *life insured* under Income Protection for a claim which is caused by or attributed to:

- an intentional self inflicted act
- normal or uncomplicated pregnancy or childbirth
- war or an act of war

We will not pay for any period while the *life insured* is in jail.

Benefits are only payable for up to three months while the *life insured* is outside Australia. Upon return to Australia, benefits can continue if otherwise payable.

Important Information

When cover ends

Cover provided under this contract in respect of a *life insured* ends on the earliest of:

- the *annual review date* following the *life insured* attaining the expiry age shown in the table following
- the death of the *life insured*
- cancellation of the cover upon the written request of the *life insured*
- cancellation of the cover by Macquarie Life due to non payment of the premium when due
- termination of this contract by the Trustee
- any other date applied under a special condition specified by us when cover was provided for the *life insured*, and
- 30 days after the *life insured* ceases to be a member of the *fund*

Cover type	Expiry age
Income Protection	65

World wide cover

Covers the *life insured* 24 hours a day, anywhere in the world.

Statutory fund

We will maintain this Contract as a liability of statutory fund No.4.

General conditions

1. This Contract begins on the commencement date shown in the Schedule and the Contract continues until terminated.
2. The circumstances in which benefits are payable are as set out in this Contract, notwithstanding any provision of any superannuation deed or any other agreement entered into by the Trustee and to the extent of any inconsistency the provisions of this Contract shall prevail.
3. In issuing cover under this Contract, we shall rely on statements of health and other information given to us with respect to any *life insured* and statements made concerning persons who are, or who are likely to become, a *life insured*.
4. All benefits are payable to the Trustee and the payment of a benefit in relation to a *life insured* shall discharge our liability with respect to that *life insured*.
5. We retain a discretion as to the occupational classification of any *life insured*.
6. The Trustee may terminate this Contract at any time by giving us 60 days written notice and the Premium will be calculated up to the date of termination.

Premiums and other costs

How the premium is calculated

The premium for the cover in respect of a *life insured* is calculated as at the date cover commenced and each subsequent *premium due date*, by applying our premium rates to the *agreed insured cover*.

The factors upon which the premium will depend include the options which apply and the *life insured's*:

- age (premiums generally increase with age)
- gender
- general health
- smoking status (premiums are higher for smokers)
- recreational pursuits
- occupation, and
- state of residence.

If the *agreed insured cover* changes then the premium will also change.

You or the *life insured* can request a copy of our premium rates.

Payment of the premium

The premium is calculated on an annual basis.

The cover forms part of the *life insured 's* superannuation interest and premiums will automatically be deducted in advance from the superannuation account.

Non-payment of premium

If a premium payment is not made in respect of the *life insured*, we will notify the *life insured* advising the date on which the cover will end if the amount due is not paid. If a payment sufficient to meet the amount due is not made by that date, we will cancel the cover.

We will give at least 20 business days notice before the cover is cancelled because of non-payment of premiums.

Changes to the premium

We can change the premium rates but only if we do this for all lives insured in a defined risk group.

Any changes to premium rates will come into effect on the next *premium due date* after we make the change.

If we increase premium rates we will usually provide at least two months prior notice to the Trustee of the new premium.

Surrender value

Cover provided under this contract does not have a surrender value. A pro-rata refund will be made to the *fund* where a premium in respect of a *life insured* is paid annually and cover is cancelled prior to the next *annual review date*.

Making a claim

Notifying us of a claim

The *life insured* must notify us as soon as possible after becoming aware of any circumstances which may lead to a claim under this contract. In the event of a claim being made, the *life insured* must provide us with all documents which we reasonably require to assess the claim.

Assessing a claim

Macquarie Life will pay a benefit only after all our claim requirements have been met and we admit liability. To assess the claim and ongoing payments we will require some or all of the following (to be provided at the *life insured's* expense), in a form that is satisfactory to us:

- a completed claim form
- proof of age of the *life insured* (unless previously provided)
- a certified copy of the death certificate (for death claims only)
- evidence of *disability*, including test results and medical attendant statements
- financial evidence including evidence of other insurance cover on the *life insured's* life
- evidence of *pre-disability* income and *post-disability* income and any payments received while on claim (for Income Protection claims)

Macquarie Life may also require medical and occupational assessments and other information where relevant to assess or finalise payment of the claim. Reasonable co-operation from the *life insured* and/or claimant is required.

All claim payments may be subject to an appropriate medical specialist approved by Macquarie Life verifying the diagnosis. Where we request an examination, assessment or financial audit by a person we nominate, Macquarie Life will meet the cost. Otherwise the *life insured* must meet the cost of satisfying our claim requirements.

Payment of a claim

We will pay the claim as soon as possible once it has been approved. In the event of non-compliance with any of the terms and conditions of this Contract, subject to applicable laws, we are entitled to decline to pay a claim.

All claims will be paid in Australian dollars.

At the time of claim for severe claims, up to 3 free counselling sessions may be available for the claimant and/or their immediate family.

Defined Terms

agreed insured cover	maximum monthly amount we have agreed to pay with respect to a *life insured* as notified to you from time to time.
annual review rate	the date specified in the schedule which is specified as the "Annual Review Date'.
benefit period	the period of two years or five years as nominated by the *life insured* and agreed to by us, and being the maximum period during which a *life insured* may be eligible to receive benefits under this Contract subject to the requirements of the Contract being satisfied.
consumer price index	The weighted average of the eight Australian capital cities combined, published by the Australian Bureau of Statistics or any body which succeeds it, in respect of the 12 month period finishing on or prior to 30th September. It will be determined at 31st December each year and applied at the *annual review date* on or following 1st March in the next year.
disability/disabled/ disablement	*total disability* or *partial disability*
fund	the fund specified in the Schedule
gainfully employed / gainful employment	The *life insured* is engaged in an occupation, business or employment for remuneration or reward.
injury	in relation to a *life insured*, an accidental bodily injury which occurs after the later of: (a) the date cover starts under this Contract for the *life insured*; (b) in respect of an increase in the *agreed insured cover* of the *life insured*, the date of the increase to the *agreed insured cover*; and (c) the date of the last reinstatement of cover under this Contract for the *life insured*.
immediate family member	A married or de facto partner, child, brother, sister or parent.
insurable income	the income of the *life insured* earned by his or her own personal exertion, calculated: (a) after deduction of expenses incurred in producing that income; and (b) before the deduction of income tax. It is based on the total remuneration package and includes salary, wages, packaged fringe benefits, regular commissions, regular bonuses, regular overtime payments and pre-tax superannuation contributions. For the self employed it also includes the share of net income of the business directly generated by personal exertion after deduction of all business expenses but before tax. Insurable income does not include: (a) income that the *life insured* would continue to receive from his or her business even if unable to work, including any ongoing profit generated by other employees of the business; or (b) other unearned income such as dividends, interest, rental income.
insured income	the monthly income nominated by the *life insured* and agreed to by us as the income upon which the *agreed insured cover* is based, but not more than the income which would support the maximum *agreed insured cover*.

involuntary unemployment	A period during which the *life insured* is: ■ not working, ■ is actively seeking employment, and ■ is registered with Centrelink or other government approved job placement agencies as a job seeker, and where becoming unemployed was a result of: ■ the termination of the *life insured's* gainful employment by their employer without the consent of the *life insured*, or ■ the *life insured* being made redundant from gainful employment by their employer. It does not include unemployment as a result of: ■ the *life insured* ceasing gainful employment of a casual, seasonal or temporary nature, ■ the expiration of a fixed term employment contract or other specified period of work, or ■ the deliberate or serious misconduct of the *life insured*.
life insured	a person we have agreed to insure under this contract
medical practitioner	doctor who is legally qualified and registered to practise in Australia (or if outside Australia, has equivalent qualifications and registration) not being the Life Insured, a business partner or *immediate family member*.
monthly benefit	the lesser of: ■ the *agreed insured cover*, and ■ the monthly equivalent of 75% of the *pre-disability income*
partial disablement/ partially disabled / partial disability	The *life insured* is, solely as a result of *injury* or *sickness*: ■ unable to perform at full capacity one or more of the duties of their *usual occupation* necessary to produce income as confirmed by a *medical practitioner*, and ■ is *gainfully employed* but their *post-disability* income is less than *pre-disability income*, and is under the regular care and following the advice of a *medical practitioner*.
post disablement income	the *insurable income* earned in the month by the *life insured* during a period of *partial disablement*. In calculating the *post-disablement income* of the self-employed, business expenses will be taken into account to the extent they are consistent with business expenses incurred in the pre-disability period.
pre disablement income / pre-disability income	the average monthly *insurable income* earned by the *life insured* for 12 consecutive months in the three years preceding the start of the waiting period applying to the claim
schedule	includes any current Schedule.
sickness	The *life insured* has a pathological condition evidenced by medically recognised signs and symptoms.
total disablement/ totally disabled / total disability	The *life insured* is, solely as a result of *injury* or *sickness*: ■ unable to perform one or more of the duties of their *usual occupation* necessary to produce income as confirmed by a *medical practitioner*, and ■ not *gainfully employed* in any capacity, and is under the regular care and following the advice of a *medical practitioner*.

usual occupation	The occupation in which the *life insured* is regularly engaged, except if the *life insured* has been unemployed or on maternity, paternity or sabbatical leave for greater than 12 months at the time of *disability*, then *usual occupation* means any occupation which the *life insured* is reasonably capable of performing having regard to their education, training or experience.
waiting period	thirty days or ninety days depending on the election made by the *life insured* and agreed to by us, and, subject tothe rules contained in this contract, being the continuous period during which the *life insured* must be suffering *disability* in order to be eligible for benefits under the Contract.

Schedule

Contract No:	AFA00002
Owner:	Macquarie Investment Management Limited
Fund:	Macquarie Superannuation Plan
Commencement Date:	23 February 2000
Annual Review Date:	1 July 2000 and 1 July in each year
Premium Due Date:	last day of each calendar quarter or as otherwise agreed
Premium Rates:	the last premium rates notified in writing to the Trustee by us.

How to contact Macquarie Life

Existing Clients

Your adviser is your main point of contact for your insurance cover, so if you have any questions about your cover, please talk to your financial adviser.

1800 005 057

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Brisbane QLD 4001

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macquarielife.com.au

Claims

1800 208 130

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FORWARD thinking

MACQUARIE