



Australian[®]
FRIENDLY SOCIETY



Bendigo Funeral Bond

Disclosure Document

Dated 1 October 2011



The issuer of the Bendigo Funeral Bond is Australian Friendly Society Limited
ABN 29 087 648 851 AFSL No. 247028. Registered Office: The Bendigo Centre, Bendigo, Victoria.
www.australianfriendlysociety.com.au

Issued by **Australian Friendly Society**

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Important information

The Bendigo Funeral Bond (the "Bond") is an investment product issued by Australian Friendly Society Limited ABN 29 087 648 851 AFSL No. 247028 with benefits provided by the Society's Funeral Benefit Fund (the "Fund") established under Schedule 1 Rule E of its Constitution (the "Fund Rules").

References to "Australian Friendly Society", "Society" or "AFS" throughout this Disclosure Document are references to Australian Friendly Society Limited, the issuer of this Disclosure Document.

References to "you" or "your" throughout this Disclosure Document means an investor or potential investor in the Fund.

An application for membership can only be made by completing the application form contained in this document. You should read this Disclosure Document in full before deciding whether to invest in the Bendigo Funeral Bond. We recommend that you consult your financial adviser prior to investing in the Bond.

This Disclosure Document is dated 1 October 2011 and expires on 30 September 2012.

The offer to invest in the Bendigo Funeral Bond is only available to persons receiving a copy (electronic or otherwise) of this Disclosure Document within Australia. Applications from outside Australia will not be accepted.

If this Disclosure Document is received electronically, you should ensure that the complete application form and Disclosure Document have been received. If you are unsure whether the electronic document you have received is complete, please contact AFS Client Services on 1800 803 173 (Monday – Friday 8.30am – 5.00pm Victorian time). A printed copy is available free of charge.

Overview

Bendigo Funeral Bond – a thoughtful and practical legacy

The Bendigo Funeral Bond is a capital guaranteed investment plan designed solely to accumulate funds to finance the cost of your funeral. Peace of mind and consideration for family and friends are two good reasons why many Australians plan ahead to meet the cost of funeral expenses. They see it as a sensible and responsible way of leaving everything in order so the financial burden does not fall on those they care about. It removes the financial concerns for family and friends and gives them the time to concentrate on supporting each other, rather than worrying about funeral expenses.

Importantly, as your investment in the Bendigo Funeral Bond is made solely for the purpose of meeting your future funeral expenses, your account balance cannot be withdrawn prior to death and must be applied towards the payment of your funeral. This means there's no chance your plans and good intentions can be compromised by the demands of everyday living expenses. There may also be financial planning advantages associated with investing in the Bendigo Funeral Bond, including taxation and pension considerations.

Special taxation arrangements are in place for Bonds issued after 1 January 2003. See page 12 for details.

We recommend that you consult your financial adviser prior to investing in the Bendigo Funeral Bond.

We also recommend that you tell your family or the executor appointed under your will about your investment in the Bendigo Funeral Bond so they are aware of your arrangements.

Key Features of the Bendigo Funeral Bond

Capital guaranteed	Yes, see page 13
Centrelink & Department of Veterans' Affairs advantaged	Yes, see page 12
Taxation advantaged	Yes, see page 12
Securely invested	Yes, investment details on pages 8 & 9
Able to be assigned to a funeral director as part of a pre-paid funeral	Yes, see pages 3 & 10

Australian Friendly Society – service, security and performance

Australian Friendly Society has been caring for the financial needs of Australians since it was first registered on 28 April 1969. It is a friendly society for the purposes of the *Life Insurance Act 1995* and retains the historical friendly society philosophy of service and community concern, while encouraging the traditional values of thrift, self-help and fellowship.

Today Australian Friendly Society is associated with Bendigo and Adelaide Bank Limited ("Bendigo and Adelaide Bank") ABN 11 068 049 178 AFSL No. 237879 and its related entities (collectively the "Bendigo and Adelaide Bank Group"). Bendigo and Adelaide Bank is a regionally based bank and well recognised for its innovative involvement in the development of **Community Bank**[®] branches throughout Australia.

The Bendigo and Adelaide Bank Group includes the wholly owned subsidiary Sandhurst Trustees Limited ("Sandhurst Trustees") ABN 16 004 030 737 AFSL No. 237906. Through contractual arrangements, the Society outsources administration services to Sandhurst Trustees and also uses the treasury services of Bendigo and Adelaide Bank for some of its asset management.

As with any investment there are inherent risks in investing into the Bond and these risks, including market and security specific risk, are discussed in this Disclosure Document. For this reason, neither the repayment of capital invested, nor the investment performance of the Bond, is guaranteed by Sandhurst Trustees, Bendigo and Adelaide Bank or any other entity in the Bendigo and Adelaide Bank Group or any of their officers, employees or agents. Importantly, a contribution into the Bond is not a deposit or other liability of Bendigo and Adelaide Bank, Sandhurst Trustees or any other entity in the Bendigo and Adelaide Bank Group. However, the Bond is supported by a capital guarantee from the Society. See page 13 for details.

Consents

The Society's Actuary Mr Barry Robertson of Mercer (Australia) Pty Ltd, its legal advisers TurksLegal, its auditors Richmond Sinnott & Delahunty, AIA Australia Limited ("AIA Australia") ABN 79 004 837 861 AFSL 230043, Sandhurst Trustees and Bendigo and Adelaide Bank Limited have given, and have not, before the date of the Disclosure Document, withdrawn their consent to be named in the document. Each of these parties has reviewed this Disclosure Document in relation to statements contained herein concerning their opinions, advice and involvement with the Fund and has consented to the context and form in which those opinions, advice and statements appear. None of the consenting parties have authorised or caused the issue of this Disclosure Document.

How your Bond works

The Bendigo Funeral Bond is simple and flexible. It allows you to save for the cost of future funeral expenses, either progressively or with a single lump sum contribution. You have the option of individual or joint ownership, and you can also assign ownership of the Bond to a funeral director as part of a pre-paid funeral.

Under the Fund Rules, once your application is accepted, you become a member of the Fund and of the Australian Friendly Society.

Making a contribution

You can contribute to the Bendigo Funeral Bond in two ways:

A - \$500 minimum initial contribution

You can start with an initial contribution of at least \$500 plus a 2.00% contribution fee and make further contributions of at least \$500 plus a 2.00% contribution fee, whenever you wish, until you reach your chosen maximum amount.

B - Regular savings plan

You can make regular contributions under the savings plan. This plan allows you to contribute over a time frame that suits you by contributing at least \$42 plus a 2.00% contribution fee per month. Your payments can be via direct debit from your financial institution, until you have reached the nominated maximum amount which should also be stated on the direct debit request (refer step 7 of the application form).

Note that contribution fees are not payable for Bonds assigned to Victorian funeral directors. Refer to "Fees and other costs" on page 11.

Contribution limits

Recipients of an age pension, a service pension or any other means-tested Government benefit should be aware of the contribution limit which applies to a Bond that enjoys an income and asset test exemption and which has not been assigned to a funeral director in conjunction with a pre-paid funeral. See page 12 for details.

Additional contributions

Each additional contribution must be accompanied by a completed additional contribution form or a letter signed and dated by you (or a funeral director, if assigned). The letter must state your name, Member Number, current address and amount to be contributed. Additional contribution forms can be obtained from the Society website www.australianfriendlyociety.com.au or at any Bendigo Bank branch or by calling the Society on 1800 803 173.

Flexible ownership option

You can choose between individual or joint ownership of your Bond.

Individual ownership

Couples can each own an individual Bond. The advantage of individual ownership is that each person can invest up to the nominated maximum amount with both parties separately covered for their own funeral expenses.

Joint ownership

Bonds may be jointly owned by any two people. However only one funeral may be funded under joint ownership. Upon the death of a joint member, the surviving member must elect in writing, within 14 days from the date of death, whether or not the Bond is to be redeemed to cover the funeral expenses of the deceased or continue for the benefit of the surviving member. If no election is made, the Bond will be redeemed to cover the funeral expenses of the deceased member (with any balance paid to their estate).

A Bond opened under joint ownership is still subject to the contribution limit for income and asset test exemption purposes, unless assigned to a funeral director (refer page 12). Joint applicants wishing to invest above the contribution limit may wish to consider opening individual Bonds, however applicants should seek independent advice.

Assigning your Bond to a funeral director

Ownership of your Bond may be assigned to a funeral director of your choice as part of a pre-paid funeral. It is important to note that assignment of your Bond transfers complete ownership of the Bond to the funeral director. The entire accumulated benefits will be paid to the funeral director following your death upon receipt of evidence from the funeral director that the funeral has been carried out. Members under 16 years of age are unable to assign their Bond. See page 9 for details on investing in a pre-paid funeral.

Changing funeral directors

You can re-assign your Bond at any time, subject to the agreement of the original funeral director. A transfer of assignment form must be completed by you, the original funeral director and the new funeral director. The change of assignment will become effective once all documents have been received by the Society.

Claiming a benefit payment

Once funds have been deposited into your Bendigo Funeral Bond they cannot be withdrawn prior to death (with the exception of the 30 day cooling-off period, see below). If your Bond is not assigned to a funeral director, the Bond benefits will be paid to your estate following your death. Alternatively, your estate can direct us to pay the Bond benefits to your funeral director following your death. Any residual Bond benefits after paying the funeral director will be paid to your estate.

Benefits will be paid upon production of satisfactory documentation that your funeral has been carried out. Benefits will usually be paid within ten business days of receipt of all necessary documentation.

Your executor or legal personal representative of your estate should contact AFS Client Services to confirm the current documentation requirements.

How a benefit payment is calculated

Benefit payments are calculated using the member's account balance as at the date of death, which comprises contributions made by the member and all declared and accumulated bonuses, together with any final bonus. The final bonus is calculated by applying the interim bonus rate pro-rata, between the last declared bonus and the date on which the benefit is paid. A special termination bonus may also be paid at this time.

Minimum age

Applications will not be accepted from or on behalf of children under 10 years of age. Applicants aged between 10 and 16 years must obtain the written consent of a parent or legal guardian before being admitted as a member of the Fund.

Cooling-off period

A 30 day cooling-off period applies to initial contributions made into the Bendigo Funeral Bond. During this period, you have the right to cancel your Bond and have it repaid in full. This period starts from the earlier of:

- the time you receive confirmation that your initial contribution has been accepted; or
- five business days after your initial application monies are received by the Society.

The cooling-off period will end if you have exercised a right in relation to the Bond, for example, an assignment or a claim. If you wish to cancel your Bond within the 30 day cooling-off period, you will need to write to the Society stating this intention. You will then be sent a refund for the value of your Bond.

Bonuses

Your annual bonus

In determining whether or not to declare a bonus, and the bonus rate to be declared, Australian Friendly Society considers the investment returns achieved during the year as well as the advice of the Society's Actuary. The actual bonus declared is calculated after the deduction of Fund fees, charges (including tax) and any solvency reserves required by law. If a bonus is declared, it is allocated to each member's account as at 30 June and becomes part of the total investment for the calculation of future bonuses. The bonus is guaranteed once declared.

A statement showing your annual bonus and current account balance will be sent to you after 30 June each year, generally within three months. If you have assigned your Bond, the statement will be sent to your funeral director.

For more information refer to the following section titled "Investment strategy and performance" on page 8.

Interim bonus rate

An interim bonus rate is also declared. If a claim is made during the following financial year, the interim bonus rate is applied from 1 July to the date on which the benefit is paid.

Termination bonus

The termination bonus is payable in addition to normal benefits at the date of death. It is set each year based on the level of the retained surplus in the Fund following the declaration of bonus. Due to changes to the income tax treatment of funeral policies issued from 1 January 2003, the Society pays tax on income on those policies, and will also recover this tax when benefits are paid. Tax so recovered will be included in the termination bonus.

Difference bonus

If a claim is made after 30 June but before the annual bonus rate is declared, the difference between the interim bonus rate paid and the declared annual bonus rate will be paid to your estate or assigned funeral director, once calculated. Generally the difference bonus is paid in the month of October.

Bendigo Funeral Bond Travel Protection Plan

What is the Travel Protection Plan?

The Travel Protection Plan ("the Plan") is an optional benefit that covers the transportation cost in the event of your death in Australia 70km or further from your residential address. The Plan covers the cost of transportation of your remains from the place of death to the chosen funeral home, up to a maximum of \$3,000. The funeral director must operate within 70km of your residential address.

The distributor of the Plan

The Plan is distributed by Australian Friendly Society of The Bendigo Centre, Bendigo VIC 3550, Freecall 1800 803 173, www.australianfriendlysociety.com.au

The issuer of the Plan

The Plan is issued by AIA Australia Limited ("AIA Australia") ABN 79 004 837 861 AFSL 230043 of 553 St Kilda Road, Melbourne VIC 3004, Freecall 1800 333 613, www.aia.com.au

The Plan will be written in the AIA Australia Statutory Fund No. 1. This is a non-participating policy and the Plan does not participate in the distribution of any surplus of the AIA Australia Statutory Fund No. 1.

What transportation costs are covered?

In the event of your death, the transportation costs covered under the Plan include the following:

- funeral director's transfer fee;
- container for transporting (excluding casket or coffin);
- necessary documentation associated with transporting your remains;
- air freight if necessary; and
- mortuary service.

Benefit payment

If your Bendigo Funeral Bond is assigned to a funeral director, the benefit of up to \$3,000 under the Travel Protection Plan will be paid directly to your funeral director. However, if your Bendigo Funeral Bond is not assigned to a funeral director, the benefit will be paid to your estate.

What are the application conditions?

The Plan is only available with the Bendigo Funeral Bond.

A new purchaser of the Bendigo Funeral Bond has 3 months following the commencement date of their Bendigo Funeral Bond to apply for the Plan. The Plan is available to a single life insured (under an individually owned Bond) or joint lives insured (under a jointly owned Bond).

The benefit under the Plan, in the instance of joint lives insured, will be paid on the death of either one of the lives insured. Although joint lives insured are covered under this Plan, only one benefit is payable under this Plan.

Should the surviving life insured decide to apply the Bendigo Funeral Bond proceeds to the funeral of the deceased life insured, then a claim under the Plan can be made provided that the death occurred 70kms or further from the deceased's residential address.

The surviving life insured must elect in writing, within 14 days from the date of death, whether or not the Bendigo Funeral Bond is to be redeemed to cover the expenses of the deceased or continue for the benefit of the surviving life insured. The Plan terminates when the Funeral Bond proceeds are paid out even if no claim has been paid under the Plan.

Eligibility

You must be a permanent Australian resident aged 18 to 84 years to be eligible to apply for the Plan.

How to make a claim

To make a claim, or to discuss any queries you have about a claim you can contact AIA Australia by:

Phone 1800 333 613

Email au.claims@aia.com

Writing Claims Administration Team

AIA Australia Limited

PO Box 6111

St Kilda Road Central VIC 8008

To make a claim, AIA Australia requires notice and supporting medical evidence within 30 days of the life insured's death or as soon after that as is reasonably possible.

AIA Australia may request further information to assess the claim, including but not limited to medical information. You should keep a copy of any documents that may be required to support a claim. Any costs associated with the completion of the initial claim form must be borne by your estate.

What is the cost of the Travel Protection Plan?

The cost of the Travel Protection Plan is \$150 per Plan for both individual and joint cover. Premiums are not generally tax deductible. AFS receives remuneration from AIA Australia of \$30 per Plan. You should seek independent taxation advice about this product.

If you are contributing to the Bendigo Funeral Bond under the Regular Savings Plan and wish to apply for the Travel Protection Plan, you will need to send to the Society a separate cheque to cover the cost of the Travel Protection Plan.

Cooling-off period

There is a 30-day cooling-off period applying to the Bendigo Funeral Bond Travel Protection Plan. Within this period, you may cancel your Plan and receive a full refund of the premium paid. This 30-day period starts from the earlier of:

- The time you receive confirmation that your application has been accepted; or
- five business days after your premium has been received by the Australian Friendly Society.

You will lose the right to return your Plan within the cooling-off period when you first exercise any right or power you have under the terms of your Plan, for example, making a claim.

The Plan terminates if you cancel your Bendigo Funeral Bond within the 30-day cooling-off period applicable to it (see page 4).

If you wish to cancel the plan within the 30-day cooling off period, you will need to write to the Society stating this intention. You will then be sent a refund of the Plan premium.

Exclusion(s)

The Plan does not cover death of a life insured from suicide in the first 13 months from the commencement of the Plan.

Privacy Statement

AIA Australia follows the National Privacy Principles developed under Privacy Amendment (Private Sector) Act 2000. AIA Australia provides you with the following information regarding AIA Australia's privacy procedures and your rights. AIA Australia's privacy policies and procedures may be found at www.aia.com.au

Purpose of collection

AIA Australia collects personal information about you to:

- (a) process your application(s);
- (b) administer and manage your Policy including claims; and
- (c) facilitate AIA Australia's business operations.

If you do not wish to provide AIA Australia with all or part of the personal information that AIA Australia requests from you, AIA Australia may not be able to provide you with insurance cover.

Access to your information

You are entitled at any time to request access to your personal information held by AIA Australia. All requests should be made in writing to:

Compliance Manager
AIA Australia
PO Box 6111
St Kilda Road Central VIC 8008

You can ask AIA Australia to update your personal information at any time if it is inaccurate, incomplete or out of date. In some circumstances, AIA Australia may not permit access to your personal information. Circumstances where access may be denied include where access would be unlawful or denying access is authorised by law. In these cases, AIA Australia will provide you with written reasons for denial of access or a refusal to correct personal information.

Disclosure of information

AIA Australia may disclose your personal information to:

- (a) another member of the AIA Group of companies (whether in Australia or overseas);
- (b) AIA Australia's contractors and third party service providers, e.g. medical practitioners and reinsurers;
- (c) Mail houses and call centre companies;

AIA Australia will only disclose your personal information to these parties for the primary purpose for which it was collected. In some circumstances AIA Australia is entitled to disclose your personal information to third parties without your authorisation, such as law enforcement agencies or government authorities to protect AIA Australia's interests or to report illegal activities.

Collection of information through Australian Friendly Society

AIA Australia may collect some of your personal information through the Australian Friendly Society Limited, who is the issuer of the Bendigo Funeral Bond product, from the information you provided at or subsequent to the time you applied for your Travel Protection Plan. For information on Australian Friendly Society's Privacy Policy, please refer to your Bendigo Funeral Bond terms and conditions, go to www.australianfriendlysociety.com.au or call Australian Friendly Society on (03) 5485 7891 or 1300 803 173

Any questions or concerns on privacy with AIA Australia

If you have any questions or concerns about your personal information, please write to:

Compliance Manager
AIA Australia
PO Box 6111
St Kilda Road Central VIC 8008

AIA Australia has an established internal dispute resolution process for handling customer complaints about AIA Australia's compliance with the National Privacy Principles. This dispute resolution mechanism is designed to be fair and timely to all parties and is free of charge. If you have a privacy complaint, you should submit it in writing to the Compliance Manager. Should your complaint not be resolved to your satisfaction by AIA Australia's internal dispute resolution process, you may take your complaint to the Privacy Commissioner. The Privacy Commissioner's contact details are:

Office of the Federal Privacy Commissioner
GPO Box 5218
Sydney NSW 1042
or call the Privacy Hotline on 1300 363 992.

Your Duty of Disclosure

Before you enter into a contract of insurance with an insurer, you have a duty under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, which is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of life insurance.

Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by AIA Australia;
- that is of common knowledge;
- that AIA Australia knows or, in the ordinary course of its business, ought to know;
- as to which compliance with your duty is waived by the insurer.

Non-Disclosure

If you fail to comply with your duty of disclosure and the insurer would not have entered into the contract on any terms if the failure had not occurred, the insurer may avoid the contract within three years of entering into it. If your non-disclosure is fraudulent, the insurer may avoid the contract at any time from its inception. An insurer who is entitled to avoid a contract of insurance may, within three years of entering into it, elect not to avoid it but to reduce the sum insured in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to the insurer.

Investment strategy and performance

Allowable portfolio investment ranges

The investments of the Fund will be managed within the broad asset classes and maximum and minimum investment ranges shown in the table.

Authorised investments	Allocation range
Cash and cash equivalents, Bank Accepted Bills, Term Deposits, Negotiable Certificates of Deposit and Government Securities	70% - 100%
Equities	0% - 10%
Other Authorised Investments	0% - 20%

Investment strategy and asset allocation

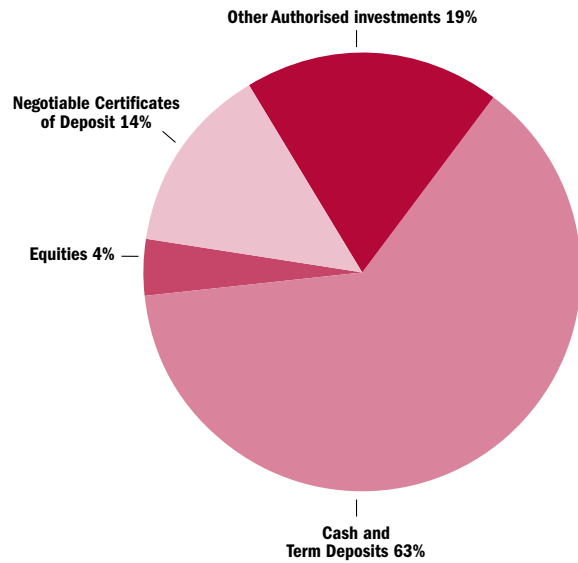
The Fund may invest in a range of assets as detailed in the Fund Rules. The major asset categories, together with the percentage of the Fund's assets invested in each category as at 30 June 2011, are shown in the following charts.

The Fund invests the majority of its assets in low risk income producing investments with the balance invested in selected growth investments. This aims to limit the Fund's exposure to risk, whilst retaining the opportunity to have a small exposure to growth assets to combat the effects of inflation.

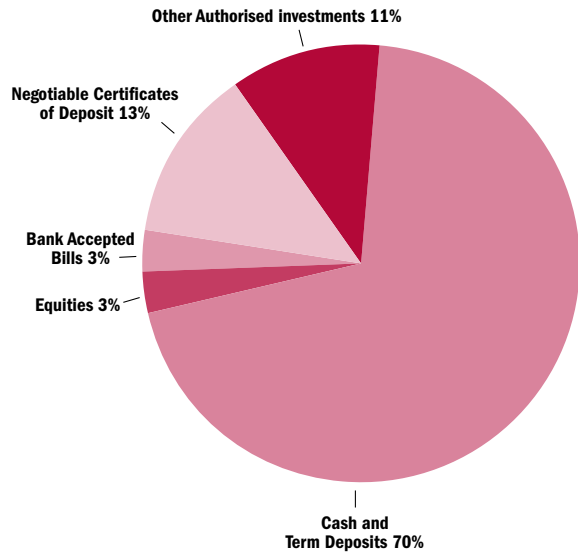
You should be aware that growth and income investments can be subject to market or security specific risk. Market risk is where unexpected market conditions can have a negative impact on the return of all investments in a particular market, such as a sudden decline in share values or a general rise in interest rates.

Security specific risk is a risk that can affect the value of a specific security, such as the fall in profit performance which can impact on share prices or a rise in interest rates which can affect the value of debt securities.

**Bonds issued prior to 1 January 2003
(Non assessable)***



**Bonds issued from 1 January 2003
(Taxable)***



* For tax information refer page 12

Fund performance

The bonus rates declared for the Fund over the past five years are shown in the following tables.

Bonds issued prior to 1 January 2003 (Non assessable)

30 June	Bonus rate
2011	5.50%
2010	4.00%
2009	2.75%
2008	3.50%
2007	5.45%

The bonus rates shown above relate to Bendigo Funeral Bonds issued prior to 1 January 2003, where Fund income is non assessable. The bonus rates for Bonds issued from 1 January 2003 are shown below.

Bonds issued from 1 January 2003 (Taxable)

30 June	Bonus rate	Bond Tax Benefit ¹	Total Return ²
2011	3.50%	1.50%	5.00%
2010	2.50%	1.07%	3.57%
2009	2.15%	0.92%	3.07%
2008	2.50%	1.07%	3.57%
2007	4.10%	1.76%	5.86%

¹ The Bond Tax Benefit is a non-guaranteed supplementary amount that the Society expects to pay as part of the funeral benefit. For more information, refer to "Taxation and Pension information" on page 12.

² The Total Return is the sum of the Bonus rate allocated to your account and the Bond Tax Benefit.

For Bonds issued from 1 January 2003, Fund income is subject to tax, as set out on page 12.

Please note that past performance cannot be taken as a guide to future returns. The future bonus rates for the Fund are not guaranteed and may be subject to fluctuations.

Investing in a pre-paid funeral

Investing in a pre-paid funeral may assist in some of the decisions your family and loved ones will have to make concerning your funeral arrangements.

What is a pre-paid funeral?

A pre-paid funeral is a formal contractual arrangement between you and a funeral director of your choice. You specify and pay in advance, by assigning the Bond to the funeral director, the type of funeral you want and the funeral director guarantees to provide the agreed services in the future. This ensures that your wishes will be carried out exactly as arranged.

You're in control of the costs

Planning and pre-paying a funeral makes good financial sense. Funeral costs are significant and like most things, they continue to rise over time. A key advantage of a pre-paid funeral is that it puts you in control. You pay for the services at today's price and no matter how much funeral costs rise in the future, this will not impact you or your estate.

If accumulated benefits exceed the amount needed to carry out the agreed services, some contracts with funeral directors may allow for the excess benefit to be paid to your estate. However, others may allow the funeral director to retain the excess benefit. We recommend that you check the conditions concerning this issue in any pre-paid funeral contract before you sign it.

The Bendigo Funeral Bond does not restrict the types of services that are eligible for a benefit payment.

Safeguarding your investment

To fully safeguard the money you set aside as a pre-payment for your funeral, it is recommended that it be held independently of the funeral director. The Bendigo Funeral Bond is an ideal way to do this, as the investment is not available to the funeral director until the contracted services are completed.

All you need to do is establish the Bond in your name initially and assign ownership to your chosen funeral director. You must however discuss the details of your required funeral services with the funeral director first to ensure sufficient funds are set aside in the Bond.

Assigning the Bond is a simple procedure that only requires you and the funeral director to complete the assignment instructions on the application form in this Disclosure Document. Under current taxation legislation, assigning a Bendigo Funeral Bond will not cause you to incur any capital gains tax or other tax liabilities.

Assignment of your Bond to your chosen funeral director is only possible when you have entered into a contract for the provision of your funeral service.

A final word about pre-paid funeral arrangements

When you choose a funeral director, it is important to select a reputable professional, so you can feel confident that the services on the day will be as you want them to be.

Neither Australian Friendly Society, AIA Australia, Sandhurst Trustees, Bendigo and Adelaide Bank or any other entity in the Bendigo and Adelaide Bank Group or any of their officers, employees or agents endorse any funeral director or their services, nor accept any liability for the conduct of the funeral director. Arrangements between you and a funeral director are private.

Financial information

The following summarised information is extracted from the audited financial statements of the Australian Friendly Society Funeral Benefit Fund for the financial year ended 30 June 2011. Copies of the audited financial statements are available on request.

Income Statement

	Non assessable \$	Taxable \$	Combined \$
Total income	2,043,277	3,943,124	5,986,401
Total expenses	(397,101)	(1,006,651)	(1,403,752)
Operating surplus before income tax	1,646,176	2,936,473	4,582,649
Income tax benefit (expense)	87,815	(910,793)	(822,978)
Operating surplus after income tax	1,733,991	2,025,680	3,759,671
Unallocated surplus at beginning of financial year	1,180,755	1,242,578	2,423,333
Surplus allocated to members	(1,095,076)	(1,229,258)	(2,324,334)
Unallocated surplus at end of financial year	1,819,670	2,039,000	3,858,670

Balance Sheet

	Non assessable \$m	Taxable \$m	Combined \$m
Assets	29.0	68.7	97.7
Liabilities	(0.1)	(1.5)	(1.6)
Net assets	28.9	67.2	96.1
Member funds	27.1	65.2	92.3
Unallocated surplus	1.8	2.0	3.8
Total funds	28.9	67.2	96.1

Fees and other costs

This table shows fees and other costs that you may be charged. You should read all of the information about fees and costs as it is important to understand their impact on your Bond. All fees and other costs set out in the below table are expressed inclusive of Goods and Services Tax ("GST"), refer to page 12 for more information.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Bond		
Establishment fee	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment.	2.00%^	On initial and additional contributions For example: Amount to be invested = \$5,000 Contribution fee of 2% = \$100 Total amount payable = \$5,100
Withdrawal fee	Nil	Not applicable
Termination fee	Nil	Not applicable
Management costs		
Management fee Are the fees and costs for operating the Fund. They include administration and other fees charged by the Society, distribution costs and other expenses such as legal, accounting and audit fees, computer, printing, stationery, advertising and other operational expenses including investment costs.	1.28%p.a.*	Calculated and paid monthly from the Fund For example: Balance of Funeral Bond = \$5,000 Management fee = 1.28% p.a. Total Management costs = \$64 for a full year
<p>* Under the Benefit Fund Rules, the Society is able to charge a maximum annual management fee of up to 3.00% p.a. plus GST on the average daily balance of the Fund to meet the costs of managing the Fund. For the life of this Disclosure Document it is not anticipated that the fees detailed in this section will change. Investors will however be given 60 days notice prior to any change.</p> <p>^ There is no contribution fee payable on Bonds assigned to Victorian funeral directors. Funeral directors operating in Victoria and regulated under the Funerals Act 2006 (VIC) are not paid an ongoing or upfront commission. Marketing support may, however, be made available to them.</p>		

Commissions

The Society may pay to its distributors or to licensed/authorised financial advisers (which may include financial advisers within the Bendigo and Adelaide Bank Group) an upfront or ongoing commission.

Any upfront or ongoing commission paid by the Society is not an extra amount paid by the member or from the Fund. The payment and terms of payment of any commissions are entirely within the discretion, and at the expense, of the Society.

Typically, the Society pays up to:

- 2.00% plus GST up front commission on initial and additional contributions (contribution fee); and
- 0.25% p.a. plus GST ongoing commission on all funds under management (deducted from the management fee).

Your financial adviser may decide to rebate to you his or her upfront commission. However, your financial adviser is not obliged to do so. Where an upfront commission is rebated, your contribution fee will effectively be waived. Commission is not payable to a member of the Fund.

Taxation and Pension information

The taxation and pension information that follows is current at the date of issue of this document and is intended to be of a general nature only. You should seek professional advice concerning your personal circumstances.

Taxation

The following summarises the tax position of an investment in a Bendigo Funeral Bond on or after 1 January 2003.

It is important to note that annual bonuses allocated are not subject to personal taxation while the Bond continues to be held and before the year of death and payout. Instead, the investment earnings of the Fund are subject to corporate taxation at a rate of 30%. This is paid by the Society as a Fund expense prior to the allocation of annual bonuses to your Bond.

While annual bonuses declared will be net of the tax paid by the Society, the tax deducted from your bonuses is expected to be recovered and paid to your estate or funeral director as applicable in the termination bonus. Total bonuses paid will therefore be effectively untaxed.

Benefits received by your estate (excluding the amount you have contributed) will be subject to tax in the hands of your estate - but only in the year those benefits are paid and then only if entitlement to Bond proceeds have not been assigned to a funeral director. Whether any actual tax is payable by your estate will depend upon your estate's taxable income in that year, and its relevant marginal tax rate.

If a funeral director is entitled to Bond proceeds as a result of an assignment, the funeral director will be taxed (instead of your estate) on the full amount of the proceeds in the year of payment.

Qualifying funeral policies

For tax purposes, a funeral bond must be issued for the purpose of meeting a person's future funeral expenses and the amount contributed must be reasonably in line with the expected cost of those expenses. Subject to those requirements, the social security threshold limit (refer below) is not relevant, and should only concern a person who receives a means-tested pension or benefit from Centrelink or the Department of Veterans' Affairs.

Where the entitlement to Bond proceeds has been assigned to a funeral director in consideration for purchasing a pre-paid funeral (from a funeral director), the tax purpose test is automatically met.

Goods and services tax ("GST")

GST does not apply to investments made into the Bendigo Funeral Bond or to benefits paid upon death. However, if you enter into a pre-paid funeral contract, it is suggested you seek professional advice regarding the impact of GST.

Valuable pension exemptions

The Bond is designed to help you qualify for both income and asset test exemptions, if you receive a means-tested pension or benefit from Centrelink or the Department of Veterans' Affairs.

If you assign ownership of the Bond to a funeral director, in consideration for purchasing a pre-paid funeral, there is no limit to the amount that a Bond owner may invest. Notwithstanding the assignment of your Bond, you remain a Fund and Society member.

Where the Bond does not involve a pre-paid funeral, the qualifying pension exemption rules include the following:

- The Bond must be acquired for the purpose of meeting your future funeral expenses, and Bond proceeds cannot be withdrawn prior to the time of your death;
- Total contributions must not exceed the exemption threshold of \$11,250 (indexed effective 1 July each year); and
- No exemption threshold will apply if a person has separately planned to fund their funeral by entering into a pre-paid funeral arrangement - because the exemption will then only apply to the amount paid towards the pre-paid funeral.

For further information regarding your own personal circumstances, we recommend that you contact the Financial Information Service of Centrelink or the Department of Veterans' Affairs.

Additional information

Supervision and corporate governance

Under existing legislation, all matters relating to disclosure and consumer protection, incorporation and corporate governance of Friendly Societies are regulated by ASIC. Prudential supervision is conducted by the Australian Prudential Regulation Authority.

Under the *Corporations Act 2001* (Cth), Australian Friendly Society has elected to be registered as a public company limited by guarantee.

Members of the Society (including members who hold a Bendigo Funeral Bond) are taken to have given a guarantee. Broadly, the guarantee provides for the maximum amount that a member can be required to contribute in the event the Society is wound up and the assets of the Society are insufficient to pay its creditors and the costs of winding up. The amount of the guarantee is set out in the Society's Constitution and does not exceed \$2.

Other than in relation to the guarantee, no member is under any personal liability to creditors as a member of the Society.

Members' rights and interests under the Bond

Your contribution legally becomes part of the Funeral Benefit Fund offered by Australian Friendly Society, the sole purpose of which is to make provision for bona fide funeral expenses for members.

The assets and liabilities of the Funeral Benefit Fund are kept separate and distinct from those of other funds of the Society and Sandhurst Trustees, Bendigo and Adelaide Bank or any other entity in the Bendigo and Adelaide Bank Group. No member has any entitlement to the assets or benefits of any benefit fund other than those to which contributions have been paid. Members have an entitlement to share in the Society's Funeral Benefit Fund, being the proportion that the Bond owner's accumulation account balance on the relevant date bears to the aggregate of the accumulation account balances of all Bond owners who have entitlements in relation to the Fund, but do not have any specific interest in any part of the Fund or any authorised investment thereof.

Upon acceptance by the Society of your application, you become a member of the Society and as such, are subject to the rights and obligations set out in the Constitution as registered from time to time, including the right to attend and vote at General Meetings. This Constitution operates as a contract between members, between each member and the Society, and between the Society and each Director and the Secretary.

This Disclosure Document does not relate to, nor are there, different classes of interest in the Fund. Bond owners will have differing entitlements to Bond benefits depending on the level of their contributions, bonus entitlements, length of membership in the Fund and whether the Bonds were issued before or after 1 January 2003.

The Society's Constitution, including the Fund Rules, the administration agreement with Sandhurst Trustees (refer to page 14), experts' advice and consents referred to in this Disclosure Document, may be inspected during normal hours of business at the Society's office at The Bendigo Centre, Bendigo Vic 3550.

Capital guarantee

The Bond's capital guarantee is supported by any solvency reserves that Australian Friendly Society must maintain in accordance with regulatory requirements. These reserves are designed to protect investors' investment assets from adverse fluctuations in underlying values.

The nature of the underlying investments reinforces the integrity of the capital guarantee. The Fund Rules provide for the guaranteed payment of the original and additional contributions, less specified management charges, plus bonuses declared. That is, your initial and subsequent net contributions, plus declared bonuses, are guaranteed upon your death.

Communication with members

When your application is accepted you will receive a welcome letter confirming your initial contribution. Included with your welcome letter will be your Certificate of Membership.

You will also receive:

- Confirmation of your investment transactions each time you make additional contributions (unless under the regular savings plan);
- An annual statement detailing the bonus rate allocated to your Bond and the value of your Bond as at 30 June (generally sent during the month of September); and

- If you so elect, an annual report detailing Fund performance, including financial statements.

If you have assigned your Bond to a funeral director, these documents will be sent to them, apart from the annual report which you are still entitled to receive as a member of the Society.

If your personal details change (for example, change of address), you should inform us in writing quoting your Member Number.

Your personal information

Australian Friendly Society collects your personal information to provide you with and administer the products you have requested. To do that, it may need to disclose your personal information to organisations such as mailing houses, funeral directors, solicitors, accountants, auditors, AIA Australia, Sandhurst Trustees or other members of the Bendigo and Adelaide Bank Group that provide services on its behalf, including administration, investment, customer service, secretarial, accounting and information technology support. If any part of the information requested is not provided, it may not be able to provide you with these products.

Where information is provided to service provider organisations, appropriate confidentiality provisions apply so that the information will only be used by such parties for the Society's purposes. The Society may be allowed or obliged to disclose information by law, for example, under Court Orders or Statutory Notices pursuant to Taxation or Social Security law. Members may (subject to certain exceptions) have access to their information by contacting the Society at:

Australian Friendly Society

Client Services

PO Box 480

Bendigo Vic 3552

Phone (03) 5485 7891 or 1800 803 173

Fax (03) 5485 7671

Email australianfriendlysociety@bendigobank.com.au

Website www.australianfriendlysociety.com.au

You may be sent marketing material from the Society, Bendigo and Adelaide Bank Group, or AIA Australia, in addition to general corporate communications. You may elect not to receive marketing material by contacting the Society at the above address.

Administration services

Australian Friendly Society has appointed Sandhurst Trustees to provide administration services for the Society under the terms of an administration agreement. Under the agreement, Sandhurst Trustees receives a fee and is required to attend to day-to-day administration. Sandhurst Trustees is not responsible for the management or operation of the Society.

Disclosure of interest

During the year ended 30 June 2011, the Society was party to an agreement with Sandhurst Trustees for which it paid fees for services, including access to the Bendigo and Adelaide Bank Group retail branch network, treasury services and other general administrative services on normal commercial terms and conditions. Investments were also made by the Society in Bendigo and Adelaide Bank Group products on normal commercial terms and conditions.

Total administration fees paid by the Society to Sandhurst Trustees for the year ended 30 June 2011 totalled \$938,485. Commission paid to the Bendigo and Adelaide Bank Group for the year ended 30 June 2011 totalled \$21,019.

From time to time the Directors or other officers of the Society may purchase or subscribe to the various products offered by the Society. These transactions are on the same terms and conditions as those entered into by other members. Otherwise, no Director or officer has any interest in the assets of the Fund or to benefits of the kind to which this Disclosure Document relates.

The Directors of the Society are Mr R.S. Taylor (Chairman), Mr G.A. Stevens, Mr I.G. Mansbridge, Mrs M.A. Baker and Mr D.G. Loadman

All Directors, except for Mr R.S. Taylor, Mr G.A. Stevens, and Mr D.G. Loadman are shareholders of Bendigo and Adelaide Bank. Mr I.G. Mansbridge and Mrs M.A. Baker are Directors of Sandhurst Trustees. Mrs M.A. Baker is an executive of Bendigo and Adelaide Bank.

Mercer (Australia) Pty Ltd, Richmond Sinnott & Delahunty and TurksLegal Solicitors receive professional fees in respect of actuarial, audit and legal services and advice provided in relation to the Fund and/or this Disclosure Document.

Dispute resolution for the assistance of members

Australian Friendly Society is committed to handling disputes and complaints quickly, fairly and in confidence. Any disputes or complaints regarding the Bendigo Funeral Bond should be directed to the AFS Manager by calling 1800 803 173 (Monday – Friday 8.30am – 5.00pm Victorian time) or writing to:

Australian Friendly Society
AFS Manager
PO Box 480
Bendigo Vic 3552

We will endeavour to resolve your complaint by:

- acknowledging the matter as soon as practicable;
- ensuring the matter receives proper consideration by the appropriate person or body;
- acting in good faith by attempting to correct any error capable of being corrected;
- taking appropriate action (if action is required) to remedy the matter; and
- communicating to you the outcomes of our investigations, the remedies (if any) available to you and information regarding any further avenues available for further complaint, remedy or action to you as soon as practicable (but no more than 45 days after receiving your complaint).

If you are not satisfied with the outcome of your dispute or complaint you have the right to refer the matter to an independent external complaint resolution scheme.

Australian Friendly Society is a member of the Financial Ombudsman Service ("FOS") and you are able to refer your complaint to them by telephoning 1300 780 808 or writing to them at:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
www.fos.org.au

Notice of election to receive financial statements and notices of meeting

In accordance with regulatory requirements, the Society issues notices of meeting and provides financial reports (incorporated in the annual report) to members if requested.

If you wish to receive the notices of meeting and/or the annual report please tick the appropriate box at Step 4 on the application form. You can receive the annual report and/or notices in electronic form or by mail. Please indicate your preference on the application form and provide your email address if applicable.

If you do not wish to receive notices of meeting or the financial report (incorporated in the annual report), you do not need to do anything further.

The Society is obliged by law to:

- (a) advertise the notices of meeting, both in a daily newspaper and by displaying a notice in our registered office and other places of business. You are able to elect to receive notices of meeting at any time by notifying the Society in writing.
- (b) make available copies of the financial reports for collection at our registered office and other places of business until one month after the date of our Annual General Meeting.

The following statutory information is provided for members and you should note that:

- (a) the financial reports, the directors report and auditors report (incorporated the annual report) set out information about:
 - i. the financial position and performance of the Society; and
 - ii. the efficiency with which the Society is being managed; and
 - iii. the financial risks to which the Society is exposed; and
- (b) if the member(s) do/does not elect to receive the reports, the Society is not required to send copies of the reports to the member(s); and
- (c) despite a member of the Society electing not to receive those reports, or not making an election, the member may at any time elect to receive the relevant reports.

- (d) Attendance at the Annual General Meeting and other meetings of the Society enables members to:
 - i. participate in the governance of the Society; and
 - ii. to ask questions about, and comment on, the management of the Society, its financial standing and performance; and
 - iii. to ask the auditor of the Society questions about the conduct of the audit of the Society and the preparation and content of the auditor's report; and
 - iv. to vote on any proposal to amend the constitution of the Society or on any other matter in relation to the management of the Society; and
- (e) notice of meetings informs members about matters in relation to which they may wish to attend a meeting; and
- (f) a member of the Society who is entitled to attend, and cast a vote at, a meeting may appoint a proxy to attend and vote for the member at the meeting; and
- (g) if the member does not elect to receive notice, the Society is not required to give notice of its meetings to the member; and
- (h) despite a member of the Society electing not to receive a notice of its meetings, or not making an election, the member may at any time request the Society to give the member personal notice of the meetings.

Directors' Statement

We, the Directors of Australian Friendly Society, state that after due enquiry we believe that this Disclosure Document contains all the information that intending investors and their professional advisers would reasonably expect to find in order to make an informed decision to invest in the Bendigo Funeral Bond, an investment product of the Society's Funeral Benefit Fund, and that we are not aware of any relevant information that is not disclosed in this Disclosure Document.

Further, and after due enquiry by the Directors in relation to the interval between 30 June 2011 (being the last date to which the financial statements of the Funeral Benefit Fund were made up) and the date of this statement, there have been no circumstances which have or will materially affect the trading or profitability or the value of the assets of the Society or the Funeral Benefit Fund.

This statement was made and signed by or on behalf of the Directors on 30 September 2011.

The Directors of the Society are:

Mr R.S. Taylor (Chairman)

Mr G.A. Stevens

Mr I.G. Mansbridge

Mrs M.A. Baker

Mr D.G. Loadman

Completing the application form

The following steps will assist you in completing the application form.

Step 1

Investor details

Please complete your investor or joint investor details including your preferred title e.g. 'Ms' or 'Dr'. Please ensure date of birth details are provided due to minimum age requirements.

Step 2

Investment details

Please indicate the amount you wish to invest. The minimum is \$500 plus a 2.00% contribution fee. For regular savings plans, the minimum monthly payment is \$42 plus a 2.00% contribution fee.

Note that contribution fees are not payable for Bonds assigned to Victorian funeral directors. Refer to "Fees and other costs" on page 11.

Step 3

Travel Protection Plan

If you wish to apply for the Travel Protection Plan as an optional benefit to your Bendigo Funeral Bond, please tick the box for your chosen cover (single or joint). If you select to take up this optional benefit, an additional amount of \$150.00 will be payable in addition to the amount shown under Step 2 on the application form.

Note that applicants under 18 or over 84 years of age are not eligible to apply for the Travel Protection Plan.

Step 4

Declaration and signatures

Please carefully read the statements in the declaration before signing the application form. An application form without the signatures of all applicants will not be accepted.

If you are signing an application under a power of attorney, a certified copy of the power of attorney must be enclosed with your application form.

Applications for children (aged between 10 and 16 years) must be accompanied by the written consent of a parent or legal guardian.

Step 5

Assigning your Bond to a funeral director

If you wish to assign your Bond to a chosen funeral director, you must provide their name and contact details. Both you and the funeral director must sign to acknowledge the assignment.

Step 6

Send your cheque and application form

Send your completed application form in the reply paid envelope or to Reply Paid 480, Bendigo, VIC 3552 with a cheque crossed 'not negotiable' made payable to "Australian Friendly Society Ltd". Please note that we do not accept cash deposits, transfers or direct credit, nor do we accept debit or credit card or Centrepay.

Alternatively, applications may be lodged at the office of Australian Friendly Society, any Bendigo Bank branch or any office of Sandhurst Trustees.

Queensland residents only - Queensland state legislation (*Funeral Benefit Business Act 1982*) requires all "selling agents" of funeral bonds to provide clients with a Client Care Statement. We are not permitted to accept Bendigo Funeral Bond applications from Queensland residents without receiving a completed Client Care Statement. A Client Care Statement can be obtained by contacting the Society.

Step 7

Regular savings plan

If you wish to make regular contributions to your investment via deductions from your financial institution account, please read the Direct debit authority Service Agreement (refer page 18) and complete the regular savings plan at step 7.

Direct debit facilities are not available for lump sum payments.

Direct debit service agreement (regular savings plan only)

Direct debit service agreement

This is your Direct Debit Service Agreement (Agreement) with the Australian Friendly Society Limited (AFS). It explains what your obligations are when undertaking a direct debit arrangement with us. It also details what our obligations are to you as your direct debit provider.

Please keep this Agreement for future reference. It forms part of the terms and conditions of your Direct Debit Request and should be read in conjunction with your Direct Debit Request authorisation.

Definitions

Account means the account held at your Financial Institution from which we are authorised to arrange for funds to be debited.

Agreement means this Direct Debit Request Service Agreement between you and us.

Banking Day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

Debit Day means the day that payment by you to us is due.

Debit Payment means a particular transaction where a debit is made.

Direct Debit Request means the Direct Debit Request between us and you.

Fund means the Bendigo Funeral Fund in which you have chosen to invest in.

Us or **We** mean AFS (the Debit User) you have authorised by requesting a Direct Debit Request.

You means the customer who has signed or authorised by other means the Direct Debit Request.

Your Financial Institution means the financial institution nominated by you on the Direct Debit Request at which the account is maintained.

1. Debiting your account

- 1.1 By signing a Direct Debit Request or by providing us with a valid instruction, you have authorised us to arrange for funds to be debited from your account. You should refer to the Direct Debit Request and this agreement for the terms of the arrangement between us and you.
- 1.2 We will only arrange for funds to be debited from your account as authorised in the Direct Debit Request.
- 1.3 If the debit day falls on a day that is not a banking day, we may direct your financial institution to debit your account on the following banking day. If you are unsure about which day your account has or will be debited you should ask your financial institution.

2. Amendments by us

- 2.1 We may vary any details of this agreement or a Direct Debit Request at any time by giving you at least 14 days written notice.

3. Amendments by you

You may change, stop or defer a Debit Payment, or terminate this agreement by providing us with at least 14 days notification by writing to:

Australian Friendly Society Limited
PO Box 480
Bendigo Victoria 3552

Alternatively, you can arrange it through your financial institution, which is required to act promptly on your instructions.

4. Your obligations

- 4.1 It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the Direct Debit Request.
- 4.2 If there are insufficient clear funds in your account to meet a debit payment:
 - (a) you may be charged a fee and/or interest by your financial institution;
 - (b) you may also incur fees or charges imposed or incurred by us; and
 - (c) you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so that we can process the debit payment.
- 4.3 You should check your account statement to verify that the amounts debited from your account are correct.

5. Dispute

- 5.1 If you believe that there has been an error in debiting your account, you should notify us directly on 1800 803 173 and confirm that notice in writing with us as soon as possible so that we can resolve your query more quickly. Alternatively you can take it up directly with your financial institution.
- 5.2 If we conclude as a result of our investigations that your account has been incorrectly debited we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.
- 5.3 If we conclude as a result of our investigations that your account has not been incorrectly debited we will respond to your query by providing you with reasons and any evidence for this finding in writing.

6. Accounts

You should check:

- (a) with your financial institution whether direct debiting is available from your account as direct debiting is not available on all accounts offered by financial institutions.
- (b) your account details which you have provided to us are correct by checking them against a recent account statement; and
- (c) with your financial institution before completing the Direct Debit Request if you have any queries about how to complete the Direct Debit Request.

7. Confidentiality

- 7.1 We will keep any information (including your account details) in your Direct Debit Request confidential. We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.
- 7.2 We will only disclose information that we have about you:
 - (a) to the extent specifically required by law; or
 - (b) for the purposes of this agreement (including disclosing information in connection with any query or claim).

8. Notice

- 8.1 If you wish to notify us in writing about anything relating to this agreement, you should write to the Australian Friendly Society Limited, PO Box 480, Bendigo, 3552.
- 8.2 We will notify you by sending a notice in the ordinary post to the address you have given us in the Direct Debit Request.
- 8.3 Any notice will be deemed to have been received on the third banking day after posting.

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Bendigo Funeral Bond

Application Form

AFS OFFICE USE ONLY		
Member Number	Deposit Number	Assignment Number
<input type="text"/>	<input type="text"/>	<input type="text"/>

FINANCIAL ADVISER USE ONLY		Financial Adviser's stamp
Name of Financial Adviser	<input type="text"/>	
Name of Company	<input type="text"/>	
Phone	Fax	
<input type="text"/>	<input type="text"/>	
Email	<input type="text"/>	

Financial advisers please tick the box if you would like confirmation of this application faxed to you. Please ensure a fax number is provided

There is a Disclosure Document dated 1 October 2011 for this product. This Disclosure Document contains information about investing in this product and it is recommended that investors read the entire Disclosure Document before deciding to invest in this product.

Please use BLOCK letters and complete all applicable pages of this form.

Step 1 Investor details (please ensure name and date of birth are those of the Bond applicants)

Investor 1 – Unless the bond is assigned to a funeral director, all correspondence will be forwarded to the mailing address of Investor 1. If the application is signed under a Power of Attorney (POA), please provide Attorney's address in mailing address section.

Title	<input type="text"/>	Surname	<input type="text"/>
Given Names	<input type="text"/>		
		Date of Birth	<input type="text"/> / <input type="text"/> / <input type="text"/>
Address	<input type="text"/>		
Town/Suburb	<input type="text"/>	State	<input type="text"/>
		Postcode	<input type="text"/>
Mailing Address	<input type="text"/>		
Town/Suburb	<input type="text"/>	State	<input type="text"/>
		Postcode	<input type="text"/>
Phone (BH)	<input type="text"/>	Phone (BH)	<input type="text"/>
Mobile	<input type="text"/>	<input type="text"/>	<input type="text"/>

Investor 2 – for joint investors only.

Title	<input type="text"/>	Surname	<input type="text"/>
Given Names	<input type="text"/>		
		Date of Birth	<input type="text"/> / <input type="text"/> / <input type="text"/>
Address	<input type="text"/>		
Town/Suburb	<input type="text"/>	State	<input type="text"/>
		Postcode	<input type="text"/>
Phone (BH)	<input type="text"/>	Phone (BH)	<input type="text"/>
Mobile	<input type="text"/>	<input type="text"/>	<input type="text"/>

Note for joint applications

In applying for joint ownership of a Bond, the applicants should note that the Bond will mature upon the death of either of the applicants as selected by the surviving member in writing within 14 days of the date of death. The proceeds of the Bond will be applied towards the selected deceased's funeral expenses. The balance, if any, will be paid to the estate of that person (except where the Bond has been assigned to a funeral director).

Step 2 Investment details

I/We wish to invest \$. into the Bendigo Funeral Bond, plus the 2% contribution fee of \$.

I enclose a cheque crossed 'not negotiable' and made payable

to **'Australian Friendly Society Ltd'** in the amount of \$.

If your financial adviser wishes to waive the 2% contribution fee, he/she must complete the declaration below. If the declaration is not provided a 2% contribution fee will be charged.

I, being the financial advisor as detailed on page 1 of this application form, request that the contribution fee of 2% be waived.

Financial Adviser's name

Financial Adviser's signature

Step 3 Travel Protection Plan

If you wish to apply for the Travel Protection Plan as an optional benefit to your Bendigo Funeral Bond, please tick the box for your chosen cover.

Single **Joint** **Total \$150.00** you must provide a separate cheque to the amount shown at step 2 to obtain this product.

Note that **'Single'** Plans apply to individual Bonds and **'Joint'** Plans apply to joint Bonds. **If you select to take up this optional benefit, an additional cheque amount of \$150.00 will be payable in addition to the total amount shown under Step 2 above.** Please cross the cheque 'not negotiable' and make payment to the **'Australian Friendly Society Ltd'**. The Travel Protection Plan will not form part of your Bendigo Funeral Bond, but is instead a separate insurance.

Step 4 Declaration and signatures

Before signing this application form, applicants should read the entire Disclosure Document to which this application relates.

By signing this application form, the applicant(s) acknowledge, declare and agree that:

- They have read the attached Disclosure Document and agree to be bound by the terms and conditions of the Disclosure Document, and the Constitution of Australian Friendly Society. They understand that the maturity date of the Bond is the date of death of the applicant, or in the case of joint applicants, the Bond will mature upon the death of either one of the applicants as selected by the surviving applicant;
- In the event that they effect more than one funeral bond or enter into additional bonds, the aggregate contributions do not and will not exceed the amount required to meet the cost of their funeral;
- **As an investor in the Bendigo Funeral Bond that prior to their Bond maturing, they have no right to access the Bond benefits or surrender the proceeds of the Bond;**
- An investment into the Fund does not represent a deposit or other liability with Bendigo and Adelaide Bank, Sandhurst Trustees or any other entity in the Bendigo and Adelaide Bank Group;
- As with any investment contract, there are inherent risks in investing into the Fund and these risks are set out in the Disclosure Document; and
- Neither the payment of capital nor the investment performance of the Fund, including the declaration of bonuses is guaranteed by Bendigo and Adelaide Bank, Sandhurst Trustees or any other entity of the Bendigo and Adelaide Bank Group.

This application form must not be distributed unless issued with the Disclosure Document dated 1 October 2011.

Investor 1 Signature

Date / /

Investor 2 Signature

Date / /

If joint investors are applying then both applicants are required to sign.

If you are signing the application under a power of attorney, a certified copy of the power of attorney must be enclosed with the application form. **Please note the Society is unable to accept a photocopy of a certified document, or a verified document.**

Please tick (✓) appropriate box.

I/We request a copy of the annual report (incorporating financial reports) of the Society be sent to us. Email Mail

I/We request copies of any notices of meeting of the Society be sent to us. Email Mail

Email

Step 5 Assigning your Bond to a funeral director

I/We in accordance with the *Life Insurance Act 1995*, and the Constitution of Australian Friendly Society, wish to assign this Bond to:

Assigned to

Name of Funeral Director																								
Address of Funeral Director																								
Town/Suburb													State			Postcode								
Phone (BH)																								

NOTE – An assignment transfers complete ownership to the funeral director. Should your circumstances necessitate a change in relation to the Assignee of your Bond (e.g. you move interstate), you will be required to obtain the funeral director's consent in writing before this Bond can be reassigned to another funeral director. All future notices will be forwarded to the specified funeral director. This assignment is not valid until registered by Australian Friendly Society. This assignment is subject to the Bond being issued. Assignors must be at least 16 years of age.

Acknowledgement of assignment

Investor 1 Signature			Date			/			/		
Investor 2 Signature			Date			/			/		
Funeral Director Signature			Date			/			/		

If joint investors are applying then both applicants are required to sign. If you are signing the application under a power of attorney, a certified copy of the power of attorney must be enclosed with the application form. **Please note the Society is unable to accept a photocopy of a certified document, or a verified document.**

Step 6 Send your cheque and application form

Send your completed application form in the reply paid envelope, or to Reply Paid 480, Bendigo, Vic 3552 with a cheque made payable to 'Australian Friendly Society Ltd' and crossed not negotiable. Alternatively, applications may be lodged at the office of Australian Friendly Society, any Bendigo Bank branch or any office of Sandhurst Trustees. Please note that we do not accept cash deposits, transfers or direct credits, nor do we accept debit or credit cards or Centrepay.

Queensland residents only – Queensland state legislation (Funeral Benefit Business Act 1982) requires all "selling agents" of funeral bonds to provide clients with a Client Care Statement. We are not permitted to accept Bendigo Funeral Bond applications from Queensland residents without receiving a completed Client Care Statement. A Client Care Statement can be obtained by contacting the Society.

Step 7 Regular monthly savings plan (Direct debit request)

Dear Sir/Madam,

I authorise my monthly direct debit from my/our account detailed below to commence on the 15th day of the next month or to commence in the month of

The Schedule – details of the account to be debited

Name of Financial Institution

Address of Branch

Town/Suburb State Postcode

Account Name

Branch No. (BSB) Account No. (The account to be debited cannot be a credit or debit card number or account)

(must complete all 6 digits) (must be no more than 9 digits)

I/We (Surname)

(Given Names)

I/We (Surname)

(Given Names)

Request and authorise the Australian Friendly Society Limited with user ID number 203654 to arrange, through its own financial institution, a debit to your nominated account any amount the Australian Friendly Society Limited, has deemed payable to you.

This debit or charge will be made through the Bulk Electronic Clearing System (BECS) from your account held at the financial institution you have nominated above and will be subject to the terms and conditions of the Direct Debit Request Service Agreement.

Investment details

I wish the total amount of my Bond to be \$.

Please note that this amount includes any initial contribution (as per Step 2) or additional contributions, but excludes bonuses paid and the contribution fee of 2% (if applicable) and also excludes the cost of the Travel Protection Plan if this option is chosen.

Please debit \$. per month, plus 2% contribution fee (if applicable) from the account detailed above.

(Please note a minimum of \$42 per month plus a 2.00% contribution fee applies. Also you may not wish total contributions to exceed the social security threshold limit – if entitled to receive a means-tested pension or other Government benefit. Refer to page 12)

The regular monthly savings plan (Direct debit request) cannot be used for one-off transactions.

By signing and/or providing us with a valid instruction in respect of your Direct Debit Request you have understood and agreed to the terms and conditions governing the debit arrangements between you and the Australian Friendly Society Limited as set out in this Request and in your Direct Debit Request Service Agreement.

Investor 1 Signature

Date / /

Investor 2 Signature

Date / /

To be signed by account holder(s) if different to investor

Date / /

Step 7 Regular monthly savings plan (Direct debit request)

Dear Sir/Madam,

I authorise my monthly direct debit from my/our account detailed below to commence on the 15th day of the next month or to commence in the month of

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Address of Branch

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(must complete all 6 digits) (must be no more than 9 digits)

I/We (Surname)

(Given Names)

I/We (Surname)

(Given Names)

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Investor 1 Signature Date / /

Investor 2 Signature Date / /

To be signed by account holder(s) if different to investor Date / /

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