



XTRAS HEALTH PLAN SAVINGS SCHEME

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REFERENCE GUIDE

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R E S P O N S I B L E E N T I T Y

XTRAS HEALTH PLAN LTD

SUITE 2, 36 MACAREE STREET,

BERSERKER, ROCKHAMPTON

QUEENSLAND, 4701

T: 07 3088 6969

E: info@xhp.com.au

ACN: 618 020 885, AFSL: 500574

XTRAS HEALTH PLAN SAVINGS SCHEME

The information in this reference guide forms part of the Product Disclosure Statement (PDS) dated 11th February 2019 for Xtras Health Plan Savings Scheme. You should read this information together with the PDS before making a decision to invest in the scheme.

The information in this reference guide is general information only and does not take into account your personal financial objectives or needs.

Information in this reference guide is subject to change from time to time.

Information that is not materially adverse can be updated by us. Updated information can be obtained by going to our website (www.xhp.com.au) or through your membership portal.

Alternatively, you can request a paper copy free of charge by contacting us.

1 HOW XTRAS HEALTH PLAN SAVINGS SCHEME WORKS

MEMBERSHIP PORTAL

The membership portal allows members to:

- view a summary of information about their account activity, including contributions, interest earned, fees and charges paid in respect of the Scheme, payment of invoices and details of any gifts of health;
- make appointments with preferred health providers;
- track health services;
- make gifts of health.

GIFTS OF HEALTH

A gift of health is a digital token or code which represents a designated amount that can be used to pay for a health service by a preferred health provider. The recipient of the gift must provide the preferred health provider with the digital token or code at the time of the appointment. If the cost of the health service is more than the value of the gift of health, the recipient of the gift of health will be required to pay (or, if a member of the Scheme can submit a complying invoice to pay) any gap that may be payable.

Members can send a gift of health to another person (regardless of whether they are also a member of the Scheme) to pay for health services at preferred health providers only. Members cannot receive a gift of health from someone who is not a member of the Scheme.

2 FEES AND COSTS

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Scheme as a whole.

Taxes and insurance costs are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of Fee or Costs	Amount	How and when paid
Fee when your money moves in or out of the scheme		
Establishment fee	Nil	Not Applicable
Annual Membership fee	\$207	Paid prior to joining the scheme and ongoing annually
Contribution fee	1% of each contribution to the scheme	Retained from the funds contributed by the member
Withdrawal fee	20% ¹ of the amount withdrawn from the Scheme (up to a maximum of \$200) or 2% of the member's Total Available amount	Retained from the funds being withdrawn from the Scheme by the member
Cancellation Fee	20% ² of the cancellation amount balance (less any outstanding amounts owed by the member) held in the Scheme	Retained by the funds being withdrawn from the Scheme by the member upon termination
Management Fee (Custodian Charges)	Management fee of 0.7% p.a. of the member's gross Total Available amount ⁴	Retained from the gross contributions to the scheme by the member
Suspension fees	\$30 per quarter ³	Retained from the members contribution quarterly in advance
Non-Partner fees	10% of the non-partner invoice capped at \$200 per non-partner health invoice	Retained from the members funds on processing payment instruction from the member
Payment Handling Fee (Custodian bank)	0.08c per transaction inward or outward.	Retained from the gross contributions paid into the scheme by the member

1 See additional fees and cost section below for further details about when you may be charged a withdrawal fee.

2 See additional fees and costs section below for further details regarding termination fees.

3 You may also be charged other fees and costs such as a suspension fee. See additional fees and costs section below for further details.

4 Although we are entitled to charge a management fee of up to 5% p.a., we currently charge a management fee of 0.7%.

EXAMPLE OF ANNUAL FEES AND COSTS

The following table gives an example of how the fees and costs applicable to interests in the Scheme can affect your investment over a one (1) year period. You should use this table to compare this product with other simple managed investment scheme products.

Example		
BALANCE OF \$3,650 WITH A \$1,825 A YEAR CONTRIBUTION (PAID WEEKLY) WITH NO OUTWARD TRANSACTION		
Annual Membership fee	\$207	Annual fee charged to the member for the membership of the platform not paid from member balance.
Contribution Fee	1%	For every additional \$35 you contribute weekly, you will be charged \$0.35.

Plus, Management Costs*	0.7%	Gross account balance (\$3650+\$1825) multiplied by management cost. Amount deducted = \$38.33 per annum
Plus, Payment handling Cost	0.08c	For each weekly contribution you will be charged 0.08c by Custodian Bank
Equal Cost of Scheme		"If you had an investment of \$3,650 at the beginning of the year and you put in an additional \$1,825 during that year (paid weekly), you would be charged fees of \$56.58 [^] plus total payment handling fee \$4.16. along with annual membership fee of \$207, a total of \$267.74. What it costs you will depend on the investment option you choose and the fees you negotiate with the Scheme or financial adviser."

[^]Additional fees may apply. Please see the important additional information about 'Fees and costs' contained in the Reference Guide for more details.

*The example includes a management fee of 0.7% of gross amount contributed in the year.

ADDITIONAL EXPLANATION OF FEES AND COSTS

MANAGEMENT FEE

Under the Scheme Constitution, the trustee is entitled to receive a management fee of up to 5% p.a. of the member's Total Available amount which covers costs of operating the Scheme. However, the current management fee is 0.7%.

WITHDRAWAL FEE

If you withdraw funds from the Scheme through the membership portal, you will be charged a fee of the lesser of 20% of the amount withdrawn or 2% of your Total Available amount, up to a maximum of \$200 and payable from the funds being withdrawn. For example, if you have a Total Available amount of \$2,000 and you withdraw \$500 through your membership portal, we will retain \$100 as the withdrawal fee and pay the remaining \$400 to your nominated bank account.

SUSPENSION FEE

If you suspend your contributions, you will be charged a suspension fee of \$30 per quarter, payable in advance directly from your Total Available amount.

CANCELLATION FEE

If you cancel your membership with the Scheme, you will be charged a cancellation fee as follows: if cancellation is initiated by you through the membership portal, you will be charged a fee of 20% of the final amount to be returned to you in accordance with your final statement of account. For example, if your final statement of account states a balance of \$2000, we will retain 20% (\$400) as cancellation fee and pay the remaining \$1600 to your nominated bank account.

If cancellation is initiated by us, you will be charged the same cancellation fee as described above, less any outstanding amounts owed by you).

EXPENSES

Expenses incurred in relation to the operation of the Scheme will be paid from our own resources.

GIFT FEES

There is no fee for purchase or issuing of gifts of health. However, if a gift of health (or a part thereof) is unused at its expiry date, we will retain 20% of the amount - and return the remaining funds to your account. For example, if you make a gift of health for \$500, \$400 will be returned to your account if the amount is not used after the expiry date.

REFERRAL FEES

We may pay members a referral fee where that member successfully refers another member to join the Scheme. Our website, at any given time, will specify whether a referral fee is currently payable, the terms and conditions by which any referral fee will be payable and the amount of any such referral fee. Members will also be notified when a referral fee is currently payable through the membership portal.

Referral fees will be paid by us personally subject to the referred member being an active member of the Scheme for a minimum of 12 months. Members who make an effective referral will have the amount of any referral fee paid into their account within 7 business days.

Referral fee is digital token that can only be used to pay for health services and has not cash value or cannot be cashed in exchange. If you cancel your membership, referral fee is not paid out.

KYC FEES

We will also charge you a fee for verifying your identity in accordance with Australia's anti- money laundering and counter-terrorism laws. This fee will be payable by you separately at the point of verification as part of the registration process.

EXTRAORDINARY EXPENSES

Generally, expenses incurred in managing the Scheme will be paid from our own resources and will not form part of management costs. However, if extraordinary or unusual expenses are incurred, we may choose to recover these costs from the Scheme. Examples of this type of expense include the costs involved in:

- convening a meeting of members;
- termination of the Scheme;
- amending the Scheme constitution;
- defending or bringing of litigation proceedings; or
- replacement of the responsible entity.

DIFFERENTIAL FEES

There may be differing fee arrangements for members in different classes. Rebates of management costs may be negotiated with certain sophisticated or professional (i.e. wholesale) members.

These arrangements reflect terms privately agreed with each sophisticated or professional member. We are not under any obligation to make arrangements on these terms available to all other members (including other sophisticated or professional members).

GST

All fees and expenses referred to in the PDS are quoted on a GST inclusive basis.

3 HOW MANAGED INVESTMENT SCHEMES ARE TAXED

FOREIGN ACCOUNT TAX COMPLIANCE ACT ('FATCA')

FATCA is US tax legislation that enables the US Internal Revenue Service ('IRS') to identify and collect tax from US residents that invest in assets through non-US entities.

If you are a US resident for tax purposes, you should note that the Scheme is a 'Foreign Financial Institution' under FATCA and complies with its FATCA obligations, as determined by the inter-governmental agreement entered into by Australia and the US for the purposes of implementing FATCA. Under these obligations, the Scheme must obtain and disclose information about certain members to the Australian Taxation Office ('ATO'). In order for the Scheme to comply with its obligations, we require that you provide certain information about yourself, including your US

Taxpayer Identification Number. We will determine whether the Scheme is required to report your details to the ATO based on our assessment of the relevant information received.

COMMON REPORTING STANDARD ('CRS')

The CRS is a tax reporting regime developed by the Organisation for Economic Co-operation and Development (OECD). Australia has committed to implementing the CRS by signing the Multilateral Competent Authority Agreement with the OECD and passing appropriate supporting legislation enabling tax information to be exchanged between tax authorities

From 1 July 2017, the CRS requires financial institutions to identify and report foreign resident account holder information to their local tax authority, which will in turn exchange the information with the tax authorities of participating foreign jurisdictions.

4 ADDITIONAL INFORMATION

CUSTODIAN

Xtras Health Plan Ltd has appointed an independent custodian to hold the assets of the Fund. Sargon Corporate Trustee acquired AET Corporate Trust Pty Limited (AET). They were known as AET Corporate Trust Pty Limited (AET) and its related entities are one of Australia's largest and oldest licensed trustee companies. AET has been providing custody and trustee services for over 130 years, having been established in 1880. AET is a member of the IOOF Holdings Limited (IOOF) Group, a leading provider of wealth management products and services in Australia. IOOF is an ASX 200 listed company.

Xtras Health Plan Ltd has appointed Sargon Corporate Trustee under a Custodian Agreement executed with AET Corporate Trust Pty Ltd. The Custodian's role is to hold the assets in its name and act on the direction of the Trustee of the Scheme to effect cash and investment transactions.

Sargon Corporate Trustee has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to a member for any act done or omission made in accordance with the Custodian Agreement. Sargon Corporate Trustee's role as Custodian is limited to holding the assets of the Fund.

CONSENTS

Sargon Corporate Trustee has not withdrawn its consent to be named in this PDS as custodian of the Fund in the form and context in which it is named. Sargon Corporate Trustee does not make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by Sargon Corporate Trustee.

To the maximum extent permitted by law, Sargon Corporate Trustee expressly disclaims and takes no responsibility for any part of this PDS other than the references to its name. Sargon Corporate Trustee does not guarantee the repayment of capital or any particular rate of capital or income return.

WHOLESALE CLIENTS

Depending on your circumstances, you may be a wholesale client under the Corporations Act 2001 (Cth). You are generally a wholesale client if any one of the following applies to you:

- Your investment is \$500,000 or more.
- You provide an accountant's certificate stating that you have net assets of at least \$2.5 million or have earned at least \$250,000 in each of the last two financial years.
- You are a professional member (which applies if you hold an AFSL, are APRA regulated or have or control at least \$10 million worth of gross assets).
- we are satisfied on reasonable grounds that you have suitable previous experience in financial products, subject to certain conditions.
- You are a company or trust that is controlled by persons who are wholesale clients.
- If you are a wholesale client, you will not have any cooling off rights and may not be able to take your complaints to AFCA.

PRIVACY

Information that you provide to us is held in strict confidence and is treated in accordance with Australian Privacy Principles. If you choose not to provide information that is relevant in the provision of services as in the PDS, we may decline to provide you service to your satisfaction. Your personal information is used to administer, manage and provide you the services set out in the PDS.

We may also collect certain personal information from you and/or disclose your personal information to government or regulatory bodies where permitted or required to do so by law. For example, we may be required to collect and disclose certain information to comply with the identification and verification requirements imposed under the Anti-money laundering and counter-terrorism laws. We take reasonable steps to ensure that the personal information about you and other members in your account that we collect, use or disclose is accurate, complete and up to date. You may be asked to update your information on the member-ship portal from time to time.

CONTINUOUS DISCLOSURE

If the Scheme becomes a disclosing entity for the purposes of the Corporations Act and subject to regular reporting and disclosure obligations, copies of documents lodged with ASIC may be obtained from, or inspected at, an ASIC office. Also, we would satisfy our continuous disclosure obligations for the Scheme by publishing material information on our website at www.xhp.com.au/disclosure.

A copy of the financial report for the Scheme most recently lodged with ASIC can be obtained free of charge from us upon request. To request a copy, please contact us.

CONTACT

For all general enquiries and document information requests, please contact us using the contact details on the front of the PDS or on our website at www.xhp.com.au.