

Rules of Capricorn Mutual Limited



These Rules are dated 31 March 2021 by Capricorn Mutual Limited

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Rule 1 - Definitions and interpretations

Definitions 1(1)

In these Rules the following words and expressions have the following meanings:

Term	Definition
"Applicant"	means a person who is not a Member, but is capable of becoming a Member under the Constitution.
"Board"	means the board of directors of Mutual.
"Capricorn Society"	means Capricorn Society Limited (ACN 008 347 313).
"Claim"	means a request made by a Member to the Board to exercise its discretion to provide an indemnity in respect of a Liability or Loss covered by a Protection.
"Constitution"	means the Constitution of Mutual as amended from time to time.
"Contribution"	means any monies payable to Mutual by a Member pursuant to Rule 8.
"Financial Year"	means 1st July in one year to 30th June of the following year, or as determined by the Board of Mutual from time to time.
"Liability or Loss"	means 'legal liability' 'loss', 'damage', 'defence costs', 'personal injury', or 'property damage' (as those terms are defined in Annexures 1. and 2. of these Rules) or any other claim, compensation payable, damages, cost, expense, injury or liability covered by a Protection.
"Managers"	means the managers appointed by the Board from time to time, currently Capricorn Mutual Management Pty Ltd (ACN 129 143 479) and Capricorn Risk Services Pty Ltd (ACN 111 632 789).
"Member"	means a person, corporation, organisation or entity that has been admitted to membership of Mutual in accordance with the Constitution.
"Member's Representative"	means the individual(s), corporation, organisation and/or entity nominated by a Member and accepted by Mutual to act on the Member's behalf in relation to Protections issued to the Member.
"Membership Year"	means the period of twelve months shown in the register of Members in respect of a particular Member.
"Mutual"	means Capricorn Mutual Limited (ACN 104 601 194).
"Notice"	means a notice required or permitted by these Rules.
"Period of Protection"	means the period specified in Rule 7(1).
"Product Disclosure Statement"	or "PDS" means the document of that name, issued by Mutual for the Period of Protection in accordance with the Corporations Act 2001 (Cth), which forms part of these Rules and is reviewed and approved by the Board from time to time.
"Protected Person"	means a person who is not a Member and does not hold a protection, but to whom we agree to extend the application of a protection.
"Protection"	means a miscellaneous financial risk product used to manage personal and business risks, issued to a Member in accordance with the Constitution and these Rules.
"Rules"	means these Rules as amended from time to time.
"Schedule of Protection"	means the current schedule issued by us to a Member which sets out the scope and extent of the protection(s) granted to a Member including any endorsements attached or issued by us. Each Schedule of Protection is taken to be incorporated, and part of these Rules.
"Subscription"	means the annual membership fee payable by Members in accordance with the Constitution.
"Terms of Protection"	has the meaning given in Rule 5(4).
"Total Loss"	means loss that occurs when the protected property is totally destroyed or is damaged in such a way that it can be neither recovered nor repaired for further use.

Interpretation 1(2)

- (a) Any capitalised words in these Rules not defined will have the meaning defined in the Constitution.
- (b) The expression “writing” will include printing, typewriting, lithography, email, facsimile and any other mode or modes of representing or reproducing works in a visible form.
- (c) The expression “cease” or “cessation” will mean “discontinue” or “come to an end” or “discontinuance”, “termination” or “ending” respectively.
- (d) The expression “delay” will mean “a refraining from something” and “waiver” will mean “the giving up of rights and/or interest, whether intentionally or not”.
- (e) The expression “discretion” will mean “a power or right of making a decision or of taking action” and a reference to any action to be taken as the Board thinks fit will be construed as a discretion to be exercised and action to be taken in the sole and absolute discretion of the Board or its delegate.

Application of these Rules 1(3)

These Rules apply in respect of any membership or Protection granted on or after [31 March 2021]. If a variation of a Protection under Rule 5(5) gives rise to a new Protection, that new Protection shall be governed by the Rules applicable as at the date of its commencement.

Member’s Representatives 1(4)

A Member’s Representative may exercise all rights, powers or privileges, and must fulfil any obligations, of a Member arising under or in respect of these Rules on behalf of the Member which it represents.

These Rules apply to a Member’s Representative in the same manner in which they apply to a Member. To this extent:

- (a) the acts and omissions of a Member’s Representative (whether authorised or not) are taken to be those of the Member which it represents; and
- (b) the knowledge of a Member’s Representative in respect of a Protection is imputed to the Member which it represents (and vice versa).

Death or mental incapacity of Members 1(5)

If a Member dies or is mentally incapacitated in accordance with mental health laws applicable from time to time, a Member’s legal representative or the trustee of the Member’s estate (as the case may be) may be accepted by Mutual as a Member on and from the date of the former Member’s death or mental incapacitation, for the purposes of continuing to hold Protections issued to the former Member, and exercising any rights, powers or privileges under, and fulfilling any obligations in respect of, these Rules.

Rule 2 - Constitution

These Rules are issued in accordance with clause 76 of the Constitution and are to be read in conjunction with the Constitution. In the event of any inconsistency between the Constitution and these Rules, the Constitution prevails.

Part Two

Membership

Rule 3 - Applying for Membership

Application 3(1)

A person eligible to be a Member under the Constitution may apply to become a Member, and for this purpose complete such application form as may from time to time be required. If, when applying for membership, the information and particulars provided by a person, after making reasonable inquiry, are not true, correct and complete to the best of the person’s knowledge, Mutual may, without prejudice to its general discretion to admit a person to membership, reject that person’s application for membership in Mutual or, if that person has been admitted as a Member, expel the person from membership in Mutual in accordance with the Constitution.

Rule 4 - Terms of Membership

The Constitution and the Rules will govern the terms and conditions of Membership of a Member.

Part Three

Protections

Rule 5 - Operation of Protections

The Board, in its absolute and unfettered discretion, may issue a Protection on such terms as it determines.

Protections 5(1)

A Member or an Applicant may apply to Mutual for a Protection (in the manner and form approved by Mutual from time to time).

When making an application to Mutual for a Protection, a Member or Applicant must provide all particulars and other information which Mutual may reasonably require or which may be material to the Board's decision to accept the application for Protection and to determine the Contributions payable. If, when making an application for a Protection, a Member or Applicant provides information that is not true, correct or complete to the best of its knowledge, or the Member or Applicant fails to provide information material to the application which would with reasonable diligence have been ascertained by that Member or Applicant, Mutual may (without prejudice to any other provision in these Rules) reject the application for Protection or cancel a Protection that has been issued.

If a Member's application for a Protection is successful, Mutual will issue the Member with a Schedule of Protection. An application for a Protection by an Applicant must be accompanied by an application for membership. In the case of an Applicant, the Board will not accept an application for a Protection until such time as the Applicant has become a Member, and no Protection will or can commence at any time until an Applicant has become a Member.

Change of circumstances 5(2)

If, during a Period of Protection, the information provided by a Member under Rule 5(1) varies, the Member must, on becoming aware of such a variation, immediately notify Mutual and provide full particulars in relation to the varied information.

Schedule of Protection 5(3)

On the issue of a Protection, Mutual shall issue a Schedule of Protection stating:

- (a) the name of the Member;
- (b) the name/names or class/classes of Protected Persons (if applicable);
- (c) the name of any Member's Representative;
- (d) the Protections the Member is granted by Mutual and the terms and conditions that apply to those Protections;
- (e) the Period of Protection;
- (f) the Limit of Protections granted;
- (g) any excesses or deductibles applicable to the Protections;
- (h) the Contributions and any special terms or conditions applying to those Contributions;
- (i) any special terms and conditions on which the Protection is issued; and
- (j) any other matter or information deemed appropriate by Mutual.

The PDS and any Schedule of Protection or any variation or replacement thereof shall be taken to be incorporated into and a part of these Rules in respect of that Protection and the Members and Protected Persons covered by it.

Terms of Protection 5(4)

Annexure 1. of these Rules comprises the general terms and conditions applicable to business Protections. These terms and conditions shall be read subject to any Schedule of Protection issued to a Member.

Annexure 2. of these Rules comprises the terms and conditions applicable to personal Protections. These terms and conditions shall be read subject to any Schedule of Protection issued to a Member.

The Constitution, these Rules (including its annexures), the PDS and any Schedule of Protection issued in respect of a Protection together comprise the terms and conditions applying to that Protection ("Terms of Protection").

Variation of Protection 5(5)

A Member and Mutual may agree to vary the terms and conditions of the Protections, subject to Mutual, as soon as reasonably practicable:

- (a) issuing a new Schedule of Protection to the Member stating the revised terms and conditions; or
- (b) (if a Schedule of Protection has already been issued) issuing to the Member an endorsement to the Schedule of Protection stating the variation and the date from which the variation will take effect.

If, during a Period of Protection, the information provided by a Member under Rule 5(1) ceases to be true, correct or complete, Mutual may (whether or not the Member notifies Mutual of the varied information in accordance with Rule 5(2)), by notice, vary unilaterally the terms and conditions of the Member's Protection, including the Contributions payable. Any such variation to the terms and conditions of a Protection is taken to be operative on and from the date on which the information provided by a Member under Rule 5(1) ceases to be true, correct or complete.

Rule 6 - Protection offered

In accordance with these Rules and the Constitution, a Member may seek a Protection from Mutual in respect of:

- (a) any or all of the business or personal risks as detailed in the PDS;
- (b) such other Claims that the Board may determine from time to time; or
- (c) such other Claims incidental to the operation of a Capricorn Society member that the Board, in its sole discretion, may determine notwithstanding that such risks may be excluded by these Rules.

Rule 7 - Period of protection

The period of time during which the Protections are in place is as follows:

Period of Protection 7(1)

Unless varied under Rule 5(5), the Period of Protection is stated in the Schedule of Protection. If a Protection is varied the Schedule of Protection may state the date of commencement and expiry of the variation.

Renewal of a Protection 7(2)

Before the Period of Protection stated in the Schedule of Protection expires, Mutual may give the Member a written notification of whether it is prepared to renew the Protection or not, and if it is so prepared, the basis on which it will consider applications for renewal of the Protection and the Contribution payable by the Member for the renewal of that Protection. A failure to give this notice does not operate as an extension of the Period of Protection stated in the Schedule of Protection of the Protection which is expiring.

If a Member is invited by Mutual to renew a Protection, the decision by Mutual to renew or not renew the Protection will be based, in addition to other commercial considerations, on the information provided by the Member under Rule 5(1) during its initial application, and, if this information has varied from the time the Protection was first granted, any additional information provided by the Member to Mutual prior to, or in the course of, renewing the Protection (including, without limitation, any information and particulars provided under Rule 5(2)).

If a renewal Protection is granted to a Member, the new Period of Protection will be stated in a Schedule of Protection issued to the Member by Mutual. Any renewal Protection will be issued in accordance with the Rules in force at that time.

Cancellation of Protection by Mutual 7(3)

Mutual may cancel a Protection:

- (a) by notice, where, in respect of the renewal of a Protection, the making of a Claim or a Member's obligation under Rule 5(2) to notify Mutual of varied information, a Member:
 - (i) provides information that is not true, correct or complete to the best of its knowledge; or
 - (ii) fails to provide information which Mutual reasonably considers to be material to the application for or renewal of the Protection, the Claim or the Member's or a Protected Person's circumstances in respect of the Protection, which would with reasonable diligence have been ascertained by the Member; or
- (b) where a person holding a Protection ceases to be a Member, other than in circumstances where the person dies or is

mentally incapacitated in accordance with mental health laws, and the person's legal representative or the trustee of the person's estate (as the case may be) is accepted by Mutual as a Member on and from the date of the person's death or mental incapacitation.

Cancellation of Protection by a Member 7(4)

A Member may not cancel a Protection during a Period of Protection without the consent of Mutual and only on any terms and conditions that Mutual in its absolute and unfettered discretion thinks fit.

Fraudulent or dishonest acts or omissions of Members 7(5)

If the Board, acting reasonably, is of the opinion that a Member has engaged in fraudulent or dishonest conduct (including by omission) in respect of a Protection (including in relation to the application or renewal of a Protection), the Board may:

- (a) cancel the Protection on and from its date of commencement; and
- (b) if applicable, revoke the acceptance of any Claim made by the Member in respect of that Protection, in which case the Member must repay any amounts (including any applicable interest) paid by Mutual to a Member in satisfaction of the Claim.

If Mutual cancels a Protection from its date of commencement under this Rule 7(5), Mutual:

- (a) must repay to the Member any Contributions made in relation to that Protection; and
- (b) may, in its absolute and unfettered discretion, cancel all other Protections held by the Member on and from the date of the relevant fraudulent or dishonest act or omission of the Member, and if it does so, the Member is required to pay to Mutual any unpaid Contributions in respect of those Protections in accordance with Rule 11.

Rule 8 - Contributions

Contributions are payable by each Member holding a Protection. Contributions shall be payable on the following terms, unless otherwise agreed between Mutual and a Member.

Time of Payment 8(1)

Contributions must be paid in such instalments and on such dates as Mutual may specify, and Mutual may, in its absolute and unfettered discretion, require a Member to pay its Subscription at the same time as a Contribution.

Notification 8(2)

As soon as reasonably practicable after the determination of Contributions payable, Mutual shall notify each Member of:

- (a) the amount owed;
- (b) the date on which the Contribution is to be paid (or if the Mutual determines it can be paid by instalments, the amounts of such instalments and the respective dates on which they are payable); and
- (c) the total amount payable by the Member.

Mutual Set-off 8(3)

Mutual is entitled to set off any Contributions or other sums of whatsoever nature due to Mutual or Capricorn Society against the whole or any part of any amounts payable by Mutual to the Member (whether under Protections or otherwise).

Member Set-off 8(4)

A Member shall not be entitled to set off the whole or any part of any amounts payable by Mutual to the Member (whether under Protections or otherwise or by any other person) against any Contributions or other sums of whatsoever nature due to Mutual.

Interest charge 8(5)

Without prejudice to the rights of Mutual under Rule 11, a Member will be liable to pay interest to Mutual on any payment due from a Member of whatever nature that is not paid when it is due. Interest will be calculated at the Reserve Bank Official Cash Rate plus 5%, and will be calculated from the date immediately following the Member payment due date.

Part Four

Claims

Rule 9 - Obligations of Members and Protected Persons in respect of claims

Eligibility to make a Claim 9(1)

A Protection grants a Member the right to make a Claim in accordance with the Terms of Protection on its own behalf or on behalf of a Protected Person, and for the Board to consider the Claim. A Protected Person is not entitled to make a Claim in its own name, and if a Member does not make a Claim on behalf of a Protected Person, the Protected Person has no right whatsoever to make a Claim. The Board may in its absolute and unfettered discretion accept or reject a Claim. Any reference in these Rules or in any Schedule of Protection issued in accordance with these Rules to “protected risks” or to “protection”, or any such similar expression must be read accordingly. It is a condition precedent to the Board considering any Claim that the Member or Protected Person complies with its obligations under these Rules in respect of making a Claim and that the Claim is made by the Member immediately upon the Member or Protected Person becoming aware of any event, incident or occurrence which gives rise or may give rise to that Claim.

Making a Claim 9(2)

If a Member makes a Claim in respect of its own Liability or Loss or in respect of a Loss or Liability of a Protected Person, then until such time as the Claim is rejected, withdrawn or accepted (and if accepted, following acceptance) the Member or Protected Person must:

- (a) take all reasonable steps to mitigate the Liability or Loss, including reasonable steps requested to be taken by Mutual;
- (b) promptly notify Mutual of any information, documents or reports in relation to the Claim of which the Member or Protected Person is aware or which the Member or the Protected Person possess, giving full particulars of the relevant facts and circumstances, including in relation to any Liability or Loss suffered or incurred by the Member or Protected Person, and details of any proceedings instituted against the Member or the Protected Person;
- (c) immediately notify the police if a criminal act may have caused the Liability or Loss;
- (d) take all reasonable precautions to prevent or minimise further Liability or Loss occurring;
- (e) take all reasonable steps to recover any lost or stolen property;
- (f) take reasonable steps to obtain details of any other person, property or vehicle involved and any witnesses;
- (g) provide all reasonable information and assistance as Mutual may require or that may be material to Board’s decision to accept or reject a Claim;
- (h) use the Member’s or the Protected Person’s best efforts to save any damaged or defective property which might provide evidence in relation to the Claim; and
- (i) provide Mutual with details of any other insurances or protections which insure or protect (or may insure or protect) the same or similar risks relating to the Liability or Loss the subject of the Claim.

Determination of Claims 9(3)

The Board or its delegate may determine in respect of a Claim which is accepted, the conditions to which the acceptance of the Claim is subject, including whether to accept the Claim fully or partially and the amount that may be payable under the Protection.

Satisfaction of Claims 9(4)

Mutual will be taken to satisfy its obligations in respect of a Claim following the acceptance (including partial acceptance) or rejection of the Claim, and if the Claim is accepted, by making payment to or in respect of the third party who claims that a Member has a Liability or Loss in respect of it.

Where a Claim is made by a Member in respect of a Protected Person, the Member is taken to have directed Mutual to make any payment to or in respect of the Protected Person. Mutual will be taken to satisfy its obligations in respect of a Claim relating to a Protected Person following the acceptance (including partial acceptance) or rejection of the Claim, and if the Claim is accepted, by making payment to or in respect of the Protected Person.

Rejection of Claims 9(5)

Without prejudice to any other provisions of these Rules, the Board may reject a Claim, or accept a Claim and reduce the sum payable by Mutual in respect of the Claim, if (with each category below to be considered separately and independently):

- (a) information provided by a Member or Protected Person in respect of a Claim is not true, correct and complete to the best of the Member's or Protected Person's knowledge;
- (b) a Member or Protected Person fails to provide information to Mutual in respect of a Claim, which would, with reasonable diligence, have been ascertainable by the Member or Protected Person;
- (c) pursuant to its obligation under Rule 5(2) to notify Mutual of varied information, a Member provides information which is not true, correct and complete to the best of the Member's knowledge or fails to provide information which Mutual reasonably considers to be material to the Member's or a Protected Person's (if applicable) circumstances in respect of a Protection, which would with reasonable diligence have been ascertained by that Member;
- (d) in the opinion of the Board, the Member making the Claim or the Protected Person in respect of whom the Claim was made has not taken reasonable steps to mitigate the Liability or Loss the subject of the Claim;
- (e) in the opinion of the Board, the Member has acted inconsistently with Mutual's right of subrogation under these Rules;
- (f) the Liability or Loss the subject of the Claim has been settled, or any liability has been admitted, by or on behalf of the Member or Protected Person without the prior consent in writing of Mutual and there has, in the absolute and unfettered opinion of the Board been prejudice to it by such action;
- (g) the Member or Protected Person has failed to comply with any of their obligations under these Rules, the Constitution or a directive made at any time by Mutual or the Managers in connection with the handling or settlement of the Liability or Loss the subject of the Claim;
- (h) the Member does not notify Mutual of the correct value of the Member's property or provide the correct amount for the Member's gross profits, such that the Member has not obtained adequate cover;
- (i) the Member alters or repairs any property the subject of a Liability or Loss in relation to a Claim, before Mutual has had the opportunity of an inspection, unless such alteration or repair is necessary for safety reasons; or
- (j) without limiting and in addition to Rules 9(5)(a) – (i), if a Member or Protected Person, by any act or omission, increases or affects detrimentally (or likely increases or affects detrimentally) the Liability or Loss the subject of the Claim.

Revocation of Claim acceptance 9(6)

The Board may, if it has accepted a Claim, revoke by notice its acceptance of the Claim and recover any amounts (including applicable interest) paid in satisfaction of the Claim, where in respect of a Protection (including the application for, or renewal of, a Protection), the making of a Claim or the Member's obligations to notify Mutual of varied information under Rule 5(2), a Member or Applicant (as the case may be):

- (a) provides information that is not true, correct or complete to the best of its knowledge;
- (b) fails to provide information material to an application for or renewal of a Protection, the making of a Claim or the Member's or a Protected Person's circumstances in respect of the Protection, which would with reasonable diligence have been ascertained by that person; or
- (c) engages in conduct (by act or omission) which Mutual reasonably considers to be prejudicial to its interests.

Interest 9(7)

In no circumstances will a Member or Protected Person be entitled to be paid interest on any Claim.

Conduct of legal proceedings 9(8)

Upon the acceptance of a Claim, Mutual has the right to control or direct the conduct of any legal or other proceedings in respect of which it accepts a Claim. Mutual may require the Member or Protected Person to settle, compromise or otherwise dispose of a Liability or Loss in such manner and upon such terms as Mutual, in its absolute and unfettered discretion sees fit.

Salvage and assignment of property 9(9)

A Member is not entitled to abandon to Mutual any property the subject of a Liability or Loss.

Mutual is entitled to the residual value of any property the subject of a Liability or Loss in respect of which a Claim is accepted, and such property is deemed to be assigned to Mutual and can be disposed of or dealt with as Mutual sees fit.

The Member assigns to Mutual any property the subject of a Total Loss and acknowledges that Mutual is entitled to deal with such property as it sees fit.

Entering Member premises 9(10)

Where a Member or Protected Person suffers a personal injury, Mutual is entitled to enter the Member's premises for inspection with the Member's permission.

Cessation of Protection

Rule 10 - Cessation of Protection

A Protection will immediately expire, without further notice:

- (a) if a Member fails to pay any sum of money due to Mutual after Mutual has served the Member with a notice requiring payment of the money by a specified date, and the Member fails to pay in full the amount on or before the date specified in such notice; or
- (b) the Period of Protection of a Member has expired; or
- (c) where a Member is not an individual, if
 - (i) the Member commits an act of insolvency;
 - (ii) a liquidator is appointed in connection with the windingup of the Member; or
 - (iii) an order is made by a court for the windingup or deregistration of the Member.
- (d) where a Member is an individual, if the Member is declared bankrupt or insolvent or commits an act of bankruptcy; or
- (e) where a person holding the Protection ceases to be a Member, other than in circumstances where a person dies or is mentally incapacitated in accordance with mental health laws, and that person's legal representative or the trustee of the person's estate (as the case may be) is accepted by Mutual as a Member on and from the date of the person's death or mental incapacitation.

Rule 11 - Contributions due on cessation or cancellation of protection

Contributions due on cessation or cancellation of Protection 11(1)

Subject to Rules 11(2) and 11(3), if a Protection ceases or is cancelled in accordance with these Rules, all unpaid Contributions in respect of that Protection (plus any applicable administrative fees, as determined by Mutual from time to time) become due and immediately payable by the Member or former Member to which the Protection applied.

Waiver by Mutual of right to outstanding Contributions 11(2)

If a Protection ceases or is cancelled prior to the end of a Period of Protection, the Board may in its absolute and unfettered discretion waive its right to Contributions payable by a Member from the date on which the Protection ceases or is cancelled to the date on which the Period of Protection would have expired, had the Protection not ceased or been cancelled prematurely (the "Waived Amount"). In the event that the Board exercises its discretion to provide such a waiver, the amount due and payable in respect of Contributions owing by the Member or former Member on cessation or cancellation of a Protection, is the unpaid Contributions net of the Waived Amount.

Refund of Contributions 11(3)

If a Protection ceases or is cancelled prior to the end of a Period of Protection, Mutual may, in its absolute and unfettered discretion, refund to the person any part of the Contributions paid in respect of the Protection.

Rule 12 - Reinstatement of Protection

If a Protection has ceased by virtue of Rule 10(a), then, in the event that the Member offers unconditionally to pay to Mutual all outstanding amounts together with interest due under Rule 8(5), and does so, the Board may in its absolute and unfettered discretion reinstate the Member's Protection for such period or periods as the Board may determine.

Part Six

General Terms & Conditions

Rule 13 - Delay and Waiver

No admission 13(1)

No act, omission, delay or conduct of Mutual of any type, whether by it or through its officers, servants, managers, Managers, delegates, agents or otherwise, will constitute any admission or promise that Mutual will release any of its rights under these Rules.

Waiver by Mutual 13(2)

The Board may in its absolute and unfettered discretion waive any of Mutual's rights arising from the neglect, non-compliance or a breach of any of these Rules by a Member or Protected Person, and may pay in full or in part any Claim which it deems appropriate.

In the absence of such a waiver, the Board will at all times and without notice be entitled to insist on the strict application of these Rules.

Rule 14 - Assignment and Subrogation

Assignment 14(1)

No obligation to Mutual, and no right under these Rules or under any contract between the Mutual and any Member, may be assigned without the prior written consent of Mutual. Mutual has the right, in its absolute and unfettered discretion, to give or refuse such consent without stating any reason or to give its consent on any such terms or conditions as it deems appropriate.

Subrogation 14(2)

If the Board accepts a Claim, the Member or Protected Person agrees to subrogate, assign or otherwise transfer to Mutual any and all of its rights of recourse against third parties, and the Member or Protected Person authorises Mutual to use the Member's or Protected Person's name in any proceedings relating to the accepted Claim.

Rule 15 - Delegation of Powers

Powers of the Board 15(1)

The Board may exercise any power, right or discretion stated in these Rules to be vested in Mutual or delegate any such power, right or discretion to any committee or sub-committee of the Board or to the Managers. Upon delegation by the Board, any power, right or discretion in respect of these Rules must be exercised by any person to whom it has been delegated solely in the manner in which it has been delegated and within the scope of authority conferred on that person by the Board.

By the Managers 15(2)

If any power, right or discretion is conferred on the Managers by the Board in accordance with these Rules, such power, right or discretion may, subject to any terms, conditions or restrictions contained in these Rules or otherwise specified by the Board, be exercised by any one or more of the Managers or by any employee of the Managers.

On behalf of Mutual 15(3)

Whenever the Board, the Managers or any other delegate of the Board exercises any power, right or discretion in respect of these Rules, such power, right or discretion shall be and is exercised on behalf of Mutual.

Rule 16 - Disputes

Initial consideration of dispute 16(1)

In the event that a dispute arises between a Member and Mutual, the parties must first attempt to resolve the dispute by discussion between the Member and the Manager.

Adjudication by Board 16(2)

If a Member is not satisfied with the outcome of discussions between the Member and the Manager under Rule 16(1), the dispute may be referred to the Board for adjudication. The Member must put their complaint in writing, detailing any proposed resolution and providing all relevant supporting documentation. The matter will be considered at the next available meeting of the Board. The Board will make a determination, having regard to the Member's written complaint and any supporting documentation provided by the Member to the Board, and this determination will be delivered to the Member in writing.

External Dispute Resolution 16(3)

A dispute or difference between a Member and Mutual in relation to a Protection, including any decision in relation to a Claim, may be referred to the Australian Financial Complaints Authority and its decision will be binding.

Sole remedy 16(4)

No Member is entitled to maintain any action, suit or other legal proceedings against Mutual unless it has proceeded in accordance with the process in this Rule 16. In the case of a dispute, Mutual's only obligation to a Member under these Rules and any Schedule of Protection issued will be to pay such sum as may be directed by the relevant authority identified in Rule 16(3) or as otherwise required by law.

Rule 17 - Notices

To Mutual 17(1)

A Notice may be served on Mutual by post to its registered office or addressed to Mutual on the facsimile or email contained in these Rules or by other facsimile or email as notified by Mutual to Members for the purpose of these Rules.

To a Member 17(2)

A Notice may be served on a Member or the Member's Representative, by post, facsimile or email to the details provided on the Schedule of Protection.

Receipt 17(3)

Any Notice sent by email is not deemed to be received unless and until Mutual acknowledges receipt by means of a return email to the sender's email address. Any Notice to any Member is deemed to have been served if directed to the address or other contact detail of the Member or the Member's Representative, as advised by the Member or Member's Representative to Mutual from time to time. Nonreceipt of a Notice shall in no way invalidate or affect any matter to which it relates.

Rule 18 - Governing Law

These Rules are governed by the law of Western Australia, Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.

Annexure 1.

All terms and conditions in respect of the payment of benefits and claims in Part B of the PDS for each of the Protection sections are incorporated into this Annexure 1 of the Rules.

Members' entitlements are subject to the Constitution and Rules. The PDS and any Schedule of Protection are incorporated into the Rules.

For the purpose of Part A of the PDS, when referring to the business Protections that are incorporated into this Annexure 1, the terms appearing in the definition of 'liability or loss' have the meaning given to those terms in Part B of the PDS.

Annexure 2.

All terms and conditions in respect of the payment of benefits and claims in Part C of the PDS for each of the Protection sections are incorporated into this Annexure 2 of the Rules.

Members' entitlements are subject to the Constitution and Rules. The PDS and any Schedule of Protection are incorporated into the Rules.

For the purpose of Part A of the PDS, when referring to the personal Protections that are incorporated into this Annexure 2, the terms appearing in the definition of 'liability or loss' have the meaning given to those terms in Part C of the PDS.

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