

CLASSIC HOLIDAY CLUB  
ARSN 111 354 440

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# Classic Escapes

PRODUCT DISCLOSURE STATEMENT  
CLASSIC ESCAPES MEMBERSHIP  
VERSION 12 — 1 NOVEMBER 2017

**ISSUED BY**

Classic Clubs Limited • ACN 104 824 964 • AFSL 246232  
As Responsible Entity and Issuer

## CORPORATE DIRECTORY

### » Responsible Entity

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## IMPORTANT INFORMATION

This product disclosure statement (PDS) dated **1 November 2017** is accompanied by a Loose-Leaf Price List which forms part of this PDS, and must be read in conjunction with the other parts.

This PDS is prepared and issued by Classic Clubs Limited ACN 104 824 964 (**Classic, Classic Clubs Limited or Responsible Entity**) as the Responsible Entity for Classic Holiday Club ARSN 111 354 440 (Club), which is a registered managed investment scheme under the Corporations Act. Classic has prepared this PDS for the use of persons who are considering purchasing a Classic Escapes Membership.

The Club also has other classes of points on issue including Classic Points, Limited Classic Points and a Founder Point and each class represents a type of Membership. A summary of the rights and obligations of each class of point, or type of Membership, is set out in paragraph 8.1. Classic Points and Limited Classic Points are offered under separate PDSs which are available from Classic. Limited Classic Points and Classic Points are collectively called Club Points.

The offer under this PDS is available to persons receiving the PDS within Australia and New Zealand only. The distribution of this PDS in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. This PDS does not constitute an offer in any jurisdiction to any person to whom it would be unlawful to do so.

No person is authorised to give any information or to make any representation in connection with Classic Holiday Club which is not contained in this PDS. Any information or representation not so contained may not be relied on as having been authorised by Classic Clubs Limited in connection with this offer.

This PDS is available in electronic form at **[www.classicholidays.com.au](http://www.classicholidays.com.au)**. Persons having received a copy of this PDS in its electronic form may obtain a hard copy of the PDS (free of charge) during the life of this PDS by contacting the secretary of the Responsible Entity at its registered office. An application for Classic Escapes Membership may only be made on the Membership Application Form attached as Schedule 1 to the PDS in its hard copy or electronic form. You are encouraged to read the PDS carefully.

Capitalised terms used throughout this PDS are defined in paragraph 10.9.

## CHANGES TO INFORMATION

Information contained in this PDS may change from time to time. Information which is not materially adverse can be updated by us and updated information will be available at **[www.classicholidays.com.au](http://www.classicholidays.com.au)** or, upon request, the Responsible Entity will provide you with a paper copy of any updated information free of charge.

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## SECTION A

### 1 THE KEY FEATURES OF THE CLASSIC ESCAPES MEMBERSHIP

#### 1.1 Key Benefits of Classic Escapes Membership:

- **MEMBERSHIP** – As a Classic Escapes Member you have the opportunity to take great value future holidays in high quality Club Apartments within Classic Holiday Club without the obligation of paying owners' Maintenance Levies. You purchase a Classic Escapes Membership, pay an annual Account Fee, and then buy the Use Points you need for your holiday accommodation through Classic Holiday Club in locations around Australia, New Zealand and the world, enabling you to take holidays any time you like, for as long as you like – and you only pay for what you use.
- **ASSET** – You have the right to use, rent, lend, bequeath or transfer your Membership in the Club.
- **CREDIBILITY** – Classic Holiday Club is associated with Classic Holidays, Australia's largest privately owned holiday ownership and timeshare management group, managing almost 65,000 members. Classic Holidays recently celebrated its 35th anniversary.
- **FLEXIBILITY** – With Classic Escapes Membership you are not restricted to a set week at a set

location. Subject to availability and reservation you have the flexibility to choose your Resort location, length of stay, size of Club Apartment, time of year you want to holiday, as well as the number of times you want to holiday each year, based on the number of Use Points you purchase.

- **SIMPLICITY** – The Classic Escapes Membership allows you to purchase Use Points which can be redeemed, at the time of purchase, for Club programs and accommodation at any Resort location managed by the Manager.
- **CHOICE** – You gain access to not only the current Classic Holiday Club Resorts, but also to all future accommodation transferred into, or made available through, the Club. By participating in the Points & Play program you also have the opportunity to exchange Use Points you purchase for accommodation at over 5,000 resort locations and cruises around the world through our agreement with an international resort exchange company and your Use Points can also be used towards the purchase of airfares, cruises, tours and other travel products through our affiliated travel agency, Classic Travel.
- **BONUS TIME** – With Points & Play you also have the opportunity to use Bonus Time reservations over and above your regular Club usage. This program allows you to pick up last minute availability at sharply reduced rates around the world.
- **PROTECTION** – Classic Clubs Limited holds the titles and/or leases, and the interests in other timeshare schemes (Holiday Schemes) which provide access to, the Club Apartments, which are made available to Classic Escapes Members at agreed rates, through the purchase of Use Points. All titles to Club Apartments and interests in Holiday Schemes, owned are free and clear of mortgages and charges and cannot be placed under mortgage at any time. The number of Use Points required to stay at each Classic Holiday Club Apartment, once set, can never be increased, which protects you against the rising costs of

holiday accommodation due to inflation. If a Resort or a Club Apartment is sold, an Apartment lease expires, or interests in a Holiday Scheme owned by the Club (which provide access to an Apartment) are transferred or disposed of, the Responsible Entity must ensure that a replacement is placed into the Club, which is considered by the Responsible Entity (acting reasonably) to be of at least equal quality to the one being replaced. As a Classic Escapes Member, you are issued a Classic Escapes Point in Classic Holiday Club - however, Classic Escapes Membership does not give you any ownership or beneficial interest in any Club Apartment or other Club Assets.

- **LIFESTYLE** – While Classic Holiday Club is a registered managed investment scheme under the Corporations Act, it is important to note that the Club is intended to provide you with lifestyle opportunities, and is not designed to provide financial returns.

## **1.2 Issue Price of Classic Escapes Membership**

The issue price is determined by the Responsible Entity from time to time and the current issue prices are set out in the Price List which accompanies and forms part of this PDS.

## **1.3 Fees and Costs**

Details of the cost of Classic Escapes Membership, cost of Use Points and Account Fees are set out in paragraph 4. A table of all the fees, costs and charges which may be payable is set out in Appendix 1 – Fees and Other Costs.

## **2 WHAT IS CLASSIC HOLIDAY CLUB?**

### **2.1 Who is Classic Holidays?**

Classic Holidays is the largest privately owned holiday ownership and timeshare management group in Australia, established over 35 years ago, and successfully managing the interests of almost 65,000 timeshare members in Australia and New Zealand. Classic Holiday Club, of which Classic Escapes Membership is a part, was added to Classic Holidays

in 2005 and is designed to meet the needs of today's consumers.

Classic Holidays currently has 35 Resorts and Holiday Schemes under management, is responsible for the employment of over 800 staff, and runs a state-of-the-art reservations centre at Varsity Lakes on the Gold Coast, Australia.

Classic Holidays is a long-standing, reputable, wholly Australian-owned corporate group, now heading into its fourth decade of proudly providing Australians and New Zealanders with quality holidays.

## **2.2 What does Classic Holiday Club offer?**

Classic Holiday Club provides an affordable, flexible and easy way of holidaying. The Club differs from traditional timeshare ownership thanks to its innovative system based on Club Points which provides Members with access to the Classic Holiday Club network of Resorts. You are not limited to the same week, at the same time of year, in the same apartment, at the same resort. Classic Holiday Club allows you to holiday your way.

The Club owns apartments, leases apartments and owns interests in Holiday Schemes which enable the Club to use apartments owned by those schemes, and Classic Escapes Members can purchase Use Points and exchange them to stay at the apartments available through the Club (Club Apartments).

## **2.3 How does Classic Escapes work?**

As a Classic Escapes Member, you receive the opportunity to book low cost quality holidays without the obligations of ownership. You have the right to purchase Use Points which primarily give you the right to stay at Classic Holiday Club's Apartments. Your Use Points can also be utilised for accommodation at other resorts via the Points & Play program, giving you more domestic and international holiday options.

By simply purchasing the number of Use Points needed, your holidays can be taken whenever you like during the year, in a variety of apartment sizes, for as long as you want – a few days, a week, or more.



Put simply, the Classic Escapes Membership enables you to access Use Points, which are a form of holiday currency - the more Use Points you purchase, the more days and times of year you can holiday at the various Classic Holiday Club locations.

Accommodation must be reserved or exchanged with other resorts via the exchange company at the time Use Points are purchased. There is no obligation to purchase Use Points. You can generally choose to purchase Use Points to book accommodation as frequently as you wish (or not at all) to suit your holidaying needs. However, all accommodation is subject to availability.

The Classic Escapes Membership gives you Membership in the Club for the term you purchase. At the end of the term, your Classic Escapes Membership terminates and your rights and obligations as a Member cease. No consideration is payable to you when your Classic Escapes Membership terminates.

#### **2.4 How many Use Points do I need for each Apartment?**

Each Club Apartment has been assigned a Points Value and the Points Comparison Guide showing these values can be viewed by Members at [www.classicescapes.com.au](http://www.classicescapes.com.au) or at [www.classicescapes.co.nz](http://www.classicescapes.co.nz). The Points Value of each Club Apartment is dependent upon four factors, namely:

- Time of year
- Number of bedrooms in the Club Apartment
- Duration of stay
- Location of the Resort

For example, a two-bedroom Club Apartment, in high season over a weekend for 3 nights may have a Points Value of 12,000 Use Points. A one-bedroom Club Apartment at the same Resort, in standard season for 4 nights midweek may have a Points Value of only 4,800 Use Points. To reserve this accommodation you would need to purchase the relevant number of Use Points, depending on when you wish to holiday. The Points Comparison Guide can help you determine

the best time for your holiday in one of the Club Apartments.

Here is a guideline to apartment sizes and how many people can be accommodated:

- Studio Apartment/Hotel Room: 2 persons
- One bedroom Apartment: 2 - 4 persons
- Two-bedroom Apartment: 4 - 6 persons
- Three-bedroom Apartment or penthouse: 6 - 8 persons

NB: Apartments may vary in occupancy limits between Resorts and Members will be advised of the relevant limits at the time of making a reservation.

## **2.5 How easy is it to purchase Use Points and make a reservation?**

The beauty of Classic Holiday Club is that the purchase of Use Points and making of reservations is easy – simply call the reservations centre toll free from anywhere in Australia or New Zealand, and remember to quote your membership number and have your credit card details ready to process your payment for Use Points or log onto the website to search and book Club Apartments.

You can also fax or email a Use Points purchase and accommodation booking request, or check availability and specials online and book at [www.classicescapes.com.au](http://www.classicescapes.com.au) (Australian Members) or [www.classicescapes.co.nz](http://www.classicescapes.co.nz) (New Zealand Members). Bookings are made generally on a "first-come first-served" basis (subject to an overriding discretion of the Responsible Entity to manage bookings in a manner which, in its opinion, is fair and reasonable and in the interests of the Club and Members as a whole). All Classic Escapes Members are entitled to an 11 month booking window before check-in date, meaning you can purchase Use Points to book accommodation up to 11 months prior to when you wish to holiday. NB: Check-in days are generally either Friday or Saturday for Holiday Scheme accommodation (depending on the Resort).

## **2.6 Guests and Visitors**

You are welcome to have relatives or friends either stay or visit you (or stay with your permission at a Resort in your absence). Please be aware that you are responsible for:

- the behaviour of your guests,
- all charges for the use of additional services and consumables incurred by your guests, and
- your guests' compliance with the Club Regulations and any charges resulting from damage to the Resort by your guests or visitors.

You and your guests are welcome to invite visitors to a Resort but those visitors may only be at that Resort whilst in the company of yourself or your guest, and the occupancy limit of your reservation may not be exceeded.

## **2.7 May I rent out Club Apartments I reserve?**

As a Member you can purchase Use Points and make a Club Apartment reservation on behalf of another person. You may charge a guest any amount for the use of your Use Points, but must adhere to your obligations set out in the Club's Regulations. This facility is for private use, and is not to be used for commercial purposes. The Responsible Entity reserves the right to prevent Members from purchasing Use Points if it forms the opinion that the Member is making these bookings for commercial gain. At the time of your reservation, you need to advise the Club of your guest's name, address and telephone number, and then provide the reservation confirmation to your guest.

## **3 WHERE CAN I GO ON HOLIDAY?**

### **3.1 Club Properties**

Club Apartments comprise apartments owned or leased by the Club and interests owned in Holiday Schemes which enables the Club to use apartments owned by those schemes. Your Membership entitles you access to all Club Apartments for the term of your Membership. Currently the Club Apartments are located in the following Resorts:

## **AUSTRALIA**

### **Queensland**

- \*Beach House Seaside Resort, Coolangatta
- \*Beachcomber International Resort, Coolangatta
- \*Golden Shores Holiday Club, Labrador
- \*Sandy Point Beach Resort, Labrador
- \*Palm Court, Noosa
- \*Don Pancho Beach Resort, Bargara
- \*Cedar Lake Country Resort, Nerang

### **New South Wales**

- \*Pacific Palms Resort, Pacific Palms
- \*Capri Waters Country Club, Mulwala
- Port Pacific Resort, Port Macquarie
- Korora Bay Village, Coffs Harbour
- \*Boambee Bay Resort, Coffs Harbour
- \*Vacation Village, Port Macquarie

### **Victoria**

- \*Mansfield Country Resort, Mansfield
- Nepean Country Club, Mornington Peninsula
- Kyneton Bushland Resort, Kyneton
- Sunraysia Resort, Mildura

### **Western Australia**

- Silver Sands Resort, Mandurah

### **Tasmania**

- \*Shearwater Country Club, Shearwater

## **NEW ZEALAND**

### **North Island**

- \*The Bishop Selwyn, Paihia
- \*Club Paihia, Paihia
- \*The Village Resort, Taupo
- \*Turangi Leisure Lodge, Turangi
- \*Kaimanawa Lodge, Turangi
- \*Fairway Lodge, Mount Maunganui

### **South Island**

- \*Club Lavaud, Akaroa
- \*Mt Hutt Lodge, Methven ( Canterbury)
- \*Edgewater Club, Wanaka
- \*The Pines Resort, Wanaka
- \*The Ridge Resort, Queenstown
- \*Club Pacific Queenstown, Queenstown
- \*Queenstown Mews, Queenstown

The Club also has an agreement with the Manager, Classic Leisure Pty Ltd, to provide more options to Members and the following additional resorts, which may vary from time to time, can be accessed:

### **Queensland**

- Calypso Plaza, Coolangatta
- Artique, Surfers Paradise
- Towers of Chevron Renaissance, Surfers Paradise
- Circle on Cavill, Surfers Paradise
- Q1 Resort & Spa, Surfers Paradise
- Seamark on First, Mooloolaba
- Alexandra Beach Resort, Sunshine Coast
- \*Noosa Sound Resort, Sunshine Coast

### **Western Australia**

- Lakeside Holiday Apartments, South Yunderup

\* Classic Holidays managed Resort

The Resorts in which the Club currently has Apartments are located in tourist areas. Future expansion plans will be based on the size of Club membership, Member feedback and holidaying needs.

## **3.2 Points & Play Access to Global Timeshare Network**

The Manager provides Members of the Club with additional flexibility through the "Points & Play" program by giving them access to a global network of over 5,000 resorts and cruises through its agreement with an international resort exchange company and the ability to apply Use Points towards the purchase of airfares, cruises, tours and other travel products through our arrangement with our affiliated travel agency, Classic Travel. Membership with the Points & Play program attracts a one-off AUD\$2,500 enrolment fee and a three-year membership fee of AUD\$295. Subsequent renewal is currently AUD\$295 for three years. The Manager (or Classic with the approval of the Manager) may elect to reduce or waive any part of these fees on any occasion.

Fees are also payable for any confirmed exchange by the Member through the exchange company for resorts outside Australia, New Zealand or Fiji, and these fees are set out in Appendix 1.

### **3.3 Points & Play Member benefits:**

- Ability to exchange into timeshare Resorts in Australia, New Zealand and Fiji, free of charge.
- Ability to exchange into timeshare resorts, internationally (weekly booking only), for AUD\$100 per week (current price subject to change). This fee may vary from time to time as determined by the relevant exchange organisation or the Manager as the case may be.
- Ability to utilise Use Points towards the purchase of airfares, cruises, tours and other travel, lifestyle and leisure products through our affiliated travel agency, Classic Travel.
- Access to non-timeshare accommodation, car hire and other tourism and leisure products.

## **4 WHAT ARE THE COSTS?**

Your Membership costs in the Club consist of your initial purchase of a Classic Escapes Membership and an annual Account Fee which covers operational costs and expenses and the cost of any Use Points you wish to purchase.

### **4.1 What is the cost of a Classic Escapes Membership?**

The current price list for Classic Escapes Membership is set out in the Loose-Leaf Price List. You can choose varying terms of Classic Escapes Membership.

The Account Fee is payable annually by each Classic Escapes Member during the term of their Classic Escapes Membership.

### **4.2 Annual Budget**

Each financial year, the Responsible Entity must prepare a budget for the following financial year containing full details of the expected annual outgoings for the year for the operation of the Club and the calculation of continuing annual charges and fees to be imposed on Members.

The Annual Budget for the current financial year can be viewed by Members on the website at [www.classicholidays.com.au](http://www.classicholidays.com.au). Additional copies are available

on request, free of charge, by sending a written request (mail, facsimile or email) to the Responsible Entity.

### 4.3 Fees

The current fees payable by a Classic Escapes Member are:

- **Annual Account Fee AUD\$219 [discounted to AUD\$189 if paid by the Early Bird Discount expiry date]; and**
- **Price per Use Point AUD3.45¢**

When you purchase your Classic Escapes Membership, you will be required to pay, on a pro rata basis, the Account Fee for the period from the date your Classic Escapes Membership is registered to the next 30 June. For example, if you purchase your Classic Escapes Membership on 1 November, you will only be required to pay the Account Fee for the remaining 8 months (that is, November to June inclusive).

Your first Account Fee is payable on the first day of the month immediately following the registration of your Classic Escapes Membership. Thereafter, the annual Account Fee is payable by Classic Escapes Members by 31 July each year. You will receive an invoice for your Account Fee by June each year.

Members may be charged interest on outstanding Account Fees and a return cheque fee for dishonoured cheques (refer to Appendix 1 for the current fees).

The price per Use Point is set by the Responsible Entity based on the budgeted Maintenance Levies of Classic Holiday Club. Members of the Club, other than Classic Escapes Members, are required to pay an annual Maintenance Levy for services performed relating to the general management of Club Apartments. The Club Constitution caps the price per Use Point payable by Classic Escapes Members at no more than 20% above the budgeted Maintenance Levy per Club Point. The Maintenance Levy is determined annually by the Responsible Entity and is only paid by Classic Points, Limited Classic Points and the Founder Point Members, not by Classic Escapes Members.

There is no minimum number of Use Points you must purchase, either each year or during the term of your Classic Escapes Membership. You can buy Use Points as often as required to meet your holiday needs. Members cannot exercise any of their rights in relation to their Classic Escapes Membership, including the right to purchase Use Points and book accommodation, until all outstanding fees are paid.

#### **4.4 Special Levies**

No Special Levy may be charged to Classic Escapes Members.

### **5 PROTECTION OF YOUR INTEREST**

There are various safeguards in place to protect your, and the Club's interests, such as:

- Classic Holiday Club is a registered managed investment scheme and must comply with the requirements of the Corporations Act and ASIC.
- Classic Clubs Limited is the Responsible Entity which holds an Australian Financial Service Licence issued by ASIC.
  - It must act in the best interests of Members at all times.
  - It is responsible for the operation of the Club for the benefit of Members.
  - It holds all Club Assets on trust for Members (though Classic Escapes Members have no ownership or beneficial interest in Club Assets).
  - It issues Memberships in the Club.
- If a Club Apartment is sold, transferred or assigned, the Responsible Entity must ensure there is a replacement of at least equal quality to that sold, transferred or assigned and the Points Value of the replacement is at least equal to that of the sold, transferred or assigned Club Apartment (including leased property and interests in Holiday Schemes).
- The Club has a Compliance Committee and an independent Compliance Plan auditor. The Compliance Committee and the Compliance Plan auditor report on the compliance of Classic with the Compliance Plan, the Corporations Act, the Constitution and the Australian Financial



Services Licence. The Compliance Committee also assesses the adequacy of the Compliance Plan and recommends changes to the Compliance Plan if necessary.

- Classic Clubs Limited is a member of the Australian Timeshare & Holiday Ownership Council (ATHOC) which is the Australian timeshare industry's governing body having a Code of Ethics and Code of Practice and also a member of the New Zealand Holiday Ownership Council (NZHOC), the association for the timeshare industry in New Zealand.

## **5.1 Member's Voting Rights**

Classic Escapes Members have no right to vote at meetings of Club Members. Only Classic Points, Limited Classic Points and the Founder Point carry voting rights.

## **5.2 Club Operational Details**

Each Club Apartment is graded and the Responsible Entity determines how many additional Classic Points or Limited Classic Points can be created and made available for issue. The Responsible Entity cannot issue more Classic Points and Limited Classic Points than the total Points Value of all Club Apartments.

Classic Points, Limited Classic Points and the Founder Point give the holders a beneficial interest in the Club assets. Holders of Classic Points and Limited Classic Points receive an annual allocation of Use Points (subject to payment of fees) which can be exchanged to use Club Apartments or for accommodation at other resorts via the exchange company.

An Annual Fee, comprising the Account Fee and a Maintenance Levy, is payable by holders of the Founder Point, Classic Points and Limited Classic Points. Special Levies may also be charged to holders of the Founder Point, Classic Points and Limited Classic Points if the Responsible Entity determines that the provision in the Annual Budget is inadequate or there are no (or insufficient) reserves for capital improvements, major expenses, repairs, acquisitions, reserves or any other matter determined by the Responsible Entity. Holders

of Classic Escapes Points are required to pay an Account Fee but do not pay any Maintenance Levy or Special Levies.

The Developer holds the Founder Point which is deemed to be equivalent to the number of authorised but unissued Club Points. The Developer, as holder of the Founder Point, is liable to contribute to Annual Fees for those authorised but unissued Club Points, as if it were a Member holding Club Points. The Founder Point also carries an entitlement to access Use Points equivalent to the number of authorised but unissued Club Points.

Further information about the rights, terms and conditions of Classic Points, Limited Classic Points and the Founder Point is contained in paragraph 8.1.

The Classic Escapes Membership is not accommodation-backed and does not represent a beneficial interest in the Club assets. Accordingly, Maintenance Levies and Special Levies are not payable by Classic Escapes Members, and the number of Classic Escapes Memberships which may be issued is not limited by the Points Value of Club Apartments.

However, the Constitution provides that the Responsible Entity must only create and issue Classic Escapes Memberships where it reasonably believes:

- the Club has sufficient Club Apartments available (having regard to the expected utilisation of Club Apartments by existing Members); or
- it can otherwise source accommodation with the proceeds from the sale of Use Points to Classic Escapes Members, to satisfy the anticipated demand for Use Points by Classic Escapes Members.

There is no limit on the number of Use Points which a Classic Escapes Member may acquire. However, Use Points purchased by Classic Escapes Members must be exchanged for accommodation or exchange entitlements at the time of purchase.

Also, the Developer has set aside authorised but unissued Club Points, which are not available for sale (Reserved Club Points). The Use Points allocated to those Reserved Club Points are unable to be exercised by the Developer to book accommodation but can be

purchased by the Club for onsale to, and use by Classic Escapes Members. The proceeds from the sale of those Use Points to Classic Escapes Members are payable to the Developer and applied to offset the Annual Fees payable by the Developer on its Founder Point (with any excess retained by the Developer). Proceeds received from the issue of any other Use Points to Classic Escapes Members are utilised by the Club to source accommodation.

### **5.3 Cooling-off period**

You may withdraw your offer, or terminate your agreement, to purchase a Classic Escapes Membership during your seven day cooling-off period. If you elect to cancel your Membership during the cooling-off period, the Responsible Entity will refund all monies paid by you.

To exercise your cooling-off rights, you need to give us written notice of your intention to cool-off and the recommended form of this notice is contained in the cooling-off statement which is included in Schedule 2.

To be effective, a notice of intention to cool-off must be received by the Responsible Entity at the address specified in the cooling-off statement by no later than 5pm on the seventh calendar day after you acknowledged that you received the Membership Application Form, PDS and cooling-off statement.

### **5.4 Complaints by Members**

The Constitution contains procedures for the handling of complaints from Members. If you have any complaints in relation to your Membership, you should contact the Resolutions Officer in writing (Classic Clubs Limited, PO Box 384, Coolangatta, Queensland, 4225, Fax: +61 (0)7 5595 7500) or email [resolutions@classicholidays.com.au](mailto:resolutions@classicholidays.com.au). You can also raise any issues by telephone to +61 (0)7 5595 7555.

If you are not satisfied with the handling of the complaint by the Resolutions Officer, you may refer the matter to our external complaints resolution body:

### **Australian Members**

Financial Ombudsman Service Limited ('FOS')

PO Box 3

Melbourne VIC 3001 Australia

Ph: 1300 78 0808

### **New Zealand Members**

Financial Services Complaints Limited ('FSCL')

PO Box 5967

Lambton Quay

Wellington 6145 New Zealand

Ph: 0800 347 257

## **5.5 Invitation to subscribe**

**Classic Escapes Memberships are only available for subscription by invitation during a presentation made by one of Classic Clubs Limited's authorised representatives.** If a member of the public does not apply for the Classic Escapes Membership at the time it is presented to them, they will not be entitled to apply for a Classic Escapes Membership until next invited to do so by Classic Clubs Limited, and generally this will be five years from the initial presentation.

## SECTION B

### 6 WHO IS CLASSIC HOLIDAY CLUB?

Classic Holiday Club was established by Beneficium (Int) Pty Ltd, the Developer. The Developer will provide the funds needed to acquire or develop Club Apartments (including the acquisition of physical apartments in Resorts or timeshare weeks or other interests in Resorts) and cause those properties to be placed into the Club. Club Apartments will be free from encumbrance.

#### 6.1 The Developer - Beneficium (Int) Pty Ltd (ACN 053 220 269)

The Developer has the exclusive right to promote and market Classic Escapes Memberships and is entitled to be paid all funds from the issue of Classic Escapes Memberships for doing so. The Developer is the holding company for the Classic Holidays corporate group.

#### 6.2 The Manager – Classic Leisure Pty Ltd trading as Classic Holidays (ACN 097 693 144)

The Manager is a wholly owned subsidiary of the Developer. The Manager manages resorts having almost 65,000 timeshare members in Australia and New Zealand and is responsible for resort management and member services of 35 resorts and clubs.

The right to manage other resorts may be acquired by the Developer or other related entities and management delegated to the Manager.

#### 6.3 The Responsible Entity - Classic Clubs Limited (ACN 104 824 964)

Classic Clubs Limited is the Responsible Entity of the managed investment scheme, Classic Holiday Club. It is the holder of Australian Financial Services Licence Number 246232. Classic Clubs Limited was established on 22 May 2003 as a special purpose entity for the operation of the Club. The Responsible Entity's ultimate shareholders are also shareholders of the Developer.

The Responsible Entity:

- has appointed the Manager, Classic Leisure Pty Ltd trading as Classic Holidays, to provide management and reservation functions for the Club.
- has appointed Classic Holiday Club Pty Ltd ACN 106 218 606 (Marketer) and its agents as facilitator for Sales and Marketing functions of the Club.
- is entitled to an annual fee (Remuneration) for managing the operation of the Club of 15% of the annual outgoings (plus GST) in the Annual Budget for the Club for the financial year to which the Remuneration relates, disregarding any income or offset pursuant to any subsidy by the Founder Member or Developer of the Club.

- is entitled to be paid or reimbursed from the Club Assets for all costs, charges and expenses incurred by it in properly performing its duties in relation to the Club.
- is not liable to Members in contract, or otherwise for any loss suffered except to the extent the loss arises out of the Responsible Entity's fraud, negligence or breach of trust.

#### **6.4 The Directors and Key Executives**

The Directors of the Responsible Entity are Ramy Filo (Chief Executive Officer and Responsible Manager), Mark Stephenson (Chief Commercial Officer and Responsible Manager), Karim Filo (Director of Property and Acquisitions), Caroline Scott (Group Financial Controller) and Anthony Wilson, who between them have extensive experience in timeshare operations, compliance, sales, resort management, accounting and development.

### **7 RISK FACTORS**

In becoming a Member in the Club, there are a number of risk factors that should be considered including, but not limited to:

#### **7.1 Number of Participants**

The growth of the Club is dependent upon the sale of Club Points and Classic Escapes Points, to the general public and upon general market acceptance.

#### **7.2 Annual Account Fee**

An annual Account Fee is payable by each Classic Escapes Member and an Annual Fee, comprising an Account Fee and Maintenance Levy, is payable by other Members in order to maintain the operation of the Club. Any increase in the operating costs of the Club will be reflected by an increase in the annual Account Fee.

#### **7.3 Defaulting Members**

If a substantial number of Members or the Developer were not to pay their Account Fee or Annual Fee, the Club may have inadequate funds to function. However, the Constitution enables Classic to forfeit Classic Escapes Points and Club Points if that Member has not paid their fees in relation to those Classic Escapes Points or Club Points.

#### **7.4 Regulation**

The Club is regulated in Australia by the Corporations Act, which is administered by ASIC and is subject to changes to the laws and to regulations over which Classic has no control. Legislative and regulatory changes may have an effect on the way the Club operates in the future.

#### **7.5 Accommodation Backing**

The issue of Classic Escapes Memberships and corresponding rights to purchase Use Points may increase the demand for

accommodation by Members without a corresponding increase in supply which may adversely affect your ability to book your desired accommodation at your preferred time.

In the event of an increase in the number of Members, the Responsible Entity can source additional accommodation through acquisition and leases. The Constitution allows the Responsible Entity to make available and issue such number of Classic Escapes Points as it determines, provided it reasonably believes the Club has sufficient Club Apartments available (having regard to the expected utilisation of Club Apartments by existing Members) or it can otherwise source accommodation with the proceeds from the sale of Use Points to Classic Escapes Members to satisfy the anticipated demand for Use Points by Classic Escapes Members.

## **7.6 Exchange Program and Affiliation and Points & Play Program**

The Manager offers Members the opportunity to join the Points & Play program to access timeshare and non-timeshare accommodation, car hire and other tourism and leisure products through the Manager's agreement with an international resort exchange company and through its arrangement with Classic Travel. There is no guarantee that the Points & Play program will continue to be offered or that the Club will remain affiliated with any particular exchange program or that those exchange programs will continue to exist. However, there are many timeshare and/or holiday or tourism exchange companies which exist and which would be able to provide alternative exchange arrangements to resorts and other tourism benefits worldwide if any existing exchange affiliations, agreements or arrangements were to cease for any reason.

## **7.7 Secondary Market**

The Club does not operate a resale or redemption service for Classic Escapes Memberships. Members may wish to dispose of their Classic Escapes Membership on the open market. Classic Escapes Memberships are not intended to provide financial returns - they offer holiday lifestyle opportunities and as such, there is a limited market for the resale of Classic Escapes Memberships.

## **7.8 Availability of Holiday Accommodation**

As all accommodation is subject to availability and as the Responsible Entity has an overriding discretion to manage bookings in a manner which in its opinion is fair and reasonable and in the interests of the Club and Members as a whole, Members may not be able to purchase Use Points to reserve accommodation at their preferred locations at their preferred times. The earlier you acquire Use Points and make your reservation, the higher the probability of obtaining your

preferences. An 11-month advance-booking window is available to reduce this risk.

## **7.9 Control**

Classic Escapes Members have no voting rights. Classic Escapes Members will have no ability to influence or participate in decisions on the appointment or removal of the Responsible Entity, changes to the Constitution or any other matters put to the other Members for consideration.

## **7.10 General Business Risks**

There is a risk the Club may be affected by changes in local and world economic conditions, including competition and interest rates, taxation, government legislation or intervention, inflation, natural disasters, social upheaval, civil or political uprising, and general commercial and economic risks faced by businesses including litigation, supply of building products and their pricing and terms, the success or otherwise of any marketing campaign, loss of key staff, and other events that unforeseeably and unpredictably could interrupt normal commercial activity.

## **8 SUMMARY OF MATERIAL CONTRACTS**

The following is a summary of some of the provisions of the Constitution, Club Regulations, Compliance Plan, Club Management Agreement, Member Services Agreement, Facilitation Agreement, Exchange Arrangement and Space Supply Agreement. This summary can only be relied upon as a guide.

### **8.1 Constitution**

The Constitution governs the relationship and is legally enforceable between the Members and the Responsible Entity. The main terms of the Constitution applicable to Classic Escapes Members are summarised below. A copy of the Constitution is available from the Responsible Entity upon request and for a printed copy, payment of a AUD\$10 fee.

#### **Modifications to Constitution**

The Constitution provides that it may be modified, repealed or replaced:

- by the Responsible Entity by deed executed by the Responsible Entity provided that the Responsible Entity reasonably considers that a change to the Constitution will not adversely affect Members' rights; or
- by the Members by a special resolution.

#### **Limited Liability of Responsible Entity**

Subject to the Corporations Act, the Responsible Entity is not liable to any person by reason of, for example, the Club Points or Club Assets not yielding any return, or the acts, omissions or default of any person and the Responsible Entity acting in good faith on the advice of that person.



## Obligations of Members

Members are obliged to:

- comply with the Corporations Act, the Constitution and the Club Regulations;
- comply with any finance agreement;
- comply with any other relevant conditions relating to Memberships.

## Termination

The Club may be terminated in circumstances provided for in the Constitution which include the expiration of 80 years from the commencement date, the date the Responsible Entity determines to wind up the Club if it considers the purpose has been accomplished or cannot be accomplished, or such other event referred to in the Constitution such as by Court order or special resolution of Members eligible to vote.

Members should refer to the Constitution for full details of the termination procedure.

## Types of Membership

The Club currently has 4 classes of Membership, namely a Founder Point, Classic Points, Limited Classic Points and Classic Escapes Points.

The **Founder Point** is held by the Developer, and carries the sole and exclusive right to approve creation of Club Points and market and promote all Classic Holiday Club Memberships.

## Classic Points and Limited Classic Points

The beneficial interest in the Club is divided into Club Points with each Club Point representing an equal undivided part of the beneficial interest in the Club, unless the Constitution provides otherwise. No right to a particular part of or asset of the Club is given to any Member by reason of ownership of Club Points.

**Classic Points** holders are liable to pay Annual Fees and any Special Levies. Classic Points continue for the duration of the Club and are offered under a separate PDS which can be obtained from the Responsible Entity upon request.

**Limited Classic Points** holders are liable for all Annual Fees and any Special Levies payable under Limited Classic Points to the date of their expiry. Limited Classic Points currently have a term of between three years and the life of the Club. Limited Classic Points are offered under a separate PDS which can be obtained from the Responsible Entity upon request.

The above classes of Membership receive an annual allocation of Use Points. The Founder Point holder has access to Use Points equivalent to the number of authorised but unissued Club Points, including all Use Points associated with those Club Points.

## **Classic Escapes Membership**

Classic Escapes Memberships can be issued under a PDS with various terms which can go up to the life of the Club.

- Classic Escapes Memberships expire at the end of the term for which they are issued (Expiry Date).
- Classic Escapes Members are liable for all Account Fees payable under Classic Escapes Membership up to the Expiry Date.
- Prior to the Expiry Date, a Classic Escapes Membership may be redeemed by the Responsible Entity, at its absolute discretion, in accordance with the Constitution.
- Classic Escapes Members have no rights to distributions of income or capital, including upon a winding up of the Club.
- Classic Escapes Members are entitled to receive notice of, and attend, any meeting of Members but have no right to vote on any resolution.
- Classic Escapes Members do not have any beneficial or other interest in any Club Assets.
- Classic Escapes Members are entitled to purchase Use Points from time to time, subject to any restrictions or conditions imposed by the Responsible Entity as disclosed in the PDS or otherwise notified to the holder by the Responsible Entity.
- Classic Escapes Members are not liable for the payment of Special Levies.

Any other rights of holders of Club Points are specified in the Constitution.

### **8.2 Club Regulations**

The Responsible Entity has established regulations governing the use and operation of the Club Assets. All Members, guests and other persons at each Club Apartment or Resort must comply with the Club Regulations. In addition Members must comply with all rules and regulations for the reservation or use in any affiliated program. These Club Regulations are available at [www.classicholidays.com.au](http://www.classicholidays.com.au).

### **8.3 Compliance Plan**

The Responsible Entity has prepared a Compliance Plan which has been lodged with ASIC. The Compliance Plan is required by the Corporations Act and is a set of principles, guidelines, procedures and systems, which establishes a compliance program for the Responsible Entity to comply with the laws applicable to operating the Club and the Constitution. The Compliance Plan allocates resources to, and identifies duties for responsible persons identified in the Compliance Plan in respect of relevant compliance requirements.

The Responsible Entity must ensure that a registered company auditor is engaged to audit compliance with the Compliance

Plan, report to the Responsible Entity and lodge a report with ASIC annually. The majority of members of the Compliance Committee must be external, (ie independent of the Responsible Entity).

#### **8.4 Club Management Agreement**

The Responsible Entity (in its own right and on behalf of the Club) has entered into a Club Management Agreement with the Manager. The agreement is dated 1 April 2011(as reviewed and amended from time to time) and is for a term of ten years with automatic renewal for 10 years unless either party gives to the other written notice at least 3 months prior to the last day of the relevant term that it intends to terminate the agreement.

Under this agreement the Responsible Entity has contracted the Manager to manage the day to day scheme and Club operations (as directed by the Responsible Entity), attend to all tasks connected with segregation and recording all inventory introduced and removed from the Club as directed by the Responsible Entity, determine proposed terms, conditions and rules of the Club for consideration by the Responsible Entity, facilitate banking facilities for the Club, complete an annual Club Budget for consideration by the Responsible Entity, process all correspondence and maintain all Club records.

The Responsible Entity will pay the Manager 10% of the total annual outgoings (plus GST) in the Annual Budget of the Club (for the financial year to which the remuneration relates).

The parties to the agreement are related entities. Further information about the Responsible Entity's transactions with related entities, including the procedures the Responsible Entity has in place to manage agreements with related entities and the risks associated with related entity arrangements, is contained in paragraph 10.5.

#### **8.5 Member Services Agreement**

The Responsible Entity, on behalf of the Club, has entered into a Member Services Agreement dated 30 June 2011 with the Manager. Under this agreement the Club has contracted the Manager to manage the Club membership register and all related administration, process Member and timeshare interest applications, transfer of points subject to the provisions of the Constitution and determine any applicable fees, administer reservations and Club Apartments for Members, collect all monies due by Members, provide various administration services in relation to invoicing Annual Fees and keep proper books of account for all monies received and paid to the Club; and provide a reservation system for the Club, including the provision of reservation software and IT support.

The Club will pay the Manager:

- AUD\$87.32 per Classic Holiday Club Member per annum. This amount is increased on 1 July in each year having regard to the increase in the Consumer Price Index All Groups (City of Brisbane) over the previous year ending March prior to the effective date of the increase; and
- out of pocket expenses in relation to the management of the Resort and Club operations that are not specified as being payable by the Manager.

The agreement is for a term of 10 years commencing on 30 June 2011 and terminating 29 June 2021. The agreement is automatically renewed for a further 10-year term unless either party gives to the other written notice at least 3 months prior to the last day of the relevant term that it intends to terminate the agreement.

The parties to the agreement are related entities. Further information about the Responsible Entity's transactions with related entities, including the procedures the Responsible Entity has in place to manage agreements with related entities and the risks associated with related entity arrangements, is contained in paragraph 10.5.

## **8.6 Facilitation Agreement**

The Responsible Entity (in its own right) has entered into a Facilitation Agreement with Beneficium (Int) Pty Ltd (the Developer) and Classic Holiday Club Pty Ltd (the Marketer) dated 1 July 2011.

Under this agreement the Marketer shall facilitate the supply of "Timeshare Interests" (being any class of points in the Club) by the Club and by the Developer, subject to the provisions of the Constitution, including: generation of leads; marketing, promotion and sale of all unissued Club Points and forfeited Club Points; marketing, promotion and sale of other timeshare interests credited and offered from time to time; causing/arranging and attending to completion of sale of Timeshare Interests; provision of advice in relation to marketing, sale and completion of sale.

In accordance with this agreement, the Marketer's remuneration will be calculated as follows:

- in respect of all Timeshare Interests supplied by the Club (and all consequent supplies of Timeshare Interests by the Developer) an amount equal to:
- 85% of each amount received by the Developer in consequence of the supply of Classic Escapes Points by the Club (plus GST); and
- 75% of each amount received by the Developer in consequence of the supply of Classic Points and Limited Classic Points by the Club (plus GST); and
- any other amounts as agreed from time to time.

The parties to the agreement are related entities. Further information about the Responsible Entity's transactions with related entities, including the procedures the Responsible Entity has in place to manage agreements with related entities and the risks associated with related entity arrangements, is contained in paragraph 10.5.

## **8.7 Exchange Arrangements**

The Manager and Responsible Entity have entered into an agreement with Dial An Exchange Pty Ltd (DAE), whereby DAE recognises the Manager may provide Members with access to the timeshare, vacation ownership and points club exchange service offered by DAE, to enable them to exchange Use Points for a variety of vacation and travel benefits. The Manager offers all Members the opportunity to be enrolled with DAE via the Manager's Points & Play program.

The agreement continues until 31 July 2027 with automatic ongoing renewals for further five year periods, until notified in writing of termination. The agreement may be terminated by either party notifying the other no later than 90 days before the expiration of the, as applicable, term or any subsequent term. The agreement may also be terminated if a material breach is not rectified by a party within 30 days of receiving notification of the breach from the other party.

Under the agreement, fees are payable by the Manager to DAE for each participating Member.

The Manager also agrees that it will, during the term of the agreement, only provide internal or external exchange services to Members through the DAE program.

## **8.8 Space Supply Agreement**

The Responsible Entity on behalf of the Club has entered into a Space Supply Agreement with the Manager. Under this agreement, the Club will be provided with access to Classic Holidays managed resort inventory, right to use, third party providers and leased apartments. In accordance with this agreement, the Club will pay the Manager a fee of between AUD\$490 and AUD\$760, adjusted annually for changes to CPI, per weekly stay to use accommodation to which the Manager provides access; a fee equal to the Maintenance Levy per point for any points acquired by the Club from the Manager and such other amounts as agreed from time to time; and will reimburse the Manager for expenses incurred in connection with the agreement and services provided in accordance with the terms of the agreement. The agreement is dated 1 July 2012 and is for a term of three years with automatic yearly renewal until notified in writing of cancellation.

The parties to the agreement are related entities. Further information about the Responsible Entity's transactions with

related entities, including the procedures the Responsible Entity has in place to manage agreements with related entities and the risks associated with related entity arrangements, is contained in paragraph 10.5.

## **9 FINANCIAL INFORMATION AND CONTINUOUS DISCLOSURE**

The Club is a disclosing entity and subject to regular reporting and disclosure obligations pursuant to the Corporations Act. A half yearly reviewed financial report and an annual audited financial report as well as an annual Compliance Plan audit report for the Club are required to be lodged with ASIC. Persons may obtain or inspect copies of documents lodged with ASIC for the Club at any ASIC office. These financial reports can also be viewed by Members at [www.classicholidays.com.au](http://www.classicholidays.com.au).

We will satisfy our continuous disclosure obligations for the Club by publishing material information affecting the Club on the website.

Accordingly, given the disclosure of material information will be made on the website; we will not be required to lodge continuous disclosure notices for the Club with ASIC.

## **10 ADDITIONAL INFORMATION**

### **10.1 Booking Cancellations**

When you make a reservation for a Club Apartment or, for Members who participate in the Points & Play program, make a booking for accommodation through DAE, you will be required to purchase the number of Use Points required for that particular reservation at the time you make the booking. If you cancel a Club Apartment reservation, you may be entitled to a refund of some or all of the Use Points utilised depending on when the reservation is cancelled. For reservations cancelled:

- 30 days or more prior to the check-in date – you may choose to receive a full refund of the purchase price for these Use Points by forwarding a written request to the Manager or you may elect to have the Use Points refunded to your Use Points account. These Use Points must be used to make a booking within a reasonable period, unless otherwise agreed by the Responsible Entity;
- 14 to 29 days prior to the check-in date – No purchase monies will be refunded and 50% of the Use Points purchased for the reservation will be refunded to your Use Points account. These Use Points must be used to make a booking within a reasonable period, unless otherwise agreed by the Responsible Entity;
- 13 days or less prior to the check-in date — No purchase monies will be refunded and no Use Points used for the reservation will be refunded to your Use Point account

- If you make a booking through DAE and cancel that booking then:
- any exchange fee paid will not be refunded;
- if the cancellation is made four weeks or more prior to the check-in date – you will receive a full refund of Use Points utilised for the booking; and
- if the cancellation is made less than four weeks prior to the check-in date – no Use Points utilised for the reservation will be refunded.

The Manager offers a Cancellation Protection Option (CPO) to Members who participate in the Points & Play program. Members who take up the CPO for a booking or reservation and cancel that booking or reservation at least 48 hours prior to the check-in date may choose to receive a full refund of the purchase price for these Use Points, by forwarding a written request to the Manager, or they may elect to have the Use Points refunded to their Use Points account and these Use Points must be used to make a booking within a reasonable period, unless otherwise agreed by the Responsible Entity; For bookings made through DAE where an exchange fee was paid, the exchange fee will not be refunded but will be applied against (and therefore no further exchange fee will be payable for) any replacement booking made through DAE within 24 months of the date the original booking was cancelled.

The CPO offer can be taken up at the time of confirming the booking of a Club Apartment or the reservation made through DAE. CPO is not available on any other booking type (such as bookings for car hire, airfares, cruises and other tourism and leisure products available through DAE or Classic Travel). A Member who takes up the CPO must pay the CPO fee to the Manager. Details of the fee payable for a CPO are set out in Appendix 1.

Full details of the CPO are contained in the Points & Play program terms and conditions available from the website, [www.classicholidays.com.au](http://www.classicholidays.com.au), or from the Manager upon request.

Any Use Points refunded following a cancellation, including under CPO, will be credited back to your Use Points account and must be used to make a booking within a reasonable period, unless otherwise agreed by the Responsible Entity.

## **10.2 Mid-Week & Weekend Reservations at Classic Holidays managed resorts**

Subject to availability, you may elect to book a four (4) night Mid-Week Reservation or a three (3) night Weekend Reservation. This option is only available at Classic Holidays managed resorts in high or standard seasons and the booking must be made 60 days or less prior to the check in date. The

fee for each Mid-Week Reservation & Weekend Reservation is currently AUD\$50 and is subject to change without notice.

### **10.3 Tax**

You should obtain your own tax advice in relation to the purchase of Classic Escapes Points. However, please note that GST applies to the purchase of Use Points but does not apply to Account Fees. All other fees and charges referred to in this PDS are inclusive of GST unless otherwise mentioned. You will also be required to pay any stamp or other duties which are payable on the purchase, transfer or disposal of Classic Escapes Points.

### **10.4 Ethical Considerations**

The Responsible Entity does not take labour standards or environmental, social or ethical considerations into account in the selection, retention or realisation of Club Assets or Memberships.

### **10.5 Related Party Disclosures**

#### **Responsible Entity**

The Responsible Entity's ultimate shareholders are also shareholders of the Developer.

The Developer owns all of the shares in the Manager and the Marketer. The Developer also owns all of the shares in the management company of Don Pancho Beach Resort, Pacific Palms Resort and Noosa Sound Resort, the Bishop Selwyn, Club Paihia, the Village Resort, Turangi Leisure Lodge, Kaimanawa Lodge, Fairway Lodge, Club Lavaud, Mt Hutt Lodge, Edgewater Club, the Pines Resort, the Ridge Resort and Queenstown Mews. The Developer is contracted as the manager for Beach House Seaside Resort, Beachcomber International Resort, Golden Shores Holiday Club, Sandy Point Beach Resort, Lake Eildon Country Club, Shearwater Country Club and Capri Waters Country Club and has sub-contracted management of these resorts to the Manager. The Manager is contracted to manage Palm Court Noosa, Vacation Village and Cedar Lake Country Club. A related body corporate of the Responsible Entity is contracted as the manager for Boambee Bay Resort and has sub-contracted management of Boambee Bay Resort to the Manager. The Developer owns ordinary shares in Capri Waters Country Club Limited.

#### **Transactions with Related Entities**

As set out in paragraph 8, the Responsible Entity has entered into the following agreements with related entities:

- Club Management Agreement with the Manager;
- Member Services Agreement with the Manager;



- Facilitation Agreement with the Developer and Marketer; and
- Space Supply Agreement with the Manager.

The Responsible Entity's ultimate shareholders are also shareholders of the Developer. The Manager and Marketer are subsidiaries of the Developer.

The Responsible Entity determined the above agreements were on arm's length terms and consequently Member approval for these agreements was not required or obtained.

The key risk with the Responsible Entity entering into agreements with related entities is that, because of their relationship, the Responsible Entity may fail to sufficiently monitor and review the related entity's performance and compliance with its obligations under the applicable agreement to the detriment of Members.

The Responsible Entity has policies and procedures in place for entering into transactions with related entities and arrangements in place to monitor compliance with its policies and procedures. The Responsible Entity's policies require all agreement with related entities to be approved by the Responsible Entity's board and for each agreement to be reviewed at least annually and the results of the review reported to the board.

## **10.6 Anti-Money Laundering & Counter-Terrorism Financing Act 2006**

In accordance with the requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) all applicants are required to provide adequate identification to Classic Holiday Club Pty Ltd and its agents.

## **10.7 Authorised and Issued Club Points**

As at date of print [October 2017] the Club has 21,101 Members comprising 4,012 Points and Limited Points Members, 17,088 Classic Escapes Members, and 1 Founder Member; and 131,499,297 Points on issue, comprising a Founder Point, Club Points and Classic Escapes Points.

## **10.8 Consents**

The Manager has consented to the references in this PDS to offering the Points & Play program and CPO to Members and, at the date of this PDS, has not withdrawn its consent.

## **10.9 Definitions**

**Account Fee** means the fee charged annually to Members to cover the operating, administration and compliance costs of the Club.

**Annual Budget** means the annual budget prepared by the Responsible Entity setting out the annual outgoings for the year for the operation of the Club.

**Annual Fee** means the annual fee, comprising the Account Fee and Maintenance Levy, payable by Classic Points Members, Classic Limited Points Members and the Founder Member. The Annual Fee payable by Classic Escapes Members comprises the Account Fee only.

**Apartment** or **Club Apartment** means apartments or other accommodation owned or leased by the Club and interests owned by the Club in Holiday Schemes which enables the Club to use apartments owned by those schemes.

**Classic, Classic Clubs Limited** or **Responsible Entity** means Classic Clubs Limited ACN 104 824 964.

**Classic Holidays** means the corporate group comprising the Developer and its subsidiaries, including the Manager and Marketer.

**Classic Point** or **Classic Points Member** means a class of Club Point or Membership having the rights and obligations summarised in paragraph 8.1.

**Classic Escapes Point** or **Classic Escapes Member** means a class of point or Membership having the rights and obligations summarised in paragraph 8.1.

**Classic Escapes Membership** means membership in the Club by being an owner of Classic Escapes Points.

**Classic Travel** means the travel agency contracted by Classic Leisure Pty Ltd ACN 097 693 144 to provide travel services to Members.

**Club** or **Classic Holiday Club** means Classic Holiday Club ARSN 111 354 440.

**Club Assets** means Club Apartments and other property or assets owned by the Club.

**Club Point** means a Classic Point or a Limited Classic Point issued pursuant to the Constitution.

**Club Regulations** mean regulations established by the Responsible Entity governing the use and operation of the Club Assets.

**Compliance Committee** means the committee established by the Responsible Entity in accordance with the Corporations Act, as described in paragraph 5.

**Compliance Plan** means the compliance plan for the Club.

**Constitution** means the constitution of the Club.

**Corporations Act** means Corporations Act 2001 (Cth).

**CPO** means Cancellation Protection Option as explained in paragraph 10.1.

**DAE** means Dial An Exchange Pty Ltd ACN 078 812 469.

**Developer** means Beneficium (Int) Pty Ltd ACN 053 220 269.

**Directors** means the board of directors of the Responsible Entity.

**Early Bird Discount** means a discount that may be offered to all members when the Annual Fees are invoiced each year; the Early Bird Discount is valid for a limited period of time the discount applies to the Account Fee only.

**Expiry Date** means the day on which the term of a Classic Escapes Point expires.

**Founder Point** or **Founder Member** means a class of point or Membership having the rights and obligations summarised in paragraph 8.1.

**Holiday Scheme** means a timeshare scheme in which the Club has an interest.

**Limited Classic Point** or **Limited Points Members** means a class of Club Point or Membership having the rights and obligations summarised in paragraph 8.1.

**Loose-Leaf Price List** or **Price List** means the document accompanying, and forming part of, this PDS which sets out the cost of Classic Escapes Membership.

**Manager** means Classic Leisure Pty Ltd ACN 097 693 144 trading as Classic Holidays.

**Maintenance Levy** means the annual levy charged to Classic Points Members, Classic Limited Points Members and the Founder Member to cover the services relating to the general management of Club Apartments; the costs relating to maintenance and upkeep of Apartments; and the levies related to Holiday Scheme interests in the Annual Budget for the next financial year.

**Marketer** means Classic Holiday Club Pty Ltd ACN 106 218 606.

**Member** means, as the context requires, an owner of the Founder Point, Classic Escapes Points and/ or Club Points.

**Membership** or **Classic Holiday Club Membership** means membership in the Club by being an owner of, as the context requires, the Founder Point, Classic Escapes Points and/or Club Points.

**Membership Application Form** means the application form attached as Schedule 1 to this PDS.

**Mid-Week Reservation** means a four consecutive night reservation comprising of Monday, Tuesday, Wednesday and Thursday nights at a Classic Holidays managed resort only.

**PDS** means this product disclosure statement offering Classic Escapes Points in the Club.

**Points & Play** means the program offered by the Manager to Members as set out in paragraphs 3.2 and 3.3 and Appendix 1.

**Points Value** means the number of Club Points assigned to each Club Apartment in accordance with the Constitution, the Points Values for Club Apartments can be viewed at [www.classicholidays.com.au](http://www.classicholidays.com.au).

**Resort** or **Classic Holiday Club Resorts** means the resort, building or complex in which an Apartment is located.

**Special Levy** means a levy charged to Classic Points Members, Classic Limited Points Members and the Founder Member where the Responsible Entity determines that the provision in the Annual Budget is inadequate or there are no (or insufficient) reserves for capital improvements, major expenses, repairs, acquisitions, reserves or any other matter.

**Use Points** means the usage rights available for purchase by Classic Escapes Members which are redeemed to use Apartments or for other Club programs.

**Weekend Reservation** means a three consecutive night reservation comprising of Friday, Saturday and Sunday nights at a Classic Holidays managed resort only.

## Warning Statement For New Zealand Subscribers

(The information in this document is required under the Financial Markets Conduct Regulations 2014 (New Zealand)(Financial Markets Conduct Act 2013 – Australia)).

- This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001(Aust) and Regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
- This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Australia) and the regulations made under the act set out how the offer must be made.
- There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
- The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies and compensation arrangements for New Zealand financial products.
- Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
- The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
- If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.
- The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
- If you expect the financial product to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to your bank account in New Zealand in New Zealand dollars.

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SCHEDULE 1

MEMBERSHIP APPLICATION FOR CLASSIC ESCAPES MEMBERSHIP

Classic Holiday Club  
ARSN 111 354 440

Issued by Classic Clubs Limited  
ACN 104 824 964 • AFSL 246232 as Responsible Entity and Issuer

Application Date: .....

Application Number: .....

This Application forms part of the Classic Points Product Disclosure Statement ("PDS") Version 12 dated 1 November 2017 and must not be circulated separately.

FIRST APPLICANT

SECOND APPLICANT

SALUTATION .....	SALUTATION .....
SURNAME .....	SURNAME .....
GIVEN NAMES .....	GIVEN NAMES .....
ADDRESS .....	
TELEPHONE	
Home .....	Home .....
Work .....	Work .....
Mobile .....	Mobile .....
EMAIL .....	EMAIL .....

(If you are purchasing in a business or under a trust, or where there are more than two joint purchasers)

NAME OF NOMINATED PERSON(S) .....

Business/Trust Name: .....

I/We hereby apply to Classic Clubs Limited, the Responsible Entity, to purchase a ..... Classic Escapes Membership.

Subscription moneys	\$ .....
	- \$ .....
<b>Subtotal:</b>	<b>\$ .....</b>
Less Deposit	\$ .....
<b>Balance Payable</b>	<b>\$ .....</b>
Date Balance Payable:	..... / ..... / .....

I/We (the Applicant/s) by completing and signing this Application hereby:

- 1 Make application for Classic Escapes Membership, for the term specified in this Application and agree to pay the price specified in this Application and any applicable stamp duty, taxes or imposts in respect of the Application.
- 2 Agree to pay all Classic Holiday Club Annual Fees which become due and owing during the term of the Membership.
- 3 Agree to be bound by the provisions of the Classic Clubs Limited Constitution as amended from time to time.
- 4 Acknowledge that the Responsible Entity has the right to accept or reject this Application.
- 5 Authorise Classic Holidays and its related entities to contact me/us about promotional offers, products and services by phone, mail and/ or electronic messaging for an indefinite period until we opt out by contacting Classic Holidays.

I/We acknowledge having received the PDS, Cooling-Off Statement and a copy of this Membership Application Form.

Dated: ..... / ..... / .....

Signed: First Applicant ..... Second Applicant .....

For and on behalf of the Responsible Entity as Issuer .....

## NOTES

- 1 **The Application must be signed either:**
  - a By the Applicant(s) personally,
  - b Where the Applicant is a company, under its common seal or by a director for the company or other authorised person.
- 2 All applicants are required to provide adequate identification in accordance with the Anti-Money Laundering & Counter-Terrorism Financing Act 2006. It is a criminal offence to knowingly provide false or misleading information or documentation in connection with this Application.
- 3 **Cheques should be made payable to "CLASSIC CLUBS LTD APPLICATION ACCOUNT"**. The Responsible Entity reserves the right to accept a cheque accompanying a Membership Application made out in a different form, provided it is deposited to the same account.
- 4 Classic Clubs Ltd is a member of ATHOC and a seven day cooling-off period applies to any application for Club Points, meaning you can withdraw your application and receive a refund of your application moneys. **More information on your cooling-off rights is contained in the cooling-off statement distributed with the PDS.**
- 5 A signed application form for Classic Escapes Membership, will be of no effect unless the applicant(s) also sign an acknowledgement of receipt of a cooling off statement.
- 6 If the Applicant(s) defaults in payment of any outstanding moneys owing pertaining to this Application, Classic Clubs Limited has full power and is appointed as attorney of the Applicant to cause the return to the Issuer of the Club Points the subject of the Application.
- 7 Applicants should note with respect to an electronic Membership Application Form that there is a PDS with information about purchasing Club Points and you are required to read the PDS before completing a Membership Application Form.

### **Privacy Collection Statement**

The Responsible Entity is required by the Corporations Act to maintain a Register of Members of the Club and some of the information you provide on this form will be entered into the Register. We are unable to accept your Application unless you have provided all of the requested information.

Classic, the Developer and their respective related companies (**we, us or our**) may collect, use and disclose personal information about you.

We collect personal information directly from you and may also collect personal information passively through our website.

We collect your personal information to facilitate our internal business purposes, for marketing and promotional purposes, to provide services and products to you and to comply with legal and regulatory requirements. If the personal information you provide is incomplete or inaccurate, we may not be able to provide you with the services you seek.

We may disclose personal information about you to our related entities and affiliated organisations and service providers who assist us in operating our business (for instance third party service providers). We are likely to disclose your personal information overseas, to recipients in the following countries: New Zealand and the UK.

Our Privacy Policy (available on our website or on request) sets out how you can access and ask for correction of your personal information, how you can complain about privacy-related matters and how we respond to complaints.

Contact details: Privacy Officer, PO Box 384, Coolangatta, Queensland, 4225.

Telephone (07) 5595 7555

Facsimile (07) 5595 7500

Email: [privacyofficer@classicholidays.com.au](mailto:privacyofficer@classicholidays.com.au)





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## APPENDIX 1 FEES AND OTHER COSTS

### This Appendix 1 forms part of the PDS dated 1 November 2017 and must not be read separately

This table shows fees and other costs that you may be charged. Taxes are set out in another section of this document. You should read all of the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not Applicable Technically, Members have no withdrawal or redemption rights, but are permitted to transfer. Refer <b>transfer fee</b> below.
<b>Exit fee</b> The fee to close your investment	Transfer Fee: A fee of AUD\$350 is payable for transferring your Membership	Payable to the Responsible Entity on transfer of Membership

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Management costs</b>		
The fees and costs for managing your investment*.	<b>Annual Account Fee#:</b> Currently AUD\$219 per Classic Escapes Membership (discounted to AUD\$189 if paid by the Early Bird Discount expiry date)	Payment by 31 July each year. Please refer to 'Management costs' in the 'Additional explanation of fees and costs' section below for further details
<b>Additional service fees</b>		
<b>Switching Fee</b> The fee for changing your investment options	Nil	Not applicable.

\*The Account Fee is subject to change annually, in accordance with the Annual Budget (and subject to the Constitution).

### Example of Annual Fees & Costs

This table gives an example of the fees and costs of a Classic Escapes Membership over a one year period. You should use this table to compare this product with other timeshare products.

<b>EXAMPLE ONE CLASSIC ESCAPES MEMBERSHIP</b>		
Contribution fees	Nil	
<b>PLUS</b> management costs	For the year you will be charged an Account Fee of AUD\$219 (discounted to AUD\$189 if paid by the Early Bird Discount expiry date) <sup>1</sup>	
<b>EQUALS</b> cost of Fund	AUD\$219 (discounted to AUD\$189 if paid by the Early Bird Discount expiry date).	

Additional fees may apply in accordance with the Club Regulations, including a transfer fee of AUD\$350 if you transfer your Membership.

<sup>1</sup>The table does not include the cost of purchasing Use Points to book accommodation.

## **Additional Explanation of Fees and Costs**

### **Management Costs**

When you purchase your Classic Escapes Membership, you will be required to pay the Account Fee on a pro rata basis for the period from the date your Classic Escapes Membership is registered to the next 30 June. For example, if you purchase your Classic Escapes Membership on 1 November, you will only be required to pay the Account Fee for the remaining 8 months (that is, November to June inclusive). Your first Account Fee is payable on the first day of the month immediately following the registration of the Membership. Thereafter, the Account Fee is payable by 31 July each year.

The Account Fee above applies for the financial year to 30 June 2018. For subsequent financial years the Account Fee will be based on the Annual Budget prepared for those years and determined at that time.

### **Incidental fees**

Members may be charged interest at the rate of 15% per annum on outstanding Account Fees and may also be charged return cheque charge equivalent to the fee charged by the bank plus a AUD\$5 administration fee per dishonoured cheque. Further information about the Account Fee is set out in paragraph 4.3.

Members may request a printed copy of the Constitution and this will incur a AUD\$10 fee.

### **Points & Play Fees**

The Manager offers Members the opportunity to join the Points & Play program, as discussed in paragraphs 3.2 and 3.3. There is a total fee of AUD\$2,795 payable to the Manager to join the Points & Play program, comprising a AUD\$2,500 enrolment fee and AUD\$295 for a three-year membership, which is payable at the time of enrolment. Subsequent renewal is currently AUD\$295 for three years. These fees may be reduced or waived at the discretion of the Manager.

Members who participate in the Points & Play program are required to pay a fee of AUD\$100 per 'Week' exchange

for international exchanges (excluding New Zealand and Fiji). This exchange fee is subject to change without prior notification and the Manager will notify participating Members of any change to the exchange fee upon the change occurring, via the [www.classicholidays.com.au](http://www.classicholidays.com.au) website.

### **Cancellation Protection Option (CPO)**

The CPO fee payable by a Member who takes up the CPO offer for a booking or reservation is currently AUD\$20 per week booked, subject to change without notice. Information about CPO is set out in paragraph 10.1.

### **Mid-Week and Weekend Reservations at Classic Holidays managed resorts.**

A Mid-Week and Weekend Reservation fee is payable by a Member when a booking a four (4) night Mid-Week Reservation or a three (3) night Weekend Reservation; this fee is currently AUD\$50 per reservation and is subject to change without notice. Information about Mid-Week & Weekend Reservations is set out in paragraph 10.2.

### **Taxes**

You are encouraged to seek your own taxation advice on the implications of being a Member. Currently, no GST is payable on the purchase of Memberships and GST does not apply to Account Fees. For further taxation information relating to Membership of the Club, see paragraph 10.3.



# Classic Escapes

[www.classicescapes.com.au](http://www.classicescapes.com.au)

[www.classicescapes.co.nz](http://www.classicescapes.co.nz)