

Scheme of Arrangement (pursuant to Part 5.1 of the *Corporations Act 2001* (Cth))

Dated

Catholic Church Insurance Limited (ABN 76 000 005 210) (**Company**)

and its

Scheme Creditors (as defined in this Scheme)

King & Wood Mallesons

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Scheme of Arrangement (pursuant to Part 5.1 of the Corporations Act 2001 (Cth))

Details

Parties	Company and Scheme Creditors	
Company	Name	Catholic Church Insurance Limited
	ABN	76 000 005 210
	Address	Level 8, 485 La Trobe Street Melbourne, Victoria 3000
Scheme Creditors	As defined in this Scheme	
Business Day place	Melbourne, Victoria, Australia	
Governing law	Victoria, Australia	

Scheme of Arrangement (pursuant to Part 5.1 of the Corporations Act 2001 (Cth))

General terms

Part A - Preliminary

1 Definitions and Interpretation

1.1 In this Scheme, unless inconsistent with the subject or context, the following expressions bear the meanings respectively set opposite them:

Act means the *Corporations Act 2001 (Cth)*;

Allocated Reinsurance Asset means any Reinsurance Asset which is, from time to time, the subject of an Exemption Decision pending settlement of the relevant Scheme Claim(s);

Appointor means a Scheme Creditor who has either granted a general power of attorney to a Committee Member or otherwise appointed a Committee Member as their or its representative in accordance with clause 36.3;

APRA means the Australian Prudential Regulation Authority;

ASIC means the Australian Securities and Investments Commission;

Board means the board of Directors for the time being of the Company;

Business Day means a day on which banks are open for general banking business in Melbourne, Victoria, Australia (not being a Saturday, Sunday or public holiday);

Committee Member means a member of the Creditors' Committee appointed in accordance with clause 36 and as further described in clause 36.3;

Committee Member Deed Poll means a deed poll substantially in the form of Annexure B;

Company means Catholic Church Insurance Limited (ABN 76 000 005 210) whose registered office is at Level 8, 485 La Trobe Street, Melbourne, Victoria 3000;

Contract of Reinsurance means a contract of reinsurance within the meaning of s 562A of the Act (whether entered into before, on or after the Trigger Date) under which the Company is insured in respect of an Insurance Contract entered into before the Trigger Date. Where, in accordance with clause 17.3(a), the Company exercises any contractual right or option to extend, renew or take out further insurance under any existing Insurance Contract which, immediately prior to that exercise, was a Contract of Reinsurance, regardless of when that option was exercised, that Insurance Contract shall continue to be a "Contract of Reinsurance";

Court means the Federal Court of Australia (Victorian Registry) or such other court of competent jurisdiction under the Act;

Creditors' Committee means the committee established pursuant to Part H to represent the interests of the Scheme Creditors;

Delegate means in respect of a delegate of the Scheme Advisers, has the meaning given in clause 33.1(g);

De Minimis Amount has the meaning given to it in clause 15.3;

Directors means the directors of the Company from time to time, and Director will be construed accordingly;

Effective means, when used in relation to this Scheme, the coming into effect, under subsection 411(10) of the Act, of the order of the Court made under subparagraph 411(4)(b) of the Act in relation to this Scheme;

Effective Date means the date on which this Scheme becomes Effective;

Election to Defend means, in relation to any Insurance Contract, a decision by the Company to provide a Scheme Creditor with, or to engage on behalf of a Scheme Creditor, a lawyer or other adviser to defend a claim made against that Scheme Creditor, notwithstanding the fact that the Insurance Contract may not give rise to an obligation to do so;

Elective Defence Costs means, in relation to any Election to Defend, the reasonable professional costs incurred by the lawyer or other adviser in defending the claim which the Company has paid or which have been agreed to be paid by the Company in either case after the Effective Date;

Employee means any partner or member in, or director of, the same firm (or another member of its group) as any of the Scheme Advisers, or any individual employed (whether under a contract of service or for services by that firm or by any part of its group) in accordance with clause 33.1(h). For the purposes of this definition of Employee, "group" will include, in respect of the initial Scheme Advisers, any entity or firm within the worldwide network of PricewaterhouseCoopers firms and entities and, in respect of any other person or persons for the time being appointed as a Scheme Adviser who are partners, members, directors or employees in respect of a firm or entity outside such network, then such entities or firms within any analogous network of which that firm or entity is a part;

Established Scheme Liability means a liability of the Company in respect of a Scheme Claim in relation to which a present obligation of the Company to pay an ascertained sum of money has been established in accordance with clause 13.1;

Excluded Assets are assets of the Company that are:

- (a) any Secured Assets; and
- (b) with respect to any Reinsurance Asset or any proceeds thereof, the subject of rights of any State Authority under any State Cut-Through Legislation;

Excluded Insurance Contract means any contract of insurance entered into by or on behalf of the Company as insurer, or under which the Company has assumed any liability as insurer, to which the State Workers Compensation Legislation applies;

Exemption Application means an application to the Scheme Advisers seeking an Exemption Decision;

Exemption Decision means:

- (a) unless the Company becomes subject to a Liquidation Event, a decision made by the Scheme Advisers under clause 20.3(c) that an amount received under a Contract of Reinsurance is to be applied not in accordance with clause 24.1(b) or (c) but as an Allocated Reinsurance Asset in the manner specified in that decision; and
- (b) if the Company becomes subject to a Liquidation Event, an order made by the Court under section 562A(4) of the Act;

External Administrator has the meaning given in the Insurance Act;

Explanatory Statement means the statement dated 27 September 2023 (including the appendices to such statement) explaining the effect of this Scheme in accordance with the Court's procedural orders;

Final Order means an order, judgement, decision or award of a court or tribunal of competent jurisdiction which is not subject to any appeal, rehearing, reconsideration or similar relief, and in relation to which the time to seek a stay or to appeal, rehear, reconsider, or similar relief has expired or been refused;

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, statutory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian (including ASIC, APRA and each State Authority);

Initial Scheme Period means the period beginning on the Effective Date and ending on the day before the Trigger Date;

Insurance Act means the *Insurance Act 1973* (Cth);

Insurance Authorisation means the Company's authorisation to carry on insurance business, as granted and applied by APRA under the Insurance Act;

Insurance Contract means any contract of insurance entered into by or on behalf of the Company as insurer, or under which the Company has assumed any liability as insurer other than an Excluded Insurance Contract;

Investment Policy means the Company's "investment policy statement" identified as policy number BP17 dated March 2023 (version 9), or any variation, update or replacement of that policy made in accordance with clause 18.3;

Judicial Manager has the meaning given in the Insurance Act;

Liquid Assets means the aggregate at any time of:

- (a) any cash deposits; and
- (b) any other assets of the Company at that time which are invested in accordance with the Investment Policy, other than investments in subsidiaries and property trusts which are, at that time, determined by the Company or the Scheme Advisers to be illiquid,

but excluding any such assets subject to a Security Interest;

Liquidated Claim means a Scheme Claim in respect of which both the existence and amount of the Company's liability have been determined by agreement between the parties or by Final Order;

Liquidated Receivable means a claim by the Company against a Scheme Creditor in respect of which both the existence and amount of that Scheme Creditor's liability have been determined by agreement between the parties or by a Final Order;

Liquidation Event means the appointment of a liquidator in respect of the Company pursuant to the Act;

Net Liquidated Balance means the net balance from time to time between the Company and a Scheme Creditor arising after off-setting all Liquidated Receivables against all Liquidated Claims as between the Company and that Scheme Creditor;

Nominal Insurer has the meaning given in the *Workers Compensation Act 1987* (NSW);

Non-Scheme Claim means any claim against the Company that is not a Scheme Claim;

Non-Scheme Liability means all liabilities or potential liabilities of the Company in respect of actual or potential Non-Scheme Claims and includes Scheme Costs and any amount payable or which may become payable as contemplated by clause 17.3;

Payment Percentage means in relation to an Established Scheme Liability, the percentage of such Established Scheme Liability which is payable by the Company from time to time under this Scheme in respect of that Established Scheme Liability, as set out and described at clause 26, and **Payment Percentages** will be construed accordingly;

Permitted Security Interest means:

- (a) a lien or similar security interest over a Scheme Asset in favour of a custodian or a banker's right of set-off or combination of accounts on ordinary commercial terms;
- (b) in the ordinary course of terms of trade, title retention arrangements with suppliers, etc;
- (c) a Security Interest securing liabilities incurred in accordance with the terms of this Scheme;
- (d) a Security Interest granted for the purpose of any Proceeding in relation to any liabilities of the Company; or
- (e) a Security Interest required by any Government Agency in accordance with applicable law;

Priority Claim means any debt or claim described in sections 556 or 562 of the Act;

Proceedings means any action, step or other legal proceedings in any jurisdiction including any judicial action or proceeding, or any execution of judgment or enforcement action, but excluding any dispute resolution procedure which does not involve submission to the courts other than any arbitration that is provided for under the terms of a contract giving rise to a Scheme Claim;

Property means any legal or equitable estate or interest (whether present or future and whether vested or contingent) in real or personal property of any description and includes a thing in action and any money or property recovered under or pursuant to provisions of the Act dealing with voidable transactions;

Prudential Law means the Insurance Act, the *Australian Prudential Regulation Authority Act 1998* (Cth) and the *Financial Sector Transfer and Restructure Act 1998* (Cth) and any related legislation administered by APRA applicable to the Company;

Regulations means *Corporations Regulations 2001* (Cth);

Reinsurance Asset means any amount or amounts in respect of a liability under an Insurance Contract received by the Company or the Scheme Advisers under a Contract of Reinsurance net of the costs and expenses of or incidental to acquiring such Reinsurance Asset;

Reserving Period means the period beginning on the Trigger Date and ending on the earlier of:

- (a) the day that the Scheme is terminated in accordance with clause 46; or
- (b) the day on which a resolution contemplated by clause 50 applies;

Review Date means:

- (a) the Trigger Date; and
- (b) during the Reserving Period, 30 April and 31 October of each year, or such other date as the Scheme Advisers may from time to time decide in their absolute discretion, but in consultation with the Creditors' Committee;

Risk Margin means a liability recognised under AASB1023 (General Insurance Contracts) over and above the central estimate of insurance liabilities to reflect the inherent uncertainty with regard to that estimate and the effect of Reinsurance Assets and other recoveries;

Rules means the *Insolvency Practice Rules (Corporations) 2016* (Cth);

Scheme means this scheme of arrangement under Part 5.1 of the Act between the Company and the Scheme Creditors in its original form or with or subject to any modification, addition, provision or condition which may be approved or imposed in accordance with clause 49 or clause 50;

Scheme Adviser Deed Poll means a deed poll substantially in the form of Annexure A;

Scheme Advisers means Stephen Longley and Michael Fung, partners of PricewaterhouseCoopers Australia or any other person who accepts the appointment to the role of scheme adviser to the Scheme, and satisfies the requirements of section 411(7) of the Act provided, in each case, they have each executed a deed poll in substantially the same form as the Scheme Adviser Deed Poll;

Scheme Assets means, after making allowance for Non-Scheme Liabilities, all assets of the Company (whether present or future, actual or contingent), including any assets which are held or recovered for the benefit of the Company by an External Administrator, which are made available to the Company to be applied in accordance with the terms of this Scheme, excluding Excluded Assets;

Scheme Claims means any claim against the Company under or in connection with, or which may arise under or in connection with, any Insurance Contract including:

- (a) all actual, future and contingent claims (including incurred but not reported claims) by any person under or in connection with; and
- (b) any claims arising under statute in connection with,

an Insurance Contract or its termination or cancellation;

Scheme Costs means the costs, charges, expenses, disbursements and remuneration relating to the operation of the Scheme as referred to in clause 48;

Scheme Creditors means a creditor of the Company in respect of an actual or potential Scheme Claim;

Scheme Liabilities means all liabilities or potential liabilities of the Company in respect of actual or potential Scheme Claims, including Scheme Claims which have been reported and not yet agreed and Scheme Claims which may be reported in the future;

Scheme Meeting means the meeting of Scheme Creditors ordered by the Court to be convened under subsection 411(1) of the Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting;

Second Court Date means the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Act approving this Scheme is heard;

Secured Asset means an asset of the Company subject to a Security Interest (other than a Permitted Security Interest), securing a Scheme Liability or any other liability to the extent of the relevant Security Interest;

Security Interest means any:

- (a) security interest as defined in section 12(1) or section 12(2) of the *Personal Property Securities Act 2009* (Cth); and
- (b) vested security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement;

Shareholder Funding means any funding from Shareholders:

- (a) for which recourse for repayment is limited to assets financed by that funding; or
- (b) the repayment of which is fully subordinated to the claims of Scheme Creditors;

in each case on terms satisfactory to the Company;

SIRA means the State Insurance Regulatory Authority of New South Wales;

Special Meeting has the meaning given in clause 50 of this Scheme.

State Authority means each of the following State authorities:

- (a) SIRA;
- (b) the Nominal Insurer; and
- (c) each other authority given rights under State Cut-Through Legislation;

State Cut-Through Legislation means the following statutory provisions in force as at the Trigger Date:

- (a) section 169A of the *Workers Compensation Act 1951* (ACT);
- (b) section 235 of the *Workers Compensation Act 1987* (NSW);
- (c) section 137(3) of the *Return to Work Act 1986* (NT);
- (d) section 129 of the *Workers Rehabilitation and Compensation Act 1988* (Tas);
- (e) section 36 of the *Employers' Indemnity Supplementation Fund Act 1980* (WA);

State Workers Compensation Legislation means the following:

- (a) the *Workers Compensation Act 1951* (ACT);
- (b) the *Workers Compensation Act 1987* (NSW);
- (c) the *Return to Work Act 1986* (NT);
- (d) the *Workers Rehabilitation and Compensation Act 1988* (Tas);
- (e) the *Workers' Compensation and Injury Management Act 1981* (WA);

Statutory Manager means a statutory manager as defined in the Insurance Act;

Trigger Date means the date and time at which the Trigger Event occurs;

Trigger Event means when the Board determines that in its opinion, disregarding the effect of the Scheme on the Company:

- (a) the Company would be insolvent, or would be likely to become insolvent at some future time (in each case as defined in section 95A of the Act); and/or
- (b) the value of the Company's assets would be or would be likely to become less than its liabilities taking into account its contingent and prospective liabilities.

For the purposes of this definition, "liabilities" means the Company's liabilities as recorded in its statement of financial position but excludes:

- (i) Risk Margin; and
- (ii) any Shareholder Funding.

Unallocated Assets means the Scheme Assets less Reinsurance Assets;

Unallocated Liabilities means Scheme Liabilities which are not (or to the extent that they are not) capable of being met from Reinsurance Assets from time to time;

Unallocated Reinsurance Assets means Reinsurance Assets which are not the subject of an Exemption Decision or required to be dealt with in accordance with State Cut-Through Legislation;

Valuation Platform means the "Data Kit" platform or such other platform nominated by the Scheme Advisers from time to time.

1.2 In this Scheme:

- (a) headings to Parts, clauses and Schedules are for ease of reference only and will not affect the interpretation of this Scheme;
- (b) references to Parts and clauses are references to the Parts and clauses respectively of this Scheme;
- (c) references to a provision of this Scheme will be construed as a reference to that provision as in force from time to time;
- (d) **liabilities** includes duties and obligations of every description (whether present or future, actual or contingent), but for the avoidance of doubt excluding any obligation or liability under a contract or policy which is void or, being voidable, has been duly avoided;
- (e) references to an asset or liability being located in Australia or outside Australia have the meaning such terms would have for the purposes of section 116 of the Insurance Act if the Company were being wound up in a winding up commencing on the Trigger Date (whether the asset is acquired, or the liability incurred, before or after that date);
- (f) references to a **person** include references to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency;
- (g) **property** and **asset** includes property, assets, rights and powers of every description (whether present or future, actual or contingent) and includes property held on trust and securities, benefits, powers of any description and any interest whatsoever in any of the foregoing;
- (h) a reference to a party to a document includes that party's successors and permitted assignees;
- (i) transfer includes (as the context may require) novate or novation, assign or assignation or assignment, dispose or disposal, convey or conveyance;
- (j) any reference to the singular includes a reference to the plural and vice versa and any words of any gender include all genders;
- (k) the words "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (l) any reference to an enactment, a statutory provision or any subordinate legislation will be deemed to include a reference to that enactment, statutory provision or subordinate legislation as amended, replaced or re-enacted from time to time and to any instrument or order or prudential standard made from time to time under such enactment, statutory provision or subordinate legislation;
- (m) unless the context otherwise requires expressions used which are defined in the Act will bear those meanings;
- (n) any reference to writing will include any mode of reproducing words in a legible and non-transitory form;
- (o) nothing in this Scheme:
 - (i) varies the Company's constitution; or

- (ii) restricts the rights or actions of the Company except as expressly provided herein;
- (p) except as expressly provided otherwise, an obligation to consult with another person will be construed as an obligation to take account of the views expressed by that person in good faith, and will not be construed as though the consulting person is bound by those views or that the other person has approval rights in relation to the relevant matter;
- (q) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (r) a reference to '\$', 'A\$' or 'dollar' is to Australian currency;
- (s) a reference to any time is, unless otherwise indicated, a reference to that time in Melbourne, Victoria;
- (t) if a period of time is specified from a given day or date or from the day or date of any act or event, it will be calculated exclusive of that day or date;
- (u) where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day;
- (v) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (w) if an act prescribed under this Scheme to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day; and
- (x) nothing in this Scheme or in the Explanatory Statement will give any person any right to enforce any term of this Scheme, except as expressly provided for under the provisions of this Scheme.

2 The Company and other parties

- 2.1 The Company agrees to be bound by this Scheme, and to execute or do, or procure to be executed or done, all such documents, acts or things as may be necessary or desirable to be executed or done for the purposes of giving effect to this Scheme.
- 2.2 Joan Fitzpatrick, Gregory Cooper, Eamonn Cunningham, Noel Condon, Matthew Doquile, David Issa, Reverend Dr Philip Marshall, and Sr Mary Ellen O'Donoghue have each given and have not withdrawn their consent to serve as members of the Board from the Effective Date.
- 2.3 Stephen Longley and Michael Fung, partners of PricewaterhouseCoopers Australia, have each given and have not withdrawn their consent to act as the initial Scheme Advisers from the Effective Date and will be the Scheme Advisers on and from the Effective Date, provided they have each executed a deed poll in substantially the same form as the Scheme Adviser Deed Poll in substantially the same form as Annexure A and delivered it to the Company not later than the Effective Date.
- 2.4 The Scheme Advisers, pursuant to the Scheme Adviser Deed Poll, have consented to this Scheme, agreed to be bound by this Scheme as if they were a

party to this Scheme and have undertaken to perform all obligations and actions attributed to them under this Scheme.

- 2.5 The members of the Creditors' Committee will be as established pursuant to Part H. The initial Committee Members, pursuant to one or more Committee Member Deeds Poll, have consented to this Scheme, agreed to be bound by this Scheme as if they were a party to this Scheme and undertaken to perform all obligations and actions attributed to them under this Scheme.
- 2.6 In all of its dealings with Scheme Creditors under this Scheme (including in relation to the establishment of liabilities as contemplated by clause 13 and the entry into contractual arrangements as contemplated by clause 17.1), the Company must:
- (a) treat all Scheme Creditors fairly and without regard to any relationship the Company may have with any Scheme Creditor other than in its capacity as Scheme Creditor;
 - (b) perform its obligations and duties under this Scheme, make any decision, determination or agreement, and take (or omit to take) any other action in each case on its merits and with regard to the purpose of the Scheme as set out in clause 3;
 - (c) deal with any Scheme Creditor that is a member of the Company on terms that are reasonable in the circumstances (or less favourable to the member than those terms) as if the Company and that member were dealing at arm's length; and
 - (d) comply with its conflicts of interest policy to the extent relevant to the Scheme.

3 Purpose of this Scheme

- 3.1 The purpose of this Scheme is to enable the Company's liabilities in respect of Scheme Claims to be established, ascertained, handled and paid in the ordinary course until the Trigger Event and to manage payments after the Trigger Event in an orderly manner to reflect the rights of Scheme Creditors in accordance with this Scheme.
- 3.2 Written notice of the Trigger Event must be given:
- (a) by the Board to the Creditors' Committee and the Scheme Advisers as soon as practicable after the occurrence of the Trigger Event (and in any case no later than 5:00pm on the day that the Board reaches its conclusion or, if such conclusion is reached by the Board after 5:00pm or it is not a Business Day, no later than 9.00am on the next Business Day); and
 - (b) by the Company (or failing the Company, by the Scheme Advisers) to:
 - (i) ASIC and APRA; and
 - (ii) the Scheme Creditors in accordance with clause 51,as soon as reasonably practicable after the Board reaches its conclusion.

- 3.3 After the Trigger Event, the Company will cease to pay Scheme Claims in full and the Company will be managed during the Reserving Period with the intention that:
- (a) the Company's Non-Scheme Liabilities continue to be met;
 - (b) the Company's liabilities in respect of Scheme Claims continue to be established and ascertained in the ordinary course;
 - (c) payments are made to those of the Company's creditors whose Scheme Claims have from time to time become Established Scheme Liabilities; and
 - (d) sufficient Liquid Assets are retained by the Company to enable the same payments to be made by the Company to those of its creditors whose Scheme Claims become Established Scheme Liabilities at a later date.

4 Conditions

4.1 Conditions precedent

This Scheme is conditional on and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) **Scheme Adviser Deed Poll:** As at 8.00am on the Second Court Date, each Scheme Adviser has executed and delivered to the Company a duly signed copy of the Scheme Adviser Deed Poll;
- (b) **Court approval:** The Court having approved the Scheme, with or without modification or condition, pursuant to section 411(4)(b) of the Act, including with any alterations or conditions made or required by the Court under subsection 411(6) of the Act and agreed to by the Company; and
- (c) **Scheme Effective:** The orders of the Court made under paragraph 411(4)(b) (and, if applicable, subsection 411(6)) of the Act approving this Scheme coming into effect, pursuant to subsection 411(10) of the Act.

4.2 Certificate

- (a) The Company must provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within its knowledge) whether or not all of the conditions precedent in clause 4.1 have been satisfied; and
- (b) The certificate referred to in clause 4.2(a) constitutes conclusive evidence (in the absence of manifest error) that such conditions precedent were satisfied.

Part B – The Scheme Periods

5 Application of this Scheme

- 5.1 This Scheme will become effective pursuant to section 411(10) of the Act on the Effective Date.
- 5.2 This Scheme applies to all Scheme Liabilities of the Company in respect of Scheme Claims.
- 5.3 The Initial Scheme Period begins on the Effective Date and ends immediately before the Reserving Period begins.
- 5.4 The Reserving Period begins on the Trigger Date and ends on the earlier of:
- (a) the date that the Scheme is terminated in accordance with clause 46; and
 - (b) the day on which a resolution contemplated by clause 50 applies.

6 Initial Scheme Period

The provisions of this clause 6 apply during the Initial Scheme Period:

- 6.1 Subject to the restrictions noted in clause 6.2, all liabilities of the Company will be paid by the Company in the ordinary course of business as and when they fall due, or otherwise in accordance with the Company's usual business practices.
- 6.2 The Board will have management and control of the business and affairs of the Company as provided for in the Company's constitution from time to time or as otherwise provided or required by law, subject to:
- (a) the restrictions on the Company and its activities set out in clause 6.5; and
 - (b) the provisions for production of reports set out in clause 29.3.
- 6.3 The powers and duties of the Scheme Advisers are as set out in clause 33.
- 6.4 The Creditors' Committee will be established in accordance with Part H and its functions will be as set out in clause 39.
- 6.5 The Company must not carry on business except as permitted by its Insurance Authorisation.
- 6.6 Except as expressly stated in this Scheme, no other restrictions apply to the Company or the conduct of its business during the Initial Scheme Period.

7 Reserving Period

The provisions of this clause 7 apply during the Reserving Period:

- 7.1 The Company must stop paying Scheme Liabilities as and when they fall due on and from the Business Day following the Trigger Date and the rights of the Scheme Creditors in relation to their respective Scheme Claims (including, in

respect of payments of Scheme Claims which are deferred by this Scheme) will be modified in accordance with the provisions of Part D.

- 7.2 The management and control of the business and affairs of the Company will continue to be carried on by the Board subject to the terms of this Scheme, including:
- (a) the restrictions on the Company and its activities set out in clause 16;
 - (b) the provisions for production of reports set out in clause 29.3; and
 - (c) any provisions that require the Company to consult with the Scheme Advisers or the Creditors' Committee.
- 7.3 The powers, functions and duties of the Scheme Advisers and the Creditors' Committee will be as set out in clause 34 and clauses 39 and 40 respectively.

8 Non-Scheme Claims — all periods

The Company shall pay all Non-Scheme Liabilities in respect of Non-Scheme Claims as they fall due but nothing herein shall oblige it to pay any such debt at any time before the date on which such debt would, apart from this Scheme, otherwise have become due and payable.

Part C – General Reserving Period Scheme Provisions

9 Application of Part C of this Scheme

The provisions of this Part only apply during the Reserving Period.

10 Stay of Proceedings

- 10.1 Without the prior written approval of the Scheme Advisers, no Scheme Creditor will be permitted to institute or continue any Proceedings or any other judicial, quasi-judicial, administrative or regulatory process whatsoever against the Company to establish the existence or amount of any Scheme Claim unless the Scheme Creditor has first given notice to the Company of such Scheme Claim (in accordance with the notice provisions set out in clause 51) including:
- (a) fully particularised details of how and when the Scheme Claim arose, of the Insurance Contract pursuant to which it arose and of the quantum of the Scheme Claim (if reasonably calculable); and
 - (b) legible copies of all contracts, orders, judgments, decisions and awards which are relevant to the Scheme Claim, and of all other items required to be provided to the Company pursuant to the terms of the Insurance Contract between the Company and the Scheme Creditor, together with such other supporting information and documentation as the Company will reasonably require.
- 10.2 Clause 10.1 applies to the maximum extent permitted by applicable law and does not apply to an Exemption Application.
- 10.3 If and to the extent that a Scheme Creditor obtains an order, judgment, decision or award against the Company in contravention of clause 10.1, such order, judgment, decision or award will not give rise to an Established Scheme Liability in respect of the Scheme Claim and will be disregarded when determining the liability of the Company in respect of the Scheme Claim.
- 10.4 Nothing in this Scheme precludes:
- (a) the Company from either:
 - (i) commencing or continuing any Proceedings against a Scheme Creditor; or
 - (ii) seeking to be joined into any subsisting Proceedings between a Scheme Creditor and any insurer or reinsurer; or
 - (b) a Scheme Creditor from lodging an insurance claim with the Company under an Insurance Contract in accordance with its terms.
- 10.5 The Company, in relation to whether it agrees to an Established Scheme Liability under clause 13.1 and in relation to whether it decides to enter into contractual arrangements under clause 17.1(a), constitutes a person “administering the

compromise or arrangement” that constitutes the Scheme for the purposes of section 599 of the Act.

11 Enforcement of Scheme Claims

11.1 Subject to the rights of Scheme Creditors under clauses 11.5 and 12, no Scheme Creditor will be entitled to take any proceeding or step (including by way of demand, legal proceedings, execution of judgment, arbitration or other dispute resolution proceedings) against the Company or its property in any jurisdiction whatsoever for the purpose of enforcing payment of all or any part of a Scheme Claim except to the extent that the Company:

- (a) is liable to make payment in respect of an Established Scheme Liability out of the Scheme Assets available for distribution in respect of that Established Scheme Liability in accordance with this Scheme; and
- (b) has failed to make such payment.

Nothing in this clause 11.1 affects the determination of the amount of any Established Scheme Liability or any Scheme Asset, or the rights of Scheme Creditors to take the action set out in clause 10.4(b).

11.2 If any Scheme Creditor takes any action which is prohibited by clause 11.1, including where expressly permitted by this Scheme, it will be treated as having received an advance payment on account of its Scheme Claim and any Established Scheme Liability in respect of that Scheme Claim shall be taken to be reduced by an amount equal to the amount or gross value of any money, property, benefit or advantage obtained by it at the expense of the Company as a result of such action and the extent, if any, to which it is entitled to any payment under clause 27 will be reduced accordingly.

11.3 For the purposes of clause 11.2 and clause 11.5, the gross value of any such property, benefit or advantage will in the absence of agreement be conclusively determined by the Scheme Advisers and, without limitation, may include such amount as the Scheme Advisers may consider to be appropriate by way of interest, costs, charges or expenses incurred by or on behalf of the Company as a consequence of the relevant Scheme Creditor acting in a manner prohibited by clause 11.1.

11.4 Where the Company has performed its obligation to make a payment to a Scheme Creditor under the provisions of this Scheme, the following provisions apply, without prejudice to any rights the Company may have under or pursuant to the relevant Insurance Contract(s):

- (a) the Company will be subrogated to all rights such Scheme Creditor may have against any third party that relates to the Scheme Claim (including all rights of recovery);
- (b) the Company will be entitled, but not obliged, to enforce those rights against such third parties;
- (c) the proceeds of any recovery from such a third party will be applied in the following order:
 - (i) first, to pay the costs of the recovery process;
 - (ii) second, to any portion of the Scheme Creditor’s loss that has not in fact been compensated by a payment by the Company (except any excess or deductible amount);

- (iii) third, to the Company, up to the amount paid by the Company to the Scheme Creditor in accordance with the Scheme (such funds to be received as Unallocated Assets in accordance with the provisions of this Scheme); and
 - (iv) fourth, to the Scheme Creditor, any excess or deductible amount.
- 11.5 Nothing in this clause 11 or this Scheme affects the rights of any person to take any appropriate action to enforce any Security Interest, letter of credit or trust which could have been enforced if the Company was being wound up pursuant to a winding-up commencing on the Trigger Date. Any amounts received by or for the benefit of a Scheme Creditor as a result of taking such action (whether before or after the Trigger Date) will be treated as an advance payment received by the Scheme Creditor on account of its relevant Scheme Claim and any Established Scheme Liability in respect of that Scheme Claim shall be taken to be reduced by an amount equal to the amount or gross value of any money, property, benefit or advantage obtained by it at the expense of the Company as a result of such action and the extent, if any, to which it is entitled to any payment under clause 27 will be reduced accordingly.
- 11.6 Nothing in this Scheme affects the right of the Company against any person in respect of any wrongful drawdown or enforcement of any Security Interest, letter of credit issued or trust created in respect of the Company.
- 11.7 This clause 11 does not apply to an Exemption Application.

12 Set-off

- 12.1 Subject to the provisions set out in clauses 13.2 and 13.3 in respect of the treatment of the Net Liquidated Balance, where a Scheme Creditor has a liability to the Company, the Scheme Creditor and the Company may rely on any set-off or cross claim upon which it could have relied if the Company were being wound up pursuant to a winding-up that commenced on the Trigger Date.
- 12.2 Subject to and without limiting clause 12.1:
 - (a) no Scheme Claim which has been assigned to a person after the Trigger Date may be applied in extinguishing or reducing any liability of that person to the Company; and
 - (b) no liability of a Scheme Creditor to the Company which arises out of an obligation incurred by such Scheme Creditor after the Trigger Date may be extinguished or reduced by any Scheme Claim which such Scheme Creditor has against the Company.

13 Established Scheme Liabilities

- 13.1 Subject to clauses 10, 11, 13.2, 13.3, 14 and 17.1(a)(ii), a liability of the Company in respect of a Scheme Claim will become an **Established Scheme Liability** when by either: (i) agreement; or (ii) Final Order in Proceedings, a present obligation of the Company to pay an ascertained sum of money has been established after taking into account:
 - (a) any Security Interest over the property of the Company that the Scheme Creditor is entitled (or claims to be entitled) to enforce in accordance with clause 11.5;

- (b) any letter of credit issued or trust created in respect of the Company which the Scheme Creditor is entitled (or claims to be entitled) to enforce in accordance with clause 11.5;
 - (c) any set-off or cross claim which may be taken into account from time to time in accordance with clause 12; and
 - (d) any other recoveries (net of the costs of recovery) from any third party made by the Scheme Creditor in respect of (and which reduce) such Scheme Claim.
- 13.2 The Company will be entitled (but not obliged) to treat a Scheme Creditor's Net Liquidated Balance (or any part thereof) as an Established Scheme Liability and to pay the Scheme Creditor concerned the applicable Payment Percentage accordingly, subject to the following:
- (a) if such Scheme Creditor has a further Liquidated Claim against the Company, the Net Liquidated Balance in such Scheme Creditor's favour (and the associated Established Scheme Liability) may be increased accordingly and, subject to clause 13.2(b)(ii), the Company may (at its discretion) pay the then current applicable Payment Percentage in respect of the increased Net Liquidated Balance (or any part thereof); and
 - (b) if a Liquidated Receivable becomes due to the Company from such Scheme Creditor, the Net Liquidated Balance in such Scheme Creditor's favour (and the associated Established Scheme Liability) may be reduced accordingly and the Company may (at its discretion) either:
 - (i) make a written demand to the Scheme Creditor for repayment of a sum equivalent to the difference between (i) the sum already received by the Scheme Creditor by way of Payment Percentage from the Company and (ii) the sum that the Scheme Creditor would have received by way of Payment Percentage if it had been calculated in respect of the reduced Net Liquidated Balance (or any part thereof); or
 - (ii) on a subsequent increase of the applicable Payment Percentage, withhold any further payment to the Scheme Creditor until the sums paid under the Scheme to the Scheme Creditor are equivalent to the then current applicable Payment Percentage in respect of the Net Liquidated Balance (or any part thereof) as adjusted in accordance with clause 13.2(a) and 13.2(b).
- 13.3 Notwithstanding any payment made (or treated as having been made) under this Scheme, the amount of an Established Scheme Liability for the purposes of this Scheme will be the amount established in accordance with this clause 13.

14 Interest

- 14.1 Other than interest to which a Scheme Creditor is entitled by reason of contract, statute or Final Order against the Company for a period or periods prior to and ending on the Trigger Date (or in case of an Established Scheme Liability determined after the Trigger Date, the date of determination) (**Admissible Interest**):
- (a) no liability the Company may have to pay interest will be included as part of an Established Scheme Liability for the purpose of paying or providing for payments under this Scheme; and

- (b) subject to clause 27 of this Scheme, no payment will be made under this Scheme in respect of any part of a Scheme Claim which represents interest.

14.2 For the avoidance of doubt, this clause 14 does not affect any entitlement a Scheme Creditor may have to assert a Scheme Claim in respect of its liability for interest to a third party.

15 Method of payment

15.1 Payments to a Scheme Creditor under this Scheme may be made, in the absolute discretion of the Company:

- (a) by electronic funds transfer to such bank account as the Scheme Creditor concerned may from time to time notify to the Company; or
- (b) in such other manner or in favour of such other person (including any third party) as the Company may from time to time in its absolute discretion determine. The cost of using any such payment method in a particular case will be an expense of the Scheme Creditor concerned.

15.2 Payment under or pursuant to the Scheme will be deemed to have been made on the day that the electronic transfer instruction is given to the relevant bank. Receipt of the amount of such electronic transfer into such account will be taken as satisfaction of the monies in respect of which it was paid.

15.3 The Company may determine that any payment under the Scheme of less than \$100 or its equivalent in any other currency from time to time (or such greater amount as the Company may reasonably determine from time to time) (the **De Minimis Amount**) will not be sent to a Scheme Creditor because of the costs involved in making and/or receiving such payment. Any De Minimis Amount so withheld will be paid to such Scheme Creditor upon the earlier of:

- (a) demand being made by that Scheme Creditor; or
- (b) such time as the aggregate of sums owed to such Scheme Creditor under the Scheme exceed the De Minimis Amount; or
- (c) the termination of the Scheme.

15.4 Without prejudice to clause 15.2, payment by or on behalf of the Company in respect of an Established Scheme Liability:

- (a) to a Scheme Creditor;
- (b) if a Scheme Creditor is comprised of two or more persons, to any one such person;
- (c) to any person acting on behalf of a Scheme Creditor (whether actually or ostensibly); or
- (d) otherwise pursuant to clause 15.1,

will for all purposes be a good discharge and full satisfaction in respect of such Established Scheme Liability to the extent of such payment.

- 15.5 Subject to applicable laws, including laws relating to unclaimed moneys, if from time to time the Company has in its hands or its control:
- (a) any amount being a dividend or other money that has remained unclaimed for more than 6 months after the day when the dividend or other money became payable; or
 - (b) after making a final distribution, any unclaimed or undistributed amount of money arising from the property of the Company,

such amount shall be dealt with by the Company in accordance with section 544 of the Act as if references to “liquidator” in that section were references to the Company.

- 15.6 Any amount payable to a Scheme Creditor under this Scheme in respect of an Established Scheme Liability which was incurred in any currency other than Australian Dollars shall be paid in Australian dollars. In respect of any such amount, the amount shall be converted to, and paid in, Australian Dollars, at the opening carded on demand airmail buying rate in relation to the foreign currency available at the Commonwealth Bank of Australia on the date on which such Established Scheme Liability is to be paid or, if no such rate is so published or quoted, such rate as may reasonably be determined by the Company or the Scheme Advisers for the purchase of such currency at close of business on the Business Day prior to the date on which such Established Scheme Liability is to be paid.

- 15.7 If any applicable law requires the Company to withhold or deduct an amount in respect of any taxes, levies, imposts, charges or duties (together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the overall net income of the Company) from a payment to a Scheme Creditor:
- (a) the Company may withhold or deduct the amount;
 - (b) the Company shall pay an amount equal to the amount withheld or deducted to the relevant authority in accordance with applicable law; and
 - (c) the Company shall not be liable to pay any additional amount to the Scheme Creditor in respect of such withholding or deduction.

16 Restrictions on carrying on insurance business

- 16.1 The Company must not:
- (a) carry on business other than in accordance with its Insurance Authorisation and this Scheme; or
 - (b) grant a Security Interest over or otherwise set aside any Scheme Asset to meet any of its liabilities except:
 - (i) in accordance with the terms of this Scheme; or
 - (ii) by way of a Permitted Security Interest, provided that a Security Interest within paragraphs (c) and (d) of the definition of the term “Permitted Security Interest” in clause 1.1 is only a Permitted Security Interest if granted following consultation with the Scheme Advisers.
- 16.2 Nothing in clause 16.1 shall be taken to prevent the Company from procuring the issue or renewal of any letter of credit (whether as applicant or as beneficiary)

which it is required to provide or entitled to receive in respect of an Insurance Contract or contract of reinsurance (as the case may be), or from receiving a Security Interest granted in its favour by any person.

17 Commutations, settlements, reinsurance and other matters

- 17.1 If the Company considers it would be in the best interests of the Scheme Creditors (excluding the interests of the Scheme Creditor with whom the contract is made in the case of contracts referred to in clause 17.1(a)), the Company may, after consultation with the Scheme Advisers, enter into contractual arrangements:
- (a) with a Scheme Creditor under which all or part of the Company's liability to that Scheme Creditor:
 - (i) (which may include a liability to provide or fund the costs of that Scheme Creditor's defence) is discharged in full or varied in consideration of a payment made by the Company; or
 - (ii) becomes an Established Scheme Liability otherwise than as a result of an obligation to pay being established in accordance with clause 13.1; and
 - (b) with any of its reinsurers for the discharge of any such reinsurer's liabilities to the Company under reinsurance contracts in consideration for payment to the Company.
- 17.2 Without prejudice to clause 17.1, the Company will consider any request made by a Scheme Creditor, supported by appropriate actuarial and other relevant information, for the Company to enter into any such contractual arrangements as referred to in clause 17.1 with such Scheme Creditor.
- 17.3 If the Company considers it would be in the best interests of the Scheme Creditors, the Company may, after consultation with the Scheme Advisers:
- (a) exercise any contractual right or option to extend, renew, increase or take out further reinsurance cover under any existing Contract of Reinsurance and make any payment or otherwise apply any asset of the Company as consideration for, in fulfilment of any condition to or in payment of any premium in respect of, the exercise of such right or option;
 - (b) enter into reinsurance arrangements in respect of the Scheme Liabilities and make any payment or otherwise apply any asset of the Company as consideration for or in payment of premium in respect of such arrangements;
 - (c) subject to clauses 17.4 and 18.4, realise some or all of the Company's assets;
 - (d) outsource claims handling in respect of some or all Scheme Liabilities;
 - (e) enter into any Shareholder Funding which may be available; and
 - (f) terminate the employment of, or employ, any person with any of the following titles (or equivalent):
 - (i) "Chief Executive Officer";

- (ii) “Head” or “General Manager” in each case of the Company;
- (iii) “General Manager, Liability Management”;
- (iv) “Head of Technical Claims Management”;
- (v) “Head of Complex Claims Management”;
- (vi) “General Manager, Risk, Legal and Compliance”; and
- (vii) “General Manager, Finance and Corporate Services”.

17.4 Subject to clause 18.4, the Company may only realise or dispose of assets constituting all or substantially all of any line or lines of business following consultation with the Scheme Advisers and the Creditors’ Committee.

17.5 The Company must not make any dividend, distribution or other return of capital to shareholders until:

- (a) all Scheme Liabilities have been paid in full; and
- (b) the Company is lawfully able to make such dividend, distribution or other return of capital.

18 Investment

18.1 Subject to clause 18.2, the Company will have power to invest all or any of its assets in such manner as it considers prudent from time to time, and to vary, alter or transpose any such investments into others of any nature.

18.2 The Company must not invest any of its assets otherwise than in accordance with the Investment Policy.

18.3 The Company may, following consultation with the Scheme Advisers and the Creditors’ Committee, make such variations, updates or replacements of its then current Investment Policy from time to time.

18.4 Subject only to clause 18.2, nothing in this Scheme shall restrict the Company from (or require the approval of or consultation with any person in each case in connection with) disposing of:

- (a) Liquid Assets;
- (b) assets which would, but for the fact that such assets are subject to a Security Interest, be Liquid Assets; or
- (c) Reinsurance Assets.

19 Scheme Creditors to assist the Company

19.1 The Scheme Creditors must provide to the Company and the Scheme Advisers all reasonable assistance that they may require in connection with this Scheme and must provide such assistance as the Company or the Scheme Advisers may reasonably require in connection with the recovery of any Scheme Assets or the

enforcement of obligations or liabilities which are or may become owed to the Company.

- 19.2 A Scheme Creditor must either:
- (a) take all reasonable and practicable steps to recover any sums which any third party may be liable to pay in respect of its Scheme Claim; or
 - (b) at the request of the Company or the Scheme Advisers allow, consent to and facilitate the recovery of any such sums by the Company (by way of right of subrogation) in the name of the relevant Scheme Creditor but at the expense of the Company.

20 Exemption Applications and Exemption Decisions

- 20.1 A Scheme Creditor may make an application to the Scheme Advisers seeking a decision that an amount received by the Company under a Contract of Reinsurance not be applied in accordance with clause 24 and that the amount received is, instead, to be applied by the Scheme Advisers in the manner determined by them pursuant to such application.
- 20.2 Before making any payment out of the Scheme Assets of an amount received by the Company under a facultative Contract of Reinsurance, the Scheme Advisers must give to any Scheme Creditor in relation to whose claim under an Insurance Contract such amount was received not less than 60 days' notice in writing specifying:
- (a) the amount received;
 - (b) that the amount has been received under a facultative Contract of Reinsurance relating to that Scheme Creditor's Claim; and
 - (c) that the Scheme Advisers propose to make payment pursuant to this Scheme of the amount received unless an Exemption Application is made in relation to the amount.
- 20.3 Upon receipt of an Exemption Application in respect of an Insurance Contract and an amount received under a Contract of Reinsurance, the Scheme Advisers:
- (a) must promptly consider that Exemption Application;
 - (b) in considering that Exemption Application, must take into account the factors which a Court would be entitled to take into account if an application in respect of that Insurance Contract and amount received the relevant Contract of Reinsurance were made to the Court under section 562A(4) of the Act;
 - (c) may make an Exemption Decision in respect of the Exemption Application if it is just and equitable to do so in the circumstances; and
 - (d) may apply to the Court to seek orders or directions in respect of the Exemption Application or any anticipated Exemption Decision.
- 20.4 In making the determinations required by clause 20.3, the Scheme Advisers must consult with the Creditors' Committee.
- 20.5 Promptly upon making an Exemption Decision or determining not to make an Exemption Decision in connection with an Exemption Application, the Scheme Advisers must give notice of their decision together with their reasons for such

decision or determination (as applicable) to the Scheme Creditors in accordance with clause 51.

20.6 If an Exemption Application is made to the Scheme Advisers in accordance with clause 20.1 in relation to any amount which has been or is received by the Company under a Contract of Reinsurance, and such amount has been or is received by or made available to the Company, the Company will:

- (a) hold the amount which is the subject of that Exemption Application pending the making of an Exemption Decision in respect of that Exemption Application; and
- (b) as soon as practicable after being permitted to do so under this Scheme and after the first to occur of either:
 - (i) the making of an Exemption Decision in respect of that Exemption Application; or
 - (ii) the Scheme Advisers determining not to make an Exemption Decision,

(as applicable) apply that amount as an Allocated Reinsurance Asset in the manner specified in any Exemption Decision (in the case of paragraph (i) above) or, if the Scheme Advisers give notice that no such Exemption Decision is to be made, as an Unallocated Reinsurance Asset in accordance with this Scheme.

21 Elections to Defend and Elective Defence Costs

21.1 The Company may from time to time resolve to make Elections to Defend and to pay the associated Elective Defence Costs.

21.2 If, in connection with an Insurance Contract, at any time the Company has paid or has agreed to pay Elective Defence Costs, the following provisions will apply to limit (but not to increase) the amount payable to the relevant Scheme Creditor under the Scheme in respect of any Established Scheme Liability so arising:

- (a) the Company must calculate:
 - (i) the Established Scheme Liability (which will include, for the avoidance of doubt, the amount of the Elective Defence Costs (less any amounts received from third parties on account of such costs) which the Company has paid or agreed to pay pursuant to clause 21.1); and
 - (ii) the amount which, but for the provisions set out below, would have been payable by the Company under the Scheme in respect of such Established Scheme Liability pursuant to clause 27.1(a) or clause 27.1(b) (as the case may be);
- (b) the amount payable by the Company under clause 27.1(a) must not exceed the amount by which the then current Payment Percentage of such Established Scheme Liability exceeds the amount of the Elective Defence Costs;
- (c) the amount payable by the Company under clause 27.1(b) must not exceed the amount by which the Payment Percentage (as increased) of such Established Scheme Liability exceeds the aggregate of:

- (i) the amount of that Established Scheme Liability which has actually been paid by the Company or is treated as having been discharged under clause 11.2 (disregarding, for these purposes, any amounts which the Company has paid or agreed to pay in respect of Elective Defence Costs); and
- (ii) the amount of the Elective Defence Costs.

21.3 Where the total amount of the Elective Defence Costs (including any disbursements and goods and services tax) exceeds the maximum amount recoverable under the relevant Insurance Contract the following will apply:

- (a) the Established Scheme Liability, in respect of which such payments of Elective Defence Costs have been made by the Company, will be deemed to have been paid in full under the Scheme (and the Insurance Contract) and the Scheme Creditor will not be entitled to any further payments under the Scheme (or the Insurance Contract) in respect of that Established Scheme Liability; and
- (b) the amount by which the Elective Defence Costs exceeds the maximum amount recoverable under the Insurance Contract will not be recoverable by the Company from the Scheme Creditor.

21.4 Notwithstanding the fact that the Company has made an Election to Defend and the Company has paid or agreed to pay the Elective Defence Costs, the Company may from time to time decide, subject to the terms of the relevant Insurance Contract, to revoke such Election to Defend. Subject to that, if the Company decides to revoke an Election to Defend:

- (a) unless the Company otherwise decides, the Company will not be responsible for the costs involved in defending the claim which are incurred after its decision to revoke the Election to Defend and any such costs incurred by the Scheme Creditor in defending the claim after such decision has been notified to that Scheme Creditor in accordance with this clause 21.4 will not constitute a Liability (save insofar as provided for under the relevant Insurance Contract);
- (b) the Company will remain liable to the lawyer or other adviser for the Elective Defence Costs incurred before and outstanding to be paid at the time when the decision to revoke the Election to Defend is taken by the Company and the legal adviser or other adviser is sent written notice by the Company of the termination of their instructions; and
- (c) the Company will notify (in writing) the Scheme Creditor affected as soon as practicable of its decision to revoke the Election to Defend and will notify the Scheme Creditor of the effect of such decision.

Part D – Application of assets during the Reserving Period

22 Application of Part D of this Scheme

- 22.1 The provisions of this Part only apply during the Reserving Period.
- 22.2 During the Reserving Period, the Scheme Assets will be applied in accordance with Part D in payment to Scheme Creditors in accordance with Part E.
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23 Accounts

- 23.1 The Company shall establish separate bank accounts for the receipt of each of:
- (a) Allocated Reinsurance Assets;
 - (b) Unallocated Reinsurance Assets that are assets in Australia; and
 - (c) Unallocated Reinsurance Assets that are not assets in Australia.
- 23.2 The Company will be entitled at any time to hold the Scheme Assets, or any or parts thereof on trust to apply the same in accordance with the terms of the Scheme, and the Company is authorised to execute any deed or document necessary or desirable to constitute or otherwise give effect to such trust arrangements.
- 23.3 Any trust constituted in accordance with clause 23.2 will determine upon the Scheme determining in accordance with clause 46. For the avoidance of doubt, the trust and the objects and conduct thereof will continue notwithstanding the occurrence of any Liquidation Event.
-

24 Application of assets in and out of Australia

- 24.1 Scheme Assets are to be applied as follows:
- (a) Allocated Reinsurance Assets are to be applied only in accordance with the applicable Exemption Decision;
 - (b) Unallocated Reinsurance Assets that are assets in Australia are to be applied only in payment of Established Scheme Liabilities that are liabilities in Australia until the Company has no liabilities in Australia, following which they may be applied to the payment of Established Scheme Liabilities that are outside Australia;
 - (c) Unallocated Reinsurance Assets that are not assets in Australia are to be applied:
 - (i) if the Company has Established Scheme Liabilities that are liabilities in Australia after application of clause 24.1(b), in the following order:
 - (A) first, in payment of Established Scheme Liabilities that are liabilities outside Australia until the same payment percentage with respect to Established Scheme Liabilities that are liabilities in Australia has been achieved; and

- (B) next, in payment pari passu and pro rata of Established Scheme Liabilities (whether in or outside Australia, in each case to the extent unpaid), until the Company has no Established Scheme Liabilities; or
 - (ii) if the Company has satisfied in full its Established Scheme Liabilities in Australia, in payment of Established Scheme Liabilities outside Australia;
 - (d) Unallocated Assets that are assets in Australia are to be applied only in payment pari passu and pro rata of Established Scheme Liabilities that are liabilities in Australia (to the extent unpaid after application of clauses 24.1(a) to (c), inclusive), until the Company has no liabilities in Australia, following which they may be applied pari passu and pro rata to the payment of Established Scheme Liabilities that are liabilities outside Australia; and
 - (e) Unallocated Assets that are not assets in Australia are to be applied in payment pari passu and pro rata of Established Scheme Liabilities, whether in or outside Australia (to the extent unpaid after application of clauses 24.1(a) to (d), inclusive).
- 24.2 Any assets remaining after all Scheme Liabilities have been paid in full will be applied in the following order:
- (a) first, in accordance with clause 27.3;
 - (b) second, in repayment of any Shareholder Funding in accordance with its terms; and
 - (c) third, will be available to the Company following termination of the Scheme and may be dealt with by the Company in accordance with the Company's constitution and otherwise at law.

Part E – Payments and Payment Percentages

25 Application of Part E of this Scheme

The provisions of this Part only apply during the Reserving Period.

26 Computation of Payment Percentages

- 26.1 The Scheme Advisers will, in accordance with the remaining provisions of this clause 26, determine the percentages of Established Scheme Liabilities that will be payable by the Company from time to time under this Scheme (**Payment Percentages**), by:
- (a) setting an initial **Payment Percentage**, which will be the Payment Percentage applied to all Scheme Liabilities:
 - (i) that are liabilities in Australia; and
 - (ii) that are not liabilities in Australia; and
 - (b) from time to time revising the Payment Percentages previously set by setting new Payment Percentages of a greater or lesser amount,
- in each case in accordance with the remaining provisions of this clause 26.
- 26.2 The Payment Percentages for a Scheme Liability that is a liability in Australia may differ from the Payment Percentage for a Scheme Liability that is not in Australia.
- 26.3 The Payment Percentage for a Scheme Liability for which there is an Allocated Reinsurance Asset may differ from the Payment Percentage applicable to any other Scheme Liability.
- 26.4 Before setting any Payment Percentages from time to time the Scheme Advisers will, for the purposes of the computation of Payment Percentages, estimate on a prudent basis:
- (a) all Scheme Liabilities that are:
 - (i) liabilities in Australia;
 - (ii) not liabilities in Australia;
 - (b) each Scheme Liability for which there is an Allocated Reinsurance Asset;
 - (c) all liabilities or potential liabilities of the Company in respect of Excluded Insurance Contracts;
 - (d) all liabilities or potential liabilities of the Company in respect of actual or potential Non-Scheme Liabilities;
 - (e) all liabilities or potential liabilities of the Company in respect of actual or potential liabilities for Scheme Costs;
 - (f) any Elective Defence Costs;
 - (g) the Scheme Assets (after making allowance for Non-Scheme Liabilities and excluding Excluded Assets) and classifying them as:

- (i) assets in Australia;
 - (ii) not assets in Australia;
 - (iii) Unallocated Assets;
 - (iv) Unallocated Reinsurance Assets;
 - (v) Allocated Reinsurance Assets (along with the Scheme Liability to which such asset is allocated);
- (h) future investment income derived from the Scheme Assets; and
- (i) any other liability or asset which the Scheme Advisers consider appropriate for the purpose of setting the Payment Percentages.

26.5 Subject to clause 26.7, the Scheme Advisers shall set or vary the Payment Percentages applicable for a period in respect of Established Scheme Liabilities with a view to ensuring that all the relevant Scheme Assets of the Company remaining after:

- (a) any Allocated Reinsurance Assets are applied towards the relevant Established Scheme Liabilities;
- (b) the Company has retained relevant Scheme Assets which it considers sufficient to enable it to comply with the provisions of clause 27 (by reference to the Payment Percentages at that rate) in relation to existing and anticipated Established Scheme Liabilities in Australia and outside Australia (as the case may be); and
- (c) the creation of the reserves referred to in clause 26.7(b),

will be distributed proportionately in respect of all the Established Scheme Liabilities and that period.

26.6 The Scheme Advisers, having regard to clause 26.8:

- (a) will set the initial Payment Percentages as soon as practicable after the Trigger Date and, in any event, no later than 90 days after the Trigger Date;
- (b) will consider in connection with each Review Date, whether the Payment Percentages should be revised and new Payment Percentages set; and
- (c) on each Review Date, will determine whether the Payment Percentages should be revised and new Payment Percentages set.

26.7 The Scheme Advisers will not set, or increase, Payment Percentages unless they consider, on the basis of the information and advice referred to in clause 26.9, that after:

- (a) the Company has, by reference to Payment Percentages at that rate, complied with the provisions of clause 27 in relation to all Established Scheme Liabilities owed by it as at the relevant Review Date; and
- (b) such reserves have been created by the Company as they consider to be prudent to enable the Company to meet its liabilities for Non-Scheme Claims and Scheme Costs as and when they fall due,

the Company will retain sufficient Liquid Assets to enable it to comply with the provisions of clause 27 (by reference to Payment Percentages at those rates) in

relation to all Scheme Liabilities which have become, or which the Scheme Advisers consider may become, Established Scheme Liabilities after the relevant Review Date.

- 26.8 If on considering the current Payment Percentages in accordance with clause 26.7 the Scheme Advisers consider that there are insufficient relevant Liquid Assets for such Payment Percentages to be set at that level whilst complying with the provisions of clause 26.7, they will reduce such Payment Percentages to such level as they consider appropriate.
- 26.9 No reduction made to the Payment Percentages in accordance with clause 26.8 will give rise to any obligation on the part of any Scheme Creditor to repay the difference between the amount which would be payable in respect of an Established Scheme Liability of such Scheme Creditor in accordance with such revised Payment Percentages and the amount actually paid to such Scheme Creditor in respect of such Established Scheme Liability under previously existing Payment Percentages.
- 26.10 For the purpose of setting the Payment Percentages as at the Trigger Date or in connection with a particular Review Date, the Scheme Advisers shall obtain and consider such financial or actuarial information and advice as the Scheme Advisers, following consultation with the Creditors' Committee, shall consider appropriate including information in relation to any Exemption Application which has been made to, or any Exemption Decision made by, the Scheme Advisers.

27 Payments to Scheme Creditors

- 27.1 Subject to clause 11 (Enforcement of Scheme Claims) and clause 48 (Scheme Costs), in respect of an Established Scheme Liability the Company will:
- (a) as soon as reasonably practicable, but in any event within 60 days following the later of the day on which it becomes an Established Scheme Liability and the date on which the initial Payment Percentages are set, pay to the relevant Scheme Creditor an amount equal to the applicable Payment Percentage(s) of such Established Scheme Liability; and
 - (b) as soon as reasonably practicable, but in any event within 60 days following any increase in the applicable Payment Percentage(s), pay to the relevant Scheme Creditor (whether or not the same person who received payment under clause 27.1(a)) a further amount equal to the difference between:
 - (i) the applicable Payment Percentage(s) (as increased) of such Established Scheme Liability; and
 - (ii) the amount of such Established Scheme Liability which has previously been discharged by the Company or is treated as having been discharged under clause 11.2.
 - (c) No amount is payable under clause 27.1(b) to the extent it is a De Minimis Amount.
- 27.2 If information becomes available to the Scheme Advisers concerning the financial position of the Company as a result of which they determine that they should set reduced Payment Percentages or which in their opinion would mean that Non-Scheme Liabilities would be likely not to be capable of being paid as they fall due, the Scheme Advisers will give notice of the same to the Company and the Company will suspend payments under clause 27.1 for such period (not

exceeding six months) that the Scheme Advisers consider appropriate. As soon as practicable, and in any event by the end of such period, the Scheme Advisers will set reduced Payment Percentages, or conclude that no such reduction is required, and continue to make payments under clause 27.1 accordingly.

27.3 Notwithstanding clause 14, if:

- (a) all liabilities of the Company in respect of Scheme Claims shall have become Established Scheme Liabilities and been paid in full (including for this purpose only liabilities for interest, other than Admissible Interest referred to in clause 14.1, which shall then become payable); or
- (b) the Scheme Advisers determine the Company does not have, and will not in future have, any Established Scheme Liabilities,

the Company will pay additional interest in respect of each such Established Scheme Liability in accordance with this Clause 27.3. The amount of such additional interest shall be an amount equal to the rate of interest as may be from time to time prescribed pursuant to section 563B of the Act on the unpaid amount of such Established Scheme Liability from time to time (such additional interest to be calculated on a daily basis from the later of the Effective Date and the date on which the Scheme Claim became an Established Scheme Liability up to the date of payment of such additional interest), provided that the amount of such additional interest shall not exceed the surplus assets of the Company after adequate provision has been made for all other liabilities of the Company (otherwise than in respect of share capital) in existence at the time of payment of such additional interest (and so that the amount of additional interest payable in respect of each such Established Scheme Liability shall, if necessary, be reduced pro rata accordingly).

27.4 If, at any time it appears to the Scheme Advisers that the Company has made payments on the basis of an estimate which turns out to be inaccurate or otherwise requires adjustment and, as a result, a particular Scheme Creditor has received, under one or more previous payments, an amount in excess of what the Scheme Creditor should have received, the Scheme Advisers shall be entitled to cause the Company to make appropriate adjustment by way of deduction from any subsequent payment to which the Scheme Creditor becomes entitled, irrespective of whether the payment is in respect of the same Established Scheme Liability and irrespective of the clause in Part H under which the subsequent payment is made.

27.5 Where, as a result of a change in law or a new interpretation by a court of the law (in either case which would affect the entitlement of a Scheme Creditor in a liquidation of the Company and which change or interpretation took effect on or after the Trigger Date), a Scheme Creditor has received a payment to which it is not entitled by reason of that change in law or interpretation, or has failed to receive a payment to which it would have been entitled having regard to that change in law or interpretation, the Scheme Advisers shall cause the Company to adjust any future distributions or payments so that, in so far only as the Scheme Assets then available permit them to do so, the relevant Scheme Creditor receives a payment in accordance with its entitlements in accordance with the law, taking account of that change in law or interpretation. Any such adjustment will not disturb any distributions already made by the Company.

27.6 Nothing in clause 26 or this clause 27 will be taken to reduce an Established Scheme Liability except to the extent of the payment and, any except to the extent of any such payment, such Established Scheme Liability shall be taken to remain until it is discharged in accordance with clause 46.

Part F – The Board

28 The Board generally

- 28.1 The Board will consist of such Directors validly appointed and in office from time to time pursuant to the Company's constitution.
- 28.2 The initial members of the Board will be the persons whose names are set out in clause 2.2.
- 28.3 Without prejudice to the Act and the provisions of the Company's constitution, a Director may be a creditor or a Scheme Creditor of the Company, or have an interest in a creditor or Scheme Creditor of the Company (whether by being a director or shareholder of such creditor or Scheme Creditor or otherwise), but will not be entitled to receive any confidential information relating to any matter where they, or the relevant creditor or Scheme Creditor, has an interest in conflict with the Company (whether in respect of carrying out their duties as a Director of the Company or otherwise).
- 28.4 The Company will ensure that its:
- (a) audited financial accounts (including for the 2022 / 2023 financial year); and
 - (b) half year financial accounts for the period ending December 31 of each year (and taking into account any actuarial assessment made by the Company's appointed actuary for such period),
- are uploaded onto the Company's website as soon as reasonably practicable each year after such accounts are available.

29 The Board during the Initial Scheme Period

During the Initial Scheme Period:

- 29.1 The Company must use all reasonable endeavours to ensure that:
- (a) the Board's composition complies with the Act and the Company's constitution and the Insurance Act; and
 - (b) so far as it is able, there are sufficient number of Directors in office at all times.
- 29.2 Directors may be appointed or dismissed in accordance with the Company's constitution and the Act.
- 29.3 At least every 6 months, commencing on the Effective Date, the Board will produce reports on the affairs of the Company and send the same to the Scheme Advisers and the Creditors' Committee and it will in addition from time to time notify the Scheme Advisers and the Creditors' Committee of any material circumstances which in its opinion might lead to it concluding that a Trigger Event should occur.
- 29.4 Subject to clauses 6.5 and 29.3, the management and control of the business and affairs of the Company will be carried on by the Board as provided for in the Company's constitution from time to time and as required by law and the Board will monitor the position of the Company and determine, in its discretion but

subject to this Scheme, if at any time it should conclude that a Trigger Event should occur.

30 The Board during the Reserving Period

During the Reserving Period:

- 30.1 The Company must use all reasonable endeavours to ensure that:
- (a) the Board's composition complies with the Act, the Company's constitution and the Insurance Act; and
 - (b) so far as it is able, there is a sufficient number of Directors in office at all times.
- 30.2 The Company will only be permitted to appoint or co-opt other persons to act as Directors following consultation with the Scheme Advisers and the Creditors' Committee.
- 30.3 The management and control of the business and affairs of the Company will continue to be carried on by the Board, subject to any delegation by the Board pursuant to clause 33.1(g) and the powers and functions of the Scheme Advisers, provided that nothing will relieve the Board from its duty to act in accordance with all applicable Prudential Laws.

31 Responsibilities and indemnity of the Board

- 31.1 If the Board, or any one or more of its members, acts, omits to act, or exercises any power conferred upon them in good faith and with due care in accordance with and to implement, or otherwise for the purposes of, this Scheme:
- (a) no Scheme Creditor will be entitled to challenge the validity of such act, omission to act or exercise of power; and
 - (b) such member will not be liable for any resultant loss except to the extent that it is attributable to their negligence, default, breach of duty, breach of trust, fraud or dishonesty.
- 31.2 Subject to the Act and to the Company's constitution, the Company will indemnify each Director for any costs incurred by them in any Proceeding:
- (a) that relates to liability for any act or omission in their capacity as a Director in the course of implementing this Scheme in accordance with its terms; and
 - (b) in which judgment is given in their favour, or in which they are acquitted, or which is discontinued.
- 31.3 Subject to the Act and to the Company's constitution, the Company will indemnify each Director in respect of any:
- (a) liability to any person other than the Company for any act or omission in their capacity as a Director in the course of implementing this Scheme in accordance with its terms; and
 - (b) costs incurred by that Director in defending or settling any claim or Proceeding relating to any such liability, not being criminal liability or liability in respect of a breach of the duty specified in section 181 of the Act.

- 31.4 Subject to the provisions of the Act and the Company's constitution, the Company may, during the Reserving Period, and following consultation with the Scheme Advisers, effect insurance for a Director in respect of any:
- (a) liability, not being criminal liability, for any act or omission in their capacity as a Director in the course of implementing this Scheme in accordance with its terms; or
 - (b) costs incurred by that Director in defending or settling any claim or Proceeding relating to any such liability; or
 - (c) costs incurred by that Director in defending any criminal Proceedings that have been brought against them in relation to any act or omission in their capacity as a Director in the course of implementing this Scheme in accordance with its terms and in which they are acquitted.

Part G – The Scheme Advisers

32 Appointment, resignation and removal of the Scheme Advisers

- 32.1 The initial Scheme Advisers will be Stephen Longley and Michael Fung, provided they have each executed a deed poll in substantially the same form as the Scheme Adviser Deed Poll in substantially the same form as Annexure A and delivered it to the Company no later than 5 Business Days prior to the Second Court Date.
- 32.2 A Scheme Adviser may resign their appointment at any time by giving not less than six months' notice (or such shorter period as the Creditors' Committee may agree) in writing to the Company and to the Creditors' Committee.
- 32.3 A Scheme Adviser ceases to be a Scheme Adviser if they:
- (a) cease to be qualified pursuant to section 411(7) of the Act;
 - (b) resign from office in accordance with clause 32.2;
 - (c) are removed from office by an order of the Court;
 - (d) cease, for any reason, to be a partner of PricewaterhouseCoopers, or takes or is placed on leave from their position for a period immediately prior to retirement from the partnership of PricewaterhouseCoopers and the Creditors' Committee resolves that the Scheme Advisers' appointment should terminate;
 - (e) become incapacitated through injury or illness which renders the Scheme Adviser incapacitated to such an extent that they are unfit or unlikely to be able to carry out their duties under this Scheme;
 - (f) become of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
 - (g) become bankrupt; or
 - (h) die.
- 32.4 Scheme Advisers may be removed from office and any other person qualified to act be appointed to be a Scheme Adviser in their place and/or as additional Scheme Adviser(s) by a resolution passed by Scheme Creditors at a meeting convened at the request of the Creditors' Committee (approved by a majority in number, representing at least 50% in value, of Scheme Creditors present and voting at the meeting).
- 32.5 Upon removal of a Scheme Adviser, or if a Scheme Adviser ceases to hold office for any other reason, the Creditors' Committee will be entitled to appoint any other person qualified to act to be a Scheme Adviser in their place. Any such appointment must be in accordance with clause 32.7.
- 32.6 Following the appointment of a Scheme Adviser by the Creditors' Committee pursuant to clause 32.4, a resolution requiring ratification of such appointment will be proposed at the next meeting of the Scheme Creditors (which the Scheme Advisers must convene as soon as practicable), but until such resolution has

been passed or rejected by the relevant meeting such Scheme Adviser will have full power to act as a Scheme Adviser.

- 32.7 A person may only be appointed as a Scheme Adviser under this Scheme if that person has executed and delivered to the Company a duly signed copy of the Scheme Adviser Deed Poll in substantially the same form as Annexure A.
- 32.8 Where more than one person has been appointed as a Scheme Adviser, the functions and powers of the Scheme Advisers under this Scheme may be performed and exercised jointly or severally and any act required to be done by the Scheme Advisers pursuant to this Scheme may be done by all or any one or more of them.
- 32.9 The Scheme Advisers from time to time constitute persons “administering the compromise or arrangement” that constitutes the Scheme for the purposes of the Act (including sections 411(9) and 599 of the Act).

33 Functions, powers and duties of the Scheme Advisers during the Initial Scheme Period

- 33.1 During the Initial Scheme Period, the Scheme Advisers will, and will be entitled to:
- (a) have full access to the books and records of the Company and receive all such information as they may require in relation to its affairs;
 - (b) monitor the Company’s financial position;
 - (c) meet with the Board every month to discuss the affairs of the Company;
 - (d) receive notice of, attend, chair and speak at all meetings of the Creditors’ Committee;
 - (e) be remunerated for carrying out their functions and powers under this Scheme and for all expenses reasonably and properly incurred by them in connection with the exercise of such functions and powers;
 - (f) report as required to APRA and ASIC in relation to the Company’s financial position and possible Trigger Events;
 - (g) employ any person to assist them in the performance or exercise of the functions, powers, rights, authorities and discretions conferred upon the Scheme Advisers under this Scheme (**Delegate**) and from time to time revoke any such delegation, provided that such person is a partner or staff in the same firm as the Scheme Advisers;
 - (h) engage and remunerate (with the approval of the Board) accountants, actuaries, lawyers and other professional advisers or agents whether in Australia or other jurisdictions provided such engagement is necessary for the purpose of performing their functions and powers under this Scheme; and
 - (i) do all other things incidental to the exercise of the functions and powers contemplated by this clause 33.

- 33.2 Except as expressly provided, in exercising or performing any of their duties, obligations, responsibilities or powers under the Scheme, the Scheme Advisers are taken not to act as, nor to have any of the duties of, a trustee.

34 Functions, powers and duties of the Scheme Advisers during the Reserving Period

- 34.1 With immediate effect from the Trigger Date, in addition to their rights, powers and duties in clause 33, Scheme Advisers will:
- (a) determine the Payment Percentages in accordance with clause 26;
 - (b) assist the Board as reasonably required by the Board in relation to the conduct of the Company's business and the implementation of the Scheme;
 - (c) report to the Creditors' Committee as reasonably required by the Creditors' Committee in relation to the conduct of the Company's business and the implementation of the Scheme;
 - (d) be remunerated, in accordance with the approval of the Creditors' Committee pursuant to clause 39.3(b) from time to time, for the carrying out of such functions and powers and to be reimbursed for all expenses reasonably and properly incurred by them in connection with the exercise of such functions and powers;
 - (e) on a date not later than the first anniversary of the Effective Date and within 3 months of each subsequent anniversary of the Effective Date (or such other date as the Scheme Advisers may determine following consultation with the Creditors' Committee), submit to the Creditors' Committee a report on:
 - (i) the conduct of the affairs of the Company and the operation of the Scheme during the period since the last such report was prepared; and
 - (ii) if the Trigger Date has occurred prior to delivery of that report, whether they recommend a Special Meeting should be convened to approve the procedure in clause 50;
 - (f) together with the Company, each appoint a representative to attend any meeting of the Creditors' Committee at which a report prepared in accordance with clause 34.1(e) is considered to provide such explanations and information as the Creditors' Committee may require;
 - (g) provide a copy of each report produced pursuant to clause 34.1(e) free of charge to Scheme Creditors, incorporating such amendments (if any) as the Scheme Advisers and the Creditors' Committee may agree;
 - (h) (or the Company, as applicable) promptly supply such information as is reasonably requested by or on behalf of the Creditors' Committee pursuant to clause 39.3(e);
 - (i) subject to their duties under this Scheme use reasonable endeavours to respond to such questions or to comply with any such request for a meeting pursuant to clause 39.3(f);
 - (j) perform any other functions as reasonably required by the Creditors' Committee from time to time; and

- (k) be entitled do all other things incidental to the exercise of the functions and powers contemplated by this clause 34.
- 34.2 As soon as reasonably practicable following the Trigger Date, the Scheme Advisers must ensure (or must procure) that a review of any potential causes of action which might be available in an insolvent liquidation of the Company is carried out and that the results of such review are reported to the Creditors' Committee.
- 34.3 If deemed necessary, and after consultation with the Creditors' Committee, subject to applicable law, the Company may be put into liquidation so that such causes of action can be readily pursued. The Scheme will, however, survive the Company being put into Liquidation.
- 34.4 The Scheme Advisers must consult with, and take account of (but are not bound by) the views expressed by, the Creditors' Committee on any matter material to this Scheme (which for the avoidance of doubt includes setting and revising Payment Percentages pursuant to clause 26) when carrying out their functions and exercising their powers and duties under this Scheme during the Reserving Period.
- 34.5 Notwithstanding anything to the contrary in clause 34.1, neither the Scheme Advisers nor the Company will be obliged to disclose any of the Company's confidential information to a Committee Member if the information relates to a matter where such member or the Appointor(s) that the member represents has an interest in conflict with the Company, other than a general conflict arising solely as a result of the status of the Committee Members (or their respective Appointors) as creditors of the Company.

35 Responsibility and indemnity of the Scheme Advisers

- 35.1 The Scheme Advisers must:
- (a) act bona fide and with due care and diligence in the interests of Scheme Creditors as a whole in carrying out their functions and exercising their powers under this Scheme; and
 - (b) use their powers under this Scheme for the purpose of ensuring that this Scheme is operated in accordance with its terms.
- 35.2 Subject to the Act and so far as the law permits, if the Scheme Advisers act, or omit to act, or exercise any power conferred upon them in good faith and with due care in accordance with and to implement, or otherwise for the purposes of, this Scheme:
- (a) no Scheme Creditor will be entitled to challenge the validity of such act, omission to act or exercise of power; and
 - (b) the Scheme Advisers will not be liable for any resultant loss except to the extent that it is attributable to their own negligence, default, breach of duty, breach of trust, fraud or dishonesty (or to that of any Employee or Delegates).
- 35.3 Subject to the Act and so far as the law permits, if any Employee or Delegate acts, or omits to act, in good faith and with due care in accordance with and to implement, or otherwise for the purposes of, this Scheme:
- (a) no Scheme Creditor will be entitled to challenge the validity of such act or omission to act; and

- (b) the Employee or Delegate will not be liable for any resultant loss except to the extent that it is attributable to their own negligence, default, breach of duty, breach of trust, fraud or dishonesty.
- 35.4 Subject to the Act and to the Company's constitution, the Company will indemnify each Scheme Adviser (and each Employee and Delegate) for any costs incurred by them in any Proceeding:
- (a) that relates to liability for any act or omission in their capacity as a Scheme Adviser, Employee or Delegate in the course of implementing the Scheme, or arising from, their conduct in respect of this Scheme in accordance with its terms; and
- (b) in which judgment is given in their favour, or in which they are acquitted, or which is discontinued,
- unless attributable to fraud, gross negligence, wilful misconduct or breach of trust.
- 35.5 Subject to the Act, each Scheme Adviser (in their capacity as such) (and each Employee and Delegate) shall be entitled to an indemnity out of the assets of the Company against:
- (a) all actions, claims, proceedings and demands brought or made against such Scheme Adviser (or Employee or Delegate) in respect of any act done or omitted to be done by such Scheme Adviser (or Employee or Delegate) in good faith without negligence, default, breach of duty, breach of trust, fraud or dishonesty in the course of implementing the Scheme in accordance with its terms;
- (b) any liability of the Company incurred by the Company in the course of implementing the Scheme; and
- (c) all expenses and liabilities properly incurred by such Scheme Adviser (or Employee or Delegate) in carrying out that person's functions and powers (or the functions for which such Employee is employed by the Scheme Adviser or any Delegate) in the course of implementing this Scheme in accordance with its terms.
- 35.6 Without prejudice to the generality of clause 35.5, each such person as is expressed to be entitled to an indemnity in accordance with that clause (in the capacity in which that person is entitled to such an indemnity) shall be entitled to an indemnity out of the assets of the Company:
- (a) against any Liability incurred by them in defending any proceedings, whether civil or criminal, in respect of any negligence, default, breach of duty, breach of trust, fraud or dishonesty in which judgment is given in their favour or in which that person is acquitted; or
- (b) in connection with any application in any such proceedings in which relief is granted to them by a court from Liability for negligence, default, breach of duty, breach of trust, fraud or dishonesty in relation to the affairs of the Company.
- 35.7 Subject to the provisions of the Act and the Company's constitution, and during the Reserving Period following consultation with the Scheme Advisers and the Creditors' Committee, the Company may (with the prior approval of the Board) effect insurance for a Scheme Adviser, Employee or Delegate in respect of any:
- (a) liability, not being criminal liability, for any act or omission in their capacity as a Scheme Adviser, Employee or Delegate in the course of

implementing the Scheme, or arising from, their conduct in respect of this Scheme in accordance with its terms; or

- (b) costs incurred by that Scheme Adviser, Employee or Delegate in defending or settling any claim or Proceeding relating to any such liability; or
- (c) costs incurred by that Scheme Adviser, Employee or Delegate in defending any criminal Proceedings that have been brought against the Scheme Adviser, Employee or Delegate in relation to any act or omission in their capacity as a Scheme Adviser, Employee or Delegate in the course of implementing the Scheme, or arising from, their conduct in respect of this Scheme in accordance with its terms and in which they are acquitted.

Part H – The Creditors’ Committee

36 Constitution of the Creditors’ Committee

- 36.1 From the Effective Date, the Company will use reasonable endeavours to ensure that there is a Creditors’ Committee under the Scheme.
- 36.2 The Company will use reasonable endeavours to ensure that the Creditors’ Committee is constituted so as to be representative of categories and geographies of Scheme Creditors.
- 36.3 The Company will use reasonable endeavours to ensure that the Creditors’ Committee consists of not less than 3 nor more than 10 individuals (each a **Committee Member**) each of whom:
- (a) is, at all times:
 - (i) a Scheme Creditor; or
 - (ii) a person holding a general power of attorney from one or more Scheme Creditors; or
 - (iii) an authorised representative of one or more Scheme Creditors; and
 - (b) has executed and delivered to the Company a duly signed Committee Member Deed Poll in substantially the same form as Annexure B.
- 36.4 Any Committee Member may, by notice in writing to the Creditors’ Committee, appoint any person qualified to act as a Committee Member as their alternate to attend and vote at any meeting of the Creditors’ Committee in their place. Such alternate will have the same powers and be subject to the same duties and limitations as the Committee Member who has appointed them.
- 36.5 Any person entitled to appoint an alternate under clause 36.4 may, by notice in writing to the Creditors’ Committee, from time to time revoke such appointment and appoint another person qualified to act as that Committee Member’s alternate.

37 Membership of the Creditors’ Committee

- 37.1 The initial Creditors’ Committee will consist of Michael Cooper, Christopher Mackenzie, John Loy, Tim O’Leary, Geoff Officer, David Penney, Alison Brown and Andrea Fogarty.
- 37.2 The Creditors’ Committee may, with the agreement of the Company, resolve in a meeting by at least two thirds of the members present, to appoint any eligible person to be a member, either to fill a vacancy or as an additional member, subject to:
- (a) the maximum number of members provided for in clause 36.3; and
 - (b) a resolution requiring ratification of such appointment being put before the next meeting of the Scheme Creditors, pending which such appointee will have full power to act as a Committee Member.
- 37.3 The Scheme Creditors in a meeting may, with the agreement of the Company or, during the Reserving Period, the Scheme Advisers by at least two thirds of

members present, remove any Committee Member from office, subject to the minimum number of members provided for in clause 36.3.

37.4 A Committee Member will automatically cease to be a member of the Creditors' Committee if they:

- (a) cease to be, or is found never to have been, qualified to act as a Committee Member in accordance with clause 36.3;
- (b) resign by notice in writing addressed to the Creditors' Committee;
- (c) die;
- (d) become bankrupt;
- (e) are, or are deemed to be, mentally incapacitated;
- (f) without the leave of the Creditors' Committee, fail to attend three consecutive meetings of the Creditors' Committee and the Creditors' Committee resolves, by a majority of two thirds of the members present, to remove them; or
- (g) are removed by resolution at a meeting of the Scheme Creditors in accordance with clause 37.3,

or if the Scheme Creditor that they represent is dissolved, struck off or has a liquidator, administrator, receiver or statutory or judicial manager appointed.

37.5 Whenever there is a proposed change in the composition of the Creditors' Committee, the Creditors' Committee (in consultation with the Scheme Advisers and, during the Initial Scheme Period, the Company) will endeavour to ensure that such composition will between the Committee Members secure a proper balance of the interests of the Scheme Creditors.

38 Meetings of the Creditors' Committee

38.1 Subject to the provisions of this Scheme:

- (a) the Scheme Advisers will chair all meetings of the Creditors' Committee unless otherwise requested by the Creditors' Committee; and
- (b) the Creditors' Committee may convene, adjourn and otherwise regulate its meetings as it considers appropriate.

38.2 The quorum of any meeting of the Creditors' Committee will be at least 50 per cent of its members from time to time, provided that if a quorum is not present within half an hour from the time appointed for a meeting, or if during a meeting such a quorum ceases to be present, the meeting will stand adjourned to such time and place as may be determined by the majority of members present and the members present at any such adjourned meeting will constitute a quorum.

38.3 Each Committee Member will have one vote and, except as otherwise provided in this Scheme, matters arising at a meeting will be decided by a majority of

votes cast at the meeting. In the case of equality of votes, the Company's representative under clause 38.9 shall have a casting vote.

- 38.4 During the Initial Scheme Period, the Creditors' Committee will meet in accordance with clauses 38.6 to 38.9 as it considers desirable for the purpose of performing its functions under this Scheme during that period.
- 38.5 During the Reserving Period, the Creditors' Committee will meet for the purpose of receiving a report from the Scheme Advisers on the progress of this Scheme as referred to in clause 34.1(e) and will hold such other meetings in accordance with clauses 38.6 to 38.9 as it considers desirable for the purpose of performing its functions under this Scheme during that period.
- 38.6 The Scheme Advisers will convene a meeting of the Creditors' Committee:
- (a) if reasonably required by any Committee Member; or
 - (b) at any other time that the Company or the Scheme Advisers consider appropriate.
- 38.7 Except with the consent of all Committee Members and, during the Initial Scheme Period, the Company, no meeting of the Creditors' Committee may be called on less than 14 days' notice and, except with the consent of all Committee Members, no business may be transacted at any such meeting other than that set out in the notice of that meeting.
- 38.8 Each Committee Member, the Company and the Scheme Advisers will be entitled to attend and will receive notice of all meetings of the Creditors' Committee.
- 38.9 The Company must be represented at all meetings of the Creditors' Committee by one Director or a member of its senior management team duly appointed by the Board. Any such duly appointed Director or member of its senior management team and the Scheme Advisers (or their respective representatives) will be entitled to attend, but, subject to clause 38.3, not to vote, at all meetings of the Creditors' Committee.
- 38.10 The Scheme Advisers must ensure proper minutes are kept of all meetings of the Creditors' Committee and must, subject to clause 40.4, be open to inspection at all reasonable times by any Committee Member.
- 38.11 All or any of the Committee Members, the Company and the Scheme Advisers may participate in a meeting of the Creditors' Committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting. A person so participating will be deemed to be present in person at the meeting and will, in the case of a Committee Member, be entitled to vote or be counted in a quorum accordingly.
- 38.12 A resolution executed by all the Committee Members for the time being, in each case who would have been entitled to vote on the matter had it been proposed as a resolution at a meeting of the Creditors' Committee, will be as valid and effectual as if it had been passed at a meeting of the Creditors' Committee, which in every case was duly convened and held.
- 38.13 For the purposes of a resolution in writing under clause 38.12:
- (a) a resolution must consist of one or more written instruments (including emails) or one or more communications by electronic means sent to an address specified for the purpose by or on behalf of the Creditors' Committee from time to time, provided that each such written instrument

and communication by electronic means (if more than one) is to the same effect;

- (b) a written instrument is executed when the person executing it signs it;
- (c) a communication by electronic means is executed when the person executing it sends it provided that it has been authenticated in such manner (if any) as the Creditors' Committee may prescribe from time to time;
- (d) the members need not execute the same written instrument or electronic communication; and
- (e) a resolution will be effective when the Scheme Advisers certify that sufficient evidence has been received that the resolution has been executed in accordance with clause 38.12 and this clause 38.13.

39 Functions of the Creditors' Committee

39.1 During the Initial Scheme Period the Creditors' Committee will:

- (a) monitor the carrying out of this Scheme by the Company; and
- (b) be entitled to receive from the Company reports on its affairs in accordance with clause 29.3.

39.2 During both the Initial Scheme Period and during the Reserving Period the Creditors' Committee will:

- (a) so far as it is able, ensure that there is a Scheme Adviser in office at all times;
- (b) have the powers as provided in clause 32.4 to appoint a replacement Scheme Adviser if a Scheme Adviser ceases to hold office, in accordance with the provisions of that clause;
- (c) consider and, if thought fit, approve or agree (as relevant):
 - (i) any Delegate proposed by the Scheme Advisers in accordance with clause 33.1(g);
 - (ii) to request the Scheme Advisers to perform additional functions in respect of the implementation of the Scheme; and
 - (iii) any proposal to terminate this Scheme pursuant to clause 46.1(d),

and the Creditors' Committee may, with the consent of the Company or, during the Reserving Period, the Scheme Advisers, delegate such consideration and approval or agreement to one or more of its members to act on its behalf; and

- (d) consult with the Scheme Advisers in relation to any modification of this Scheme pursuant to clause 49.2.

39.3 During the Reserving Period:

- (a) the Creditors' Committee must monitor the Scheme Advisers in the exercise of their functions under this Scheme;

- (b) the Creditors' Committee must consider and, if thought fit, approve or agree (such approval not to be unreasonably withheld or delayed), on behalf of the Company the level and payment of the fees and expenses of the Scheme Advisers from time to time, and the Scheme Advisers must provide all information requested by the Creditors' Committee in relation to such consideration;
- (c) the Creditors' Committee may, with the consent of the Scheme Advisers, delegate such consideration and approval or agreement to one or more of its members to act on its behalf;
- (d) the Creditors' Committee must consult with the Scheme Advisers and the Company as requested in relation to any proposed investment of any monies pursuant to clause 18.2 otherwise than in accordance with the Investment Policy;
- (e) the Creditors' Committee may from time to time resolve what further information it is desirable to seek from the Scheme Advisers or the Company concerning the affairs of the Company and/or the operation of this Scheme, and may depute to any one Committee Member to apply in writing to the Scheme Advisers for, and to receive, such information; and
- (f) each Committee Member will be entitled to raise questions or to request a meeting with the Scheme Advisers at any time in connection with the performance of their responsibilities as a Committee Member.

40 Duties of the Creditors' Committee

- 40.1 Each Committee Member and their respective alternates must, in performing their functions as Committee Members in relation to the Company, act bona fide in the interests of the Scheme Creditors as a whole.
- 40.2 Each:
- (a) Committee Member who is in any way interested, directly or indirectly; or
 - (b) Committee Member whose Appointors (or any one of them) are in any way interested, directly or indirectly,
- in a contract or proposed contract with the Company (other than a contract arising as a result of the provisions of this Scheme) will be under a duty to declare the nature of such interest at a meeting of the Creditors' Committee.
- 40.3 For the purposes of clause 40.2 a general notice given to the Creditors' Committee to the effect that a member or an Appointor is a related entity (within the meaning of the Act) of a specified company and is to be regarded as interested in any contract with that company or firm is deemed a sufficient declaration of interest in relation to any such contract.
- 40.4 A Committee Member in respect of whom the duty to declare an interest in a contract, or proposed contract, with the Company arises under clause 40.2:
- (a) will not be counted in the quorum at the meeting(s), or parts of such meeting(s) during which the matter is discussed and voted upon;
 - (b) will not be entitled to vote in relation to any matter relating specifically to any such contract;
 - (c) must retire from the meeting for so long as the matter is discussed and voted upon; and

- (d) notwithstanding the rights of Committee Members to inspect minutes of its meetings pursuant to clause 38.10, must not receive any information, nor be entitled to inspect any part of the minutes of a meeting of the Creditors' Committee relating to such matter.
- 40.5 Subject to clauses 40.6 and 40.7, each Committee Member will be entitled to report to their Appointor(s) on the proceedings of the Creditors' Committee and, so far as necessary for this purpose, to disclose the Company's confidential information to those officers, employees and professional advisers of any such Appointor(s) who need to know it in connection with the Committee Member's performance of their responsibilities as a Committee Member.
- 40.6 No information may be disclosed by a Committee Member to their Appointor(s) that to their knowledge (after due enquiry) relates to any matter where any such Appointor has an interest in conflict with the Company (other than a general conflict arising solely as a result of the status of the Committee Members or their respective Appointors as creditors of the Company).
- 40.7 Each Committee Member must, and must procure that their respective Appointors (and Appointors' officers and employees) and professional advisers preserve the confidentiality of any such information of the Company and use such information only for the purposes of performing their responsibilities and functions in relation to the Creditors' Committee.
- 40.8 Without limiting clauses 40.2 to 40.4 (inclusive), in performing their roles as Committee Members, each Committee Member must:
- (a) perform its obligations and duties under this Scheme; and
 - (b) make any decision, determination or agreement, and take (or omit to take) any other action, in each case on its merits,
- and with regard to:
- (i) the purpose of the Scheme as set out in clause 3; and
 - (ii) the best interests of Scheme Creditors as a whole.

41 Responsibilities and indemnity of Creditors' Committee

- 41.1 If the Committee Members (or any alternates) act, or omit to act, or exercise any power conferred upon them in good faith and with due care in accordance with and to implement, or otherwise for the purposes of, this Scheme:
- (a) no Scheme Creditor will be entitled to challenge the validity of such act, omission to act or exercise of power; and
 - (b) the Committee Members will not be liable for any resultant loss except to the extent that it is attributable to their own wilful default, fraud, dishonesty or wilful breach of duty or trust.
- 41.2 Subject to the Act and to the Company's constitution, the Company must indemnify each Committee Member for any costs incurred by them in any Proceeding:
- (a) that relates to liability for any act or omission in their capacity as a Committee Member in the course of implementing this Scheme or arising from conduct in respect of this Scheme in accordance with its terms; and

- (b) in which judgment is given in their favour, or in which they are acquitted, or which is discontinued.
- 41.3 Subject to the Act and to the Company's constitution, the Company must indemnify each Committee Member in respect of any:
 - (a) liability to any person other than the Company for any act or omission in their capacity as a Committee Member in the course of implementing this Scheme or arising from conduct in respect of this Scheme in accordance with its terms; and
 - (b) costs incurred by that Committee Member in defending or settling any claim or Proceeding relating to any such liability, not being criminal liability or liability in respect of a breach of the duty specified in section 181 of the Act.
- 41.4 Subject to the provisions of the Act and the Company's constitution, and during the Reserving Period following consultation with the Scheme Advisers and the Creditors' Committee, the Company may (with the prior approval of the Board) effect insurance for a Committee Member in respect of any:
 - (a) liability, not being criminal liability, for any act or omission in their capacity as a Committee Member in the course of implementing this Scheme or arising from conduct in respect of this Scheme in accordance with its terms; or
 - (b) costs incurred by that Committee Member in defending or settling any claim or Proceeding relating to any such liability; or
 - (c) costs incurred by that Committee Member in defending any criminal Proceedings that have been brought against the Committee Member in relation to any act or omission in their capacity as a Committee Member in the course of implementing this Scheme in accordance with its terms and in which they are acquitted.

42 Validation of acts of the Creditors' Committee

Notwithstanding that it is subsequently discovered that there is any defect in the appointment of a Committee Member, or of an alternate, or that any of them were disqualified, all acts done by such persons acting in such capacities will be valid as if every such person had been duly appointed and qualified.

43 Expenses of the Creditors' Committee

Each Committee Member and their respective alternates will be entitled to be reimbursed by the Company for their reasonable expenses of attending meetings of the Creditors' Committee, provided that such meetings are held in Melbourne or in such other place as the Company may from time to time agree with the Creditors' Committee.

44 Insufficient members of the Creditors' Committee

- 44.1 If at any time there are less than 3 Committee Members:
 - (a) the Creditors' Committee may continue to exercise all its functions under this Scheme for a period of 28 days, other than those functions provided for in the following clauses, which will not be exercised:

- (i) clause 26 (computation of Payment Percentages);
- (ii) clause 32.3 (appointing a replacement for Scheme Advisers);
and
- (iii) clause 46 (termination of this Scheme),

and during such 28 day period the remaining Committee Members will endeavour to fill the vacancies;

- (b) if the remaining Committee Members fail to fill the vacancies within such 28 day period, the Company will, within a further period of 14 days, appoint such additional members from the Scheme Creditors (**Interim Appointees**) as are required to fill such vacancies;
- (c) when appointing any Interim Appointees, the Company will endeavour to ensure that the composition of the Creditors' Committee, including such Interim Appointees, secures a proper balance of the interests of the Scheme Creditors as between themselves in relation to the Company;
and
- (d) if such vacancies are filled, whether by appointees of the Creditors' Committee or by Interim Appointees, the full powers and functions of the Creditors' Committee under this Scheme will be restored, provided that no Interim Appointee will be entitled to vote in relation to any resolution to appoint an additional member of the Creditors' Committee.

44.2 Whilst any Interim Appointees are appointed as Committee Members from time to time pursuant to clause 44.1:

- (a) the Committee Members (excluding any such Interim Appointees) must use their reasonable endeavours to fill any vacancy held by such an Interim Appointee as soon as possible; and
- (b) any such Interim Appointee will be liable to be removed as Committee Members at any time without notice if the Creditors' Committee (excluding any such Interim Appointees) appoints a Scheme Creditor to fill the vacancy which had been filled by such Interim Appointee.

44.3 If, following the procedure set out in clause 44.1, there are still less than 3 Committee Members (including any Interim Appointees appointed pursuant to clause 44.1) then until there are 3 or more such members the Creditors' Committee will not exercise any functions or have any powers under this Scheme and the following provisions will apply:

- (a) the Company or, during the Reserving Period, the Scheme Advisers must use all reasonable endeavours to find additional Committee Members to enable the Creditors' Committee to regain its functions and powers;
- (b) a Scheme Adviser may resign under clause 32.2, and a new Scheme Adviser may only be appointed in their place, at a meeting of the Scheme Creditors pursuant to a resolution proposed by the Company or, during the Reserving Period, the Scheme Advisers;
- (c) the remuneration of the Scheme Advisers will be payable at the same rate as last set by the Creditors' Committee, except to the extent varied by the Scheme Creditors, and where no such rate has been previously set by the Creditors' Committee, at a rate set by resolution at a meeting of the Scheme Creditors; and

- (d) the requirement to obtain the consent, approval or agreement of, or for consulting with or notifying or providing reports to the Creditors' Committee under this Scheme will be modified so that such consent, approval or agreement from, consultation with, notification or provision of reports to, will instead be from, with or to the Scheme Creditors or a meeting of the Scheme Creditors (as appropriate).

Part I – Meetings of Scheme Creditors

45 Convening of meetings of Scheme Creditors

- 45.1 Meetings of Scheme Creditors may (and, in the case of clause 45.1(b), must) be convened in accordance with the Act, the Regulations and the Rules (with such modifications as are necessary to give effect to this Scheme but without, for the avoidance of doubt, proposing another compromise or arrangement) from time to time by the Company or the Scheme Advisers:
- (a) to consider resolutions for:
 - (i) the remuneration of the Scheme Advisers pursuant to clause 44.3(c);
 - (ii) consent, approval or agreement of, or for consulting with the Scheme Creditors in place of the Creditors' Committee pursuant to clause 44.3(d);
 - (iii) removal of the Scheme Advisers;
 - (iv) the termination of this Scheme pursuant to clause 46.1(e);
 - (v) the modification of this Scheme as contemplated by clause 49.3; or
 - (vi) any other reason or matter; or
 - (b) if requested to do so by:
 - (i) the Creditors' Committee; or
 - (ii) Scheme Creditors holding Scheme Claims with more than 25% in value of the total Scheme Claims.
- 45.2 The Company (or failing the Company, the Scheme Advisers) will, if recommended by the Scheme Advisers in any report delivered on or after the Trigger Date in accordance with clause 34.1(e)(ii), convene a Special Meeting of the Scheme Creditors in accordance with the Act, the Regulations and the Rules (with such modifications as are necessary to give effect to this Scheme but without, for the avoidance of doubt, proposing another compromise or arrangement) for the Scheme Creditors to consider the resolutions contemplated by clause 50 of this Scheme.
- 45.3 The Scheme Advisers shall act as Chairman of any meeting of Scheme Creditors convened pursuant to the Scheme.
- 45.4 Where there is any inconsistency between the Act, the Regulations and the Rules and this Scheme, the Scheme will prevail.

Part J – Duration of the Scheme

46 Termination events

- 46.1 This Scheme will terminate:
- (a) immediately if a Statutory Manager or Judicial Manager is appointed in respect of the Company and the Statutory Manager or Judicial Manager issues a written notice to the Company electing to not continue the Scheme (unless the Scheme has been terminated by the appointment in accordance with applicable law);
 - (b) immediately if all the Scheme Liabilities of the Company have been discharged in full;
 - (c) 90 days after the last to occur of:
 - (i) all of the Scheme Assets having been distributed in accordance with the Scheme; and
 - (ii) the Scheme Advisers issuing a notice to Scheme Creditors that all of the Scheme Assets have been distributed pursuant to the Scheme;
 - (d) if the Company, with the approval of the Creditors' Committee and the Scheme Advisers, gives notice to all Scheme Creditors that it has been determined after due enquiry that this Scheme is no longer in the best interests of the Scheme Creditors as a whole and that the Company should be wound up (in which case this Scheme will terminate on the date set out in such notice or, if no such date is set out, on the date the notice is delivered or taken to be delivered in accordance with clause 51.2);
 - (e) if a resolution that this Scheme should be terminated and the Company should be wound up is passed by more than 50% in number, representing not less than 75% in value, of Scheme Creditors present and voting at a meeting of the Scheme Creditors (in which case this Scheme will terminate on the date so resolved or, if no such date is resolved, on the date the resolution is passed); or
 - (f) if the Court makes an order that the Scheme be terminated (in which case this Scheme will terminate on the date so ordered or, if no such date is ordered, on the date the order is made).
- 46.2 If this Scheme terminates the following provisions apply:
- (a) termination will not prejudice any right or obligation which has arisen under this Scheme as a result of an act or omission prior to such termination, including any right to an indemnity out of the assets of the Company as a result of an act or omission that took place, or expenses which were incurred, prior to termination;
 - (b) the provisions of this clause 46.2 continue in full force and effect;
 - (c) immediately upon the occurrence of a termination pursuant to clause 46.1(c), the Company will be fully and finally released from all Scheme Liabilities and all such Scheme Liabilities will be deemed to have been paid in full except to the extent that clause 46.2(e) applies;

- (d) as soon as practicable following termination, the Company or the Scheme Advisers must cause notices stating that this Scheme has terminated to be placed in such newspaper(s) as the Company or the Scheme Advisers consider appropriate for one day a week for three consecutive weeks following termination; and
- (e) if this Scheme is terminated in accordance with clause 46.1(c), notwithstanding such termination, if any assets which, but for such Termination, would have been Scheme Assets are recovered or otherwise come into the possession of the Company, its agents or any External Administrator, such assets shall be applied as if such termination had not occurred.

47 Effect of Liquidation Event

- 47.1 Unless this Scheme has terminated in accordance with clause 46.1, this Scheme will not terminate and will continue in full force and effect if the Company becomes subject to a Liquidation Event or some other process pursuant to Chapter 5 of the Act to the maximum extent possible under applicable law.
- 47.2 If there is a conflict or inconsistency between the provisions of this Scheme and the provisions of the Act as they apply to the Company following the Liquidation Event or the commencement of any other process pursuant to Chapter 5 of the Act, for the purposes of this Scheme its provisions prevail.
- 47.3 If the Company becomes subject to a Liquidation Event either before or after this Scheme is terminated in accordance with clause 46.1, the Scheme Assets of the Company (to the extent not subject to a Security Interest) will be applied in discharge of its liabilities in the following order of priority (and rateably within each such category):
- (a) first:
 - (i) Allocated Reinsurance Assets are to be applied to the relevant Scheme Liability only in accordance with the applicable Exemption Decision;
 - (ii) Unallocated Reinsurance Assets that are Assets in Australia are to be applied only in payment of Established Scheme Liabilities and liabilities in respect of any Excluded Insurance Contracts in each case that are liabilities in Australia (until the Company has no liabilities in Australia, following which they may be applied to the payment of Established Scheme Liabilities and liabilities in respect of Excluded Insurance Contracts in each case that are outside Australia); and
 - (iii) Unallocated Reinsurance Assets that are not assets in Australia are to be applied:
 - (A) if the Company has Established Scheme Liabilities that are liabilities in Australia after application of clause 47.3(a)(ii), in the following order:
 - (aa) first, in payment of Established Scheme Liabilities and liabilities in respect of any Excluded Insurance Contracts in each case that are liabilities outside Australia until the same payment percentage with respect to Established Scheme Liabilities and liabilities in respect of any Excluded Insurance Contracts in

each case that are liabilities in Australia has been achieved; and

- (ab) next, in payment pari passu and pro rata of Established Scheme Liabilities and liabilities in respect of any Excluded Insurance Contracts (in each case whether in or outside Australia, to the extent unpaid), until the Company has no Established Scheme Liabilities or liabilities in respect of any Excluded Insurance Contracts;
- (b) second:
 - (i) Unallocated Assets in Australia are to be applied to Priority Claims in Australia (until the Company has no liabilities in Australia, following which they may be applied to the payment of liabilities outside Australia); and
 - (ii) Unallocated Assets that are not Assets in Australia are to be applied only in payment pari passu and pro rata of Priority Claims whether in or outside Australia;
- (c) third:
 - (i) Unallocated Assets in Australia are to be applied pari passu and pro rata to all other liabilities in Australia proved in its winding up, including Established Scheme Liabilities and liabilities in respect of any Excluded Insurance Contracts in Australia to the extent not discharged under clause 47.3(a) and (b) above (until the Company has no liabilities in Australia, following which they may be applied to the payment of liabilities outside Australia); and
 - (ii) Unallocated Assets that are not Assets in Australia are to be applied in payment pari passu and pro rata of all other liabilities proved in the winding up including Established Scheme Liabilities and liabilities in respect of any Excluded Insurance Contracts to the extent not discharged under clause 47.3(a) and (b); and
- (d) fourth, any remaining assets are to be applied to repay any Shareholder Funding.

47.4 If the Company becomes subject to a Liquidation Event either before or after this Scheme is terminated in accordance with clause 46.1, the entitlement of each Scheme Creditor who has received payment during the Reserving Period under this Scheme in respect of a Scheme Claim to dividends in the winding up of the Company will be determined as follows:

- (i) the amount which such Scheme Creditor proves in the winding up will be treated as having been increased by the aggregate amount of payments received by them in respect of the Scheme Claim under clause 27.1, or treated as having been received under clause 11 or otherwise under or pursuant to this Scheme (**Scheme Amount**);
- (ii) such Scheme Creditor will be treated as having received an amount equal to the Scheme Amount by way of dividend in the winding-up and will not be entitled to any other dividend in the winding-up unless and until all the Scheme Creditors proving in the winding-up have received an equivalent percentage dividend

in accordance with the principles set out in clauses 26 and 27;
and

- (iii) such Scheme Creditor will be entitled to receive dividends in the winding-up (calculated by reference to the amount for which they are treated as having proved pursuant to this clause 47.4, *pari passu* with all the Scheme Creditors of the Company).

Part K – General Scheme Provisions

48 Scheme Costs

Subject to clause 47, whilst the Scheme remains in force the following amounts will be paid in full as Non-Scheme Liabilities (as they are incurred and without prior approval of the Scheme Advisers or the Creditors' Committee):

- (a) all costs, charges, expenses and disbursements incurred by the Company in the course of carrying out this Scheme and of complying with the provisions of the Act and the Insurance Act, including costs which were payable prior to the Effective Date in connection with this Scheme and are outstanding;
- (b) without prejudice to the provisions of clause 39.3(b), all costs, charges, expenses and disbursements incurred by, and the remuneration of, the Directors, Scheme Advisers and/or any liquidator or similar officeholder appointed to the Company, to the extent that such costs, charges, expenses, disbursements and remuneration are referable to the affairs of the Company;
- (c) the expenses of the Creditors' Committee payable under clause 43; and
- (d) any sum which the Company is obliged to pay in respect of the indemnities and related insurance and costs in favour of the Directors, the Scheme Advisers and the members of the Creditors' Committee under clauses 31, 35 and 41 respectively.

49 Modification of this Scheme

- 49.1 Each Scheme Creditor irrevocably consents to the Company, at any hearing to approve this Scheme, consenting on behalf of the Scheme Creditor to any modification of this Scheme or any terms or conditions which the Court may think fit to approve or impose and which would not directly or indirectly have a materially adverse effect on the interests of any Scheme Creditor under this Scheme.
- 49.2 If there is any change in law or regulation after the date of this Scheme which, in the opinion of the Scheme Advisers in consultation with the Creditors' Committee, would mean that the provisions of this Scheme are no longer in the best interests of the Scheme Creditors as a whole, or could be amended as a result of such change(s) to materially improve the position of the Scheme Creditors as a whole or the fairness of this Scheme as between the Scheme Creditors as a whole, the Company or (during the Reserving Period) the Scheme Advisers may seek approval of the Court to modify this Scheme to take account of that change in law or regulation and may consent on behalf of all those concerned to any such modification which the Court may think fit to approve.
- 49.3 Scheme Creditors may, with the approval of the Company and in consultation with the Scheme Advisers, by resolution passed by more than 50% in number, representing not less than 75% in value, of Scheme Creditors present and voting at a meeting of the Scheme Creditors, modify this Scheme to the extent that any

such modifications are necessary to achieve the purpose of the Scheme as set out in clause 3.

- 49.4 No modifications made pursuant to clause 49.2 or 49.3 will:
- (a) affect the validity of any act, omission or exercise of power by the Directors, the Scheme Advisers and/or the Creditors' Committee in good faith and with due care in accordance with and to implement this Scheme, or otherwise for the purposes of this Scheme;
 - (b) give rise to any obligation on the part of a Scheme Creditor to repay any difference between the amount which would be payable in respect of the relevant Established Scheme Liabilities in accordance with the provisions of this Scheme after such modifications and the amount actually paid to such Scheme Creditor under the provisions in effect prior to such modifications; or
 - (c) subject to any increase in the Payment Percentages in accordance with clause 26, without prejudice to clause 49.4(a), give rise to any obligation on the part of the Company to make any additional payment(s) in respect of a liability which has already been paid in whole or in part in accordance with the provisions of this Scheme, or to otherwise amend any payment which has already been determined in accordance with the provisions of this Scheme.

50 Finalisation mechanism

At any time after the occurrence of the Trigger Date, the Scheme Creditors may resolve (by resolution passed by more than 50% in number, representing not less than 75% in value of those Scheme Creditors present and voting at the meeting (**Special Meeting**)), with the approval of the Company and the Scheme Advisers, that:

- (a) clauses 13, 26 and 27 of this Scheme will cease to operate in respect of the outstanding Scheme Liabilities at that time;
- (b) the powers of the Board to manage and control the business and affairs of the Company pursuant to clause 30 of this Scheme will be subject to the powers of the Scheme Advisers set out in clause 50(c);
- (c) the Scheme Advisers will take possession of the Scheme Assets and deal with them in accordance with this Scheme;
- (d) in exercising or performing any of their duties, obligations, responsibilities or powers under the Scheme, the Scheme Advisers shall be taken:
 - (i) to act as agent for the Company; and
 - (ii) not to act as, nor to have any of the duties of, a trustee;
- (e) within 21 days after the date of the Special Meeting, the Scheme Advisers will give notice to every Scheme Creditor to whom notice was given of the Special Meeting, and to every other person whom the Scheme Advisers believe to be a Scheme Creditor:
 - (i) stating that the resolution has been passed at the Special Meeting;

- (ii) providing a link to the Valuation Platform for the lodgement of all claims for outstanding Scheme Liabilities on and from the Operative Date; and
 - (iii) clearly specifying the date by which claims for outstanding Scheme Liabilities must be made in order to be eligible to share in the distribution of Scheme Assets under the Scheme;
- (f) all claims in respect of Scheme Liabilities which remain outstanding on and from the date of the Special Meeting must be lodged on the Valuation Platform by the date specified by the Scheme Advisers in the notice referred to in clause 50(e) of this Scheme;
- (g) the Scheme Advisers will adjudicate all claims lodged in respect of Scheme Liabilities in the Valuation Platform in a manner consistent with Part 5.6 of the Act as if:
- (i) all references to the “liquidator” were replaced with the “Scheme Adviser”;
 - (ii) all references to “creditors” were replaced with “Scheme Creditors”; and
 - (iii) the Trigger Date was the “relation back date”,
- and with any other amendments necessary to reflect this clause 50;
- (h) to the extent that any Scheme Liabilities are admitted by the Scheme Advisers as a result of an adjudication carried out pursuant to clause 50(g) above, those Scheme Liabilities will become Established Scheme Liabilities for the purposes of the Scheme;
- (i) as soon as possible after all remaining Scheme Liabilities have been adjudicated by the Scheme Advisers and have either been rejected or admitted as Established Scheme Liabilities in accordance with this clause 50, the Scheme Advisers will:
- (i) realise the remaining Scheme Assets; and
 - (ii) apply the proceeds of the Scheme Assets in the manner set out in clause 47.3 of this Scheme; and
- (j) other than as expressly provided for by the remainder of this clause 50, the remaining provisions of this Scheme which are expressed to apply during or are otherwise applicable in respect of the Reserving Period shall continue to apply.

51 Notices

- 51.1 Any notice or other communication to be given under or in relation to this Scheme must be given in writing and will be deemed to have been duly given if it is delivered by hand, sent by pre-paid post or airmail, or sent by electronic means (including email) to:
- (a) in the case of the Company, Level 8, 485 La Trobe Street, Melbourne, Victoria 3000 (attention: Company Secretary), or such address as may be notified to the Scheme Advisers and the Creditors’ Committee from time to time for such purpose;

- (b) in the case of the Scheme Advisers, 2 Riverside Quay Southbank 3004, attention Stephen Longley, stephen.longley@au.pwc.com, or such address as may be notified to the Company and the Creditors' Committee from time to time for such purpose;
- (c) in the case of the Creditors' Committee, such group email address as may be notified to the Company and the Scheme Advisers from time to time for such purpose; and
- (d) in the case of a Scheme Creditor:
 - (i) its last email address (or, in the absence of an email address, postal address) known to the Company or the Scheme Advisers (as applicable);
 - (ii) by placing the notice or other communication on the Company's website; or
 - (iii) by placing advertisements containing the requested information in such newspaper or newspapers as the Company considers appropriate.

51.2 Except as otherwise provided in this Scheme, any notice or other written communication to be given under this Scheme will be deemed to have been served or received:

- (a) if delivered by hand, at the time of actual delivery to the recipient's address;
- (b) if sent by pre-paid post where the recipient is in the country of despatch, on the second Business Day after posting;
- (c) if sent by airmail, on the seventh Business Day after posting;
- (d) if posted to the Company's website, at the time so posted; and
- (e) if sent by any electronic means (including email):
 - (i) when the sender receives an email from the recipient confirming receipt of the email; or
 - (ii) four hours after the time sent (as recorded on the device from which the email was sent), provided that the sender does not receive an automated message that the email has not been delivered,

whichever happens first,

provided that, if a notice or other written communication is received or deemed to have been received after 5.00pm on a Business Day in accordance with the above provisions, it will not be deemed to have been received until the next Business Day.

51.3 In proving service it will be sufficient proof:

- (a) in the case of a notice sent by pre-paid post or airmail, that the envelope containing it was properly stamped, addressed and placed in the post; and
- (b) in the case of a notice sent by electronic means (including email), that it was properly addressed.

- 51.4 The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Scheme Creditor will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

52 Governing law and jurisdiction

- 52.1 Subject to clause 52.3, this Scheme is governed by, and construed in accordance with, the laws of the State of Victoria.
- 52.2 Scheme Creditors agree that the courts of the State of Victoria (including the Victorian Registry of the Federal Court of Australia) have exclusive jurisdiction to hear and determine any Proceedings and to settle any dispute which may arise out of the Explanatory Statement or any provision of this Scheme, including this clause 52.2, or out of any action taken or omitted to be taken under this Scheme or in connection with the administration of this Scheme, and for such purposes the Scheme Creditors irrevocably submit to the jurisdiction of the Court.
- 52.3 Nothing in clauses 52.1 or 52.2 affects the validity of any of the provisions determining governing law and/or jurisdiction as between the Company and any of the Scheme Creditors, whether contained in any Insurance Contract or otherwise.

53 General

- 53.1 This Scheme binds the Company and all of the Scheme Creditors (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) on and from the Effective Date.
- 53.2 Nothing in the Scheme affects or limits:
- (a) the powers of APRA, any other relevant Government Agency;
 - (b) the rights of any Government Agency holding security for the benefit of any class of Scheme Creditors to enforce that security;
 - (c) the powers of any Judicial Manager, or the orders of the Court which may be made in respect of the appointment or conduct of the Judicial Manager, or the powers of any Statutory Manager;
 - (d) any entitlement a Scheme Creditor may have to compensation in respect of any Scheme Claim under applicable law or the exercise of any discretion by any Government Minister or authority in relation thereto; or
 - (e) the operation of the State Cut-through Legislation.
- 53.3 Each of the Scheme Creditors consents to the Company doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme

and the transactions contemplated by it, whether on behalf of the Scheme Creditors, the Company or otherwise.

- 53.4 The Company must do all things and execute all documents (whether on its own behalf or on behalf of each Scheme Creditor) necessary to give full effect to this Scheme and the transactions contemplated by it.
- 53.5 Each Scheme Creditor agrees that neither the Company nor any of its respective directors, officers, secretaries or employees will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

Dated [●]

Scheme of Arrangement (pursuant to Part 5.1 of the Corporations Act 2001 (Cth))

Annexure A Scheme Adviser Deed Poll

THIS DEED POLL is made on

By [Stephen Longley / Michael Fung] of [address] (the “Executing Scheme Adviser”) in favour of the Company and each Scheme Creditor.

RECITALS

- A** The Company has proposed a compromise or arrangement to the Scheme Creditors, the terms of which are provided in accordance with the Scheme.
- B** The Executing Scheme Adviser has agreed to administer the Scheme for the purposes of section 411(7) of the Corporations Act, and has entered into this document to give effect to that arrangement.
- C** The appointment of each Scheme Adviser is subject to the execution and delivery of each Scheme Adviser of this Deed Poll.

2 Definitions and interpretation

2.1 Definitions

Unless the contrary intention appears, these meanings apply:

Company means Catholic Church Insurance Limited (ABN 76 000 005 210).

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

Effective has the meaning given in the Scheme.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between the Company and each Scheme Creditor in its original form or with or subject to any modification, addition, provision or conditions which may be approved or imposed, including by the Court pursuant to section 411(6) of the Corporations Act.

Scheme Adviser has the meaning given in the Scheme.

Scheme Creditors has the meaning given in the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme.

2.2 General interpretation

Clause 1.2 of the Scheme applies to this document.

3 Deed Poll Effective Time

This document becomes effective at the time that the Scheme become Effective (“**Deed Poll Effective Time**”).

4 Consent to act

The Executing Scheme Adviser consents to act as a Scheme Adviser in accordance with the terms and conditions of the Scheme.

5 Covenant

From the Deed Poll Effective Time, the Executing Scheme Adviser, for the benefit of the Company and each Scheme Creditor (even though the Company and each Scheme Creditor are not parties to this document):

- (a) covenants that they will be bound by the terms of the Scheme as if they are a party to the Scheme; and
- (b) undertakes
 - (i) to accept all appointments, authorisations and directions, to perform all obligations and undertake all actions attributed to the Scheme Adviser in accordance with the Scheme;
 - (ii) to do all things necessary and execute all further documents necessary to give full effect to the Scheme and all transactions contemplated by it; and
 - (iii) not to act inconsistently with any provision of the Scheme.

6 Representations and warranties

The Executing Scheme Adviser:

- (a) represents and warrants that they are not disqualified from acting as a Scheme Adviser of the Scheme by reason of section 411(7) of the Act; and
- (b) undertakes to notify the Company and each Scheme Creditor immediately if the representation and warranty in clause 6(a) ceases to be correct.

7 Acknowledgment

The Executing Scheme Adviser acknowledges and agrees that:

- (a) the benefit of this deed poll can be enforced directly by the Company or a Scheme Creditor against the Executing Scheme Adviser; and
- (b) the Executing Scheme Adviser will cease to hold office if their removal is approved by the Scheme Creditors in accordance with clause 32.4 of the Scheme.

8 Limitation of liability

In the performance or exercise of the Executing Scheme Adviser's powers, obligations and duties as a Scheme Adviser, their liability is limited in accordance with the Scheme.

9 Continuing obligations

This document is irrevocable and remains in full force and effect from the Deed Poll Effective Time until the Executing Scheme Adviser has fully performed their obligations under this document.

10 Notices

Any notice to be given to the Executing Scheme Adviser under or in relation to this document:

- (a) must be given in writing and addressed to the following:

The Scheme Adviser
Catholic Church Insurance Limited
Attention: **[Stephen Longley / Michael Fung]**

- (b) may be given in writing by:

- (i) hand delivery or pre-paid post to:

[address]

- (ii) email to:

[email address]

11 General

11.1 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (b) the variation is agreed to by the Company in writing; and
(c) the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event the Executing Scheme Adviser must enter into a further deed poll in favour of the Company and each Scheme Creditor giving effect to the variation, alteration or amendment.

11.2 Partial exercising of rights

Unless this document expressly states otherwise, if the Executing Scheme Adviser does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

11.3 Assignment or other dealings

The rights and obligations of the Executing Scheme Adviser, the Company and each Scheme Creditor under this document are personal and must not be assigned or otherwise dealt with at law or in equity.

11.4 Waiver of rights

A right may only be waived in writing, signed by the person giving the waiver, and:

- (a) no other conduct of a person (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of the right;
- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right or as an estoppel precluding enforcement of that right if it arises again; and
- (c) the exercise of a right does not prevent any further exercise of that right or of any other right.

11.5 Operation of this document

- (a) Subject to clause 11.5(b), this document contains the entire agreement about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document and has no further effect.
- (b) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.
- (c) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

11.6 Exclusion of contrary legislation

Any legislation that adversely affects an obligation of a person or the exercise of a right or remedy by a person, under or relating to this document is excluded to the full extent permitted by law.

11.7 Giving effect to documents

The Executing Scheme Adviser must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), to give full effect to this document.

12 Governing law

This document is governed by the laws of Victoria, Australia. The Executing Scheme Adviser submits to the non-exclusive jurisdiction of the courts exercising jurisdiction there in connection with matters concerning this document.

EXECUTED as a deed poll

SIGNED, SEALED AND DELIVERED)
by **[STEPHEN LONGLEY / MICHAEL**)
FUNG] in the presence of:)

.....)
Signature of witness)

.....)
Name of witness (block letters))

.....
Signature of **[STEPHEN LONGLEY /**
MICHAEL FUNG]

Annexure B Committee Member Deed Poll

THIS DEED POLL is made on

BY [CREDITORS' COMMITTEE MEMBER] ("**Committee Member**") in favour of the Company and each Scheme Creditor.

RECITALS

- D** The Company has proposed a compromise or arrangement to the Scheme Creditors, the terms of which are provided in accordance with the Scheme.
- E** The Committee Member has agreed to act as a member of the Creditors' Committee, and has entered into this document to give effect to that arrangement.
- F** The appointment of each Committee Member is subject to the execution and delivery by the Committee Member of this Deed Poll.
- G** The Committee Member consents to the Scheme and undertakes to be bound by it on the terms of this document.

1 Definitions and interpretation

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between the Company and each Scheme Creditor, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act.

Company means Catholic Church Insurance Limited (ABN 76 000 005 210).

All other words and phrases used in this document have the same meaning as given to them in the Scheme.

1.2 General interpretation

Clause 1.2 of the Scheme applies to this document.

2 Deed Poll Effective Time

This document becomes effective upon the last to occur of ("**Deed Poll Effective Time**") the Committee Member:

- (a) receiving notice that the Scheme has become Effective; and
- (b) executing this document.

3 Consent to Scheme and covenants

From the Deed Poll Effective Time, the Committee Member consents to the Scheme and irrevocably covenants in favour of the Company and each Scheme Creditor that it will:

- (a) be bound by the terms of the Scheme as if it were a party to the Scheme in its capacity as a Committee Member and undertakes to perform all obligations and duties of a Committee Member under the Scheme; and
- (b) do everything necessary or desirable to be done by it, including executing any document, for the purposes of giving effect to the Scheme.

4 Governing law

This document is governed by the laws of Victoria, Australia. The Committee Member submits to the non-exclusive jurisdiction of the courts exercising jurisdiction there in connection with matters concerning this document.

EXECUTED as a deed poll

SIGNED, SEALED AND DELIVERED)
by [Committee Member] in the)
presence of:)
)
)
.....)
Signature of witness)
)
.....)
Name of witness (block letters))
)

.....
Signature of [Committee Member]