Proposed Settlement Distribution Scheme

Edward Thomas & Ors v Commonwealth Financial Planning Limited & Ors

Federal Court of Australia Proceeding VID 559 of 2020

[Proposed as at 10 July 2026]

BACKGROUND TO THE SETTLEMENT SCHEME

A. On 21 August 2020, the First and Second Applicants commenced Federal Court of Australia Proceeding VID 559 of 2020 (the **Proceeding**) against the First Respondent, Second Respondent and Third Respondent (later joining the Fourth Respondent). The Proceeding was commenced by the First and Second Applicants on their own behalf and on behalf of the Group Members defined at paragraph 8 in the Third Further Amended Statement of Claim filed on 10 October 2023 (the **3FASOC**).

B. On 6 March 2026, the Deed of Release and Settlement (**Settlement Deed**) took effect. The Applicants entered into the Settlement Deed for themselves and on behalf of all Group Members. They agreed to resolve the Claims brought against the Respondents, which are the subject of the Proceeding and set out in the 3FASOC and any prior amended pleadings, for the amount of $22.5 million inclusive of costs, expenses and any applicable taxes.

C. The proposed settlement, as set out in the Settlement Deed, is subject to the approval of the Court under section 33V of the *Federal Court of Australia Act 1976* (Cth).

D. This Settlement Scheme sets out the principles for the application and distribution of money paid by the First and Second Respondents to settle of the Proceeding, and any accrued interest thereon.

E. KordaMentha Pty Ltd as trustee for the KM Unit Trust (ABN 36 220 576 038) will be appointed as Settlement Administrator if approved to do so by the Court.

F. The Applicants have incurred legal costs and disbursements in conducting the Proceeding. The Applicants have entered into Conditional Costs Agreements with Shine Lawyers and litigation finance agreements with Woodsford Litigation Funding 3 LLP (company number OC432988) and Woodsford Group Limited (company number 07327885) (formerly Woodsford Litigation Funding Limited). Costs will also be incurred in administering this Settlement Scheme.

G. This Settlement Scheme sets out the principles for distribution of the Settlement Distribution Fund to Eligible Group Members (both defined in Part A below).

A. Definitions

In this Settlement Scheme, capitalised terms have the meanings set out below.

3FASOC means the Third Further Amended Statement of Claim filed in the Proceeding on 10 October 2023.

Act means the *Federal Court of Australia Act 1976* (Cth).

Administration means the administration process carried out by the Settlement Administrator in accordance with the Settlement Scheme.

Administration Costs means the reasonable legal costs and disbursements incurred by the Applicants and/or the Settlement Administrator (or their delegates), calculated in accordance with the Settlement Scheme, in administering the Settlement Scheme or the Settlement generally, as approved by the Court. They include, without limitation, bank fees, transaction costs and charges incurred in connection with the operation of any account, processing of payments (including failed or returned payments), and investment of the Settlement Distribution Fund.

Applicants means the First Applicant, Second Applicant and the Third Applicant.

Applicants' and Group Members' Claims means the Claims made by the Applicants on their own behalf and/or on behalf of Group Members against the Respondents in the Proceeding as articulated in the 3FASOC or any prior amended pleading and any and all Claims arising from, in connection with, in respect of or related to them (or any of them) or seeking orders for the recovery of substantially the same loss or damage or substantially the same equitable relief as that sought in the Proceeding, but excluding:

(a) Claims against the Respondents and their Related Parties in relation to an existing claim, entitlement (or potential entitlement) under a CommInsure Life Product policy;

(b) Claims against the financial adviser authorised representatives of the First Respondent and Second Respondent who provided financial product advice to Group Members except insofar as they relate to advice given during the Relevant Period to acquire, renew or continue to hold (by themselves or through their superannuation funds as members) a CommInsure Life Product.

Applicants' Costs means the Applicants' legal costs and disbursements of and incidental to the investigation and prosecution of the Claims the subject of the Proceeding. For the avoidance of doubt, the Applicants' Costs include:

(a) the legal costs and disbursements which have been incurred by Shine Lawyers on behalf of the Applicant(s) and the Group Members in the Proceeding, which include:

(i) legal costs deferred by Shine Lawyers for recovery from any settlement or judgment, together with an uplift of 25% on those deferred legal costs; and

(ii) any costs attributable to the Applicants by way of any order made by the Court (excluding any orders that relate to security for costs);

(b) the Applicants' legal costs and disbursements of, and incidental to, preparing for, participating in and attending mediation and settlement negotiations, preparing, drafting and executing the Settlement Deed, obtaining:

(i) the Pre-Approval Orders (including distributing the Settlement Notice to Group Members);

(ii) the Approval Orders (including any appeals of the Approval Orders); and

(iii) the Consequential Orders;

(c) any amount payable to the Funder as litigation funder pursuant to the Funding Agreements;

(d) any after-the-event (**ATE**) insurance premiums (including deferred premiums);

(e) any Applicants' Reimbursement Payment;

(f) any liability incurred in connection with stamp duty under the Settlement Deed; and

(g) the costs with respect to the application for the dismissal of the Proceeding following distribution of the Settlement Sum in accordance with the Settlement Scheme, from the Settlement Distribution Fund.

Applicants' Approved Costs means the amount of the Applicant's Costs which are approved by the Court.

Approval Orders means orders:

(a) pursuant to:

  (i) sections 33V and/or 33ZF of the Act authorising the Applicants, *nunc pro tunc*, to enter into and give effect to the Settlement Deed and the transactions contemplated by it on behalf of each of the Group Members pursuant to the Settlement Scheme; and/or

  (ii) section 33ZB of the Act that the settlement is binding upon the Applicants, the Respondents and Group Members;

(b) under section 33V(1) of the Act approving the settlement of this Proceeding on the terms of the Settlement Deed;

(c) vacating the security for costs orders and providing for the return of:

  (i) any funds previously paid into court by way of security;

  (ii) any deeds of indemnity issued in favour of the Respondents.

Approval Orders Appeal Date means:

(a) if no appeal or application for leave to appeal is brought in respect of the Approval Orders, the day that is 49 days after the date the Approval Orders are made in accordance with rule 36.03 of the *Federal Court Rules 2011* (Cth) and section 33ZC(6) of the Act (unless the Court has fixed a later date by which an appeal or an application for leave to appeal may be brought); or

(b) if the Court has fixed a date more than 49 days after the making of the Approval Orders as the date by which an appeal or application for leave to appeal may be brought, and no appeal or application for leave to appeal has been brought, the day after that date has passed; or

(c) if an appeal or application for leave to appeal is brought in respect of the Approval Orders within the time limited for such an appeal or application for leave:

  (i) subject to (ii), the day after the date for the final disposition of that appeal or application for leave to appeal;

  (ii) subject to (iii), the day after the expiration of the period within which an appeal or application for leave to appeal may be brought from that disposition (including, for the avoidance of doubt, the appeal period specified in section 33ZC(6) of the Act); or

(iii) if an appeal or application for leave to appeal from the disposition referred to in (i) is brought within the time within which such an appeal or application for leave to appeal may be brought, the date of final disposition of that appeal or application for leave to appeal.

Applicants' Reimbursement Payment means an amount approved by the Court, by way of compensation and reimbursement for time and expenditure reasonably incurred by the Applicants in their representative capacities in bringing and maintaining the Proceeding in the interests of Group Members.

Australian Bank Account means a transaction account or saving account with an authorised deposit-taking institution in Australia.

Business Day means:

(a) for the purposes of receiving a notice, a day which is not a Saturday, Sunday, public holiday or bank holiday in the city in which the Notice is to be received; and

(b) for any other purposes, a day on which banks are open for business in Sydney, New South Wales other than a Saturday, Sunday or public or bank holiday in Sydney, New South Wales.

Cash Outlay means the total amount of fees and costs paid or payable by the Funder in relation to the Proceeding (including insurance premiums that are not deferred or conditional and other costs relating to ATE insurance and/or other cover for adverse costs paid or payable pursuant to the Funding Agreement up to $1.5 million including applicable taxes).

Claim includes a claim, notice, demand, action, proceeding, litigation, or liability howsoever arising.

Class Deadline means 29 August 2025.

CommInsure Life Product means an advised life insurance product issued by the Third Respondent as defined in in paragraph 8(a) of the 3FASOC and particularised at paragraph 14 of the 3FASOC. In the 3FASOC the CommInsure Life Products are referred to as CBA Life Products.

Consequential Orders means orders to be applied for with the Approval Orders and includes orders:

(a) seeking approval of the Settlement Scheme;

(b) seeking the appointment of a Settlement Administrator of the Settlement Scheme to oversee, on behalf of Group Members, the distribution of the Settlement Distribution Fund to Group Members and to report to the Court as to the same;

(c) seeking approval of the estimated amount of the Administration Costs;

(d) granting liberty to the Settlement Administrator to apply to the Court for directions in respect of the administration of the Settlement Scheme to the extent necessary;

(e) requiring the Settlement Administrator to, within 20 Business Days of concluding the final distribution to the Group Members from the Settlement Distribution Fund, apply to the Court for orders dismissing the Proceeding with no order as to costs; and

(f) pursuant to section 33V(2) of the Act seeking approval of payment of the Applicants' Costs.

Consequential Orders Appeal Date means:

(a) if no appeal or application for leave to appeal is brought in respect of the Consequential Orders, the day that is 49 days after the date the Consequential Orders are made in accordance with rule 36.03 of the *Federal Court Rules 2011* (Cth) and section 33ZC(6) of the Act (unless the Court has fixed a later date by which an appeal or an application for leave to appeal may be brought); or

(b) if the Court has fixed a date more than 49 days after the making of the Consequential Orders as the date by which an appeal or application for leave to appeal may be brought, and no appeal or application for leave to appeal has been brought, the day after that date has passed; or

(c) if an appeal or application for leave to appeal is brought in respect of the Consequential Orders within the time limited for such an appeal or application for leave:

(i) subject to (ii), the day after the date for the final disposition of that appeal or application for leave to appeal;

(ii) subject to (iii), the day after the expiration of the period within which an appeal or application for leave to appeal may be brought from that disposition (including, for the avoidance of doubt, the appeal period specified in section 33ZC(6) of the Act); or

(iii) if an appeal or application for leave to appeal from the disposition referred to in (i) is brought within the time within which such an appeal or application for leave to appeal may be brought, the date of final disposition of that appeal or application for leave to appeal.

Costs Agreement means the costs disclosure and conditional costs agreements entered into between Shine and the:

(a) First Applicant dated 21 August 2020;

(b) Second Applicant dated 21 August 2020; and

(c) Third Applicant dated 31 July 2023.

Court means the Federal Court of Australia.

Day means a calendar day.

Distribution Sum means the amount calculated in accordance with Clause 56 of this Settlement Scheme.

Eligible Group Member means a Registrant or Unverified Registrant:

(a) for whom a record is contained in the Group Member Data (i.e. they are an Existing Client or New Clients); and

(b) who, based on the information provided in their Registration Form or registration, and the Group Member Data, the Settlement Administrator determines is the First Applicant or the Second Applicant or the Third Applicant or a Group Member; and

(c) is eligible to receive a Payment Amount pursuant to the conditions in Clauses 50 and 51 of this Settlement Scheme.

Existing Client means a Registrant identified by the Respondents in the Group Member Data as:

(a) having first acquired a CommInsure Life Product prior to 21 August 2014; and

(b) paying premiums on that CommInsure Life Product during Relevant Period; and

(c) being a customer of a financial adviser employed by the First Respondent or a customer of an authorised representative of the Second Respondent during the Relevant Period.

First Applicant means Edward Thomas.

First Respondent means Commonwealth Financial Planning Ltd (ACN 003 900 169).

Fourth Respondent means AIA Australia Ltd (ACN 004 837 861).

Funder means Woodsford Litigation Funding 3 LLP (company number OC432988) of 8 Bloomsbury Street, London, WC1B 3S.

Funding Agreement means the litigation finance agreements entered into between Woodsford, the Funder and the:

(a) First Applicant dated 18 August 2020;

(b) Second Applicant dated 18 August 2020; and

(c) Third Applicant dated 12 October 2023.

Funding Commission means the amount approved by the Court in respect of the Funder's Success Fee under the Funding Agreement.

Group Member means the group members as defined in paragraph 8 of the 3FASOC excluding those individuals who opted out of the Proceeding:

(a) by the Class Deadline as provided for in the Opt Out and Registration Orders; or

(b) in accordance with any other order made by the Court prior to the Approval Orders being made; or

(c) who, at the date of the Approval Orders, are otherwise granted leave by the Court to opt out.

Group Member Data means the following information (insofar as it is reasonably available):

(a) policy number;

(b) insured name;

(c) owner name;

(d) joint owner name (if applicable);

(e) date of policy commencement;

(f) date of policy and termination (if applicable);

(g) state;

(h) date of birth;

(i) sex;

(j) smoker status;

(k) occupation category;

(l) type of cover;

(m) sum insured;

(n) benefit period;

(o) waiting period;

(p) stepped or level premiums;

(q) premium payment frequency (monthly, quarterly, annually);

(r) premiums paid during the Relevant Period;

(s) adviser group (CFP or FWL);

(t) adviser name;

(u) a field indicating whether or not a claim has been made on the policy, the date of the claim, and a 'claim number' field that can be used to identify the nature of the claim; and

(v) a field flagging the presence of any of the following indicators in respect of the policy:

    (i) there has been a claim on the policy for death;

(ii) there has been a claim on the policy, other than for death, which has been closed with a reason indicating the death of the claimant; or

(iii) the insured or primary owner name contains the words “estate of” or “deceased”.

Holding Account means the non-interest-bearing account named ‘Insurance Advice Settlement Distribution Fund’ held with an Australian authorised deposit taking institution, into which the First Respondent and the Second Respondent must pay the Settlement Sum.

Interest-Bearing Account means an interest-bearing account named ‘Insurance Advice Settlement Distribution Fund 2’ held with an Australian authorised deposit taking institution, in which funds from the Settlement Distribution Fund may be held and on which interest may accrue.

KordaMentha means KordaMentha Pty Ltd as trustee for the KM Unit Trust (ABN 36 220 576 038).

Late Registrant means a person who after the Class Deadline:

(a) sought to register to participate in the Proceeding by completing a form approved for registration under the Opt Out and Registration Orders; or

(b) completed a late registration on Shine Lawyers’ website (https://www.shine.com.au/service/class-actions/cba-comminsure-class-action).

Matched Registrant means a Registrant for whom a record is contained in the Group Member Data, and includes an Unverified Registrant.

New Client means a Registrant identified by the Respondents in the Group Member Data as:

(a) having first acquired a CommInsure Life Product during the Relevant Period; and

(b) paying premiums on that CommInsure Life Product during the Relevant Period; and

(c) being a customer of a financial adviser employed by the First Respondent or a customer of an authorised representative of the Second Respondent during the Relevant Period.

Notice of Estimated Distribution means the notice to be sent by the Settlement Administrator to each Eligible Group Member, which includes:

(a) their estimated Payment amount;

(b) the estimated amount (if any) required to be repaid by the Eligible Group Member to the trustee of their superannuation fund; and

(c) a Secure Request Link.

Opt Out and Registration Orders means the Court's orders dated 16 December 2024 as amended on 20 January 2025 and 23 May 2025.

Payment Amount means the amount of the Settlement Distribution Fund apportioned to each of the Applicants and each Eligible Group Member in accordance with the Payment Formula.

Payment Formula means the formula set out in Annexure A to this Settlement Scheme.

Pre-Approval Orders means orders 1, 2, 4, 5 and 6 the Court's orders dated 16 March 2026 approving the form and content of the Settlement Notice and the way in which the Settlement Notice is to be given to Group Members.

Proceeding means Federal Court of Australia Proceeding VID 559 of 2020 commenced by the Applicants (on their own behalf and on behalf of all Group Members) against the Respondents.

Registrant means:

(a) any of the Applicants;

(b) any person who registered to participate in the Proceeding by:

   (i) completing a form approved for registration under the Opt Out and Registration Orders by the Class Deadline in accordance with order 19 of the Opt Out and Registration Orders; and

   (ii) verifying their details and completing any incomplete mandatory fields of the Registration Form by the Registration Deadline; and

(c) any person who:

   (i) by the Opt Out and Registration Orders was deemed by the Court to have registered to participate in the Proceeding; and

   (ii) registers for the Proceeding by completing a Registration Form by the Registration Deadline.

Registration Deadline means 4pm AEST on 11 June 2026.

Registration Form means a registration form submitted on the Registration Portal before the Registration Deadline, containing the information required for the purposes of this Settlement Scheme.

Registration Portal means the online portal at comminsureclassaction.enterclaim.com.

Related Parties means:

(a) the related bodies corporate of the Respondents as defined in the *Corporations Act 2001* (Cth); and

(b) the directors, officers, partners, servants, contractors and agents of the Respondents.

Relevant Period means the period between 21 August 2014 and 21 August 2020.

Remittance Notice means the notice to be sent by the Settlement Administrator to each Eligible Group Member confirming the payment of their Payment Amount, the date on which it was paid, and any amount to be repaid by the Eligible Group Member to the trustee of their superannuation fund in accordance with the Trustee Undertaking.

Repayment Formula means the formula set out in Annexure B to this Settlement Scheme.

Respondents means the First Respondent, Second Respondent, Third Respondent and Fourth Respondent.

Second Applicant means Diana Tyrrell.

Second Respondent means Financial Wisdom Ltd (ACN 006 646 108).

Secure Request Link means a secure digital link issued by the Settlement Administrator to an Eligible Group Member to enable the Eligible Group Member to securely provide to the Settlement Administrator:

(a) the details of their nominated Australian Bank Account; and

(b) if required by the Settlement Administrator, the Trustee Undertaking,

via the Registration Portal or any other digital platform approved by the Settlement Administrator.

Settlement means the settlement of the Proceeding in accordance with the terms of the Settlement Deed and subject to any Approval Orders made by the Court.

Settlement Administrator means the person authorised by the Court to enforce the Settlement Deed and administer the Settlement Scheme on behalf of Group Members.

Settlement Deed means the Deed of Release and Settlement executed in counterparts by the Applicants, the Respondents, Shine Lawyers, the Funder and Woodsford, and effective from 6 March 2026, including the rights and obligations created by it.

Settlement Distribution Fund means the Settlement Sum deposited by the First Respondent and the Second Respondent into the Holding Account, together with any interest accrued on the Settlement Sum (including where such funds are held in the Interest-Bearing Account or the Term Deposit), and held on trust by the Settlement Administrator for the benefit of:

(a) the Applicants and Group Members;

(b) Shine Lawyers, the Applicants and the Funder in respect of the Applicants' Costs; and

(c) the Settlement Administrator in respect of the Administration Costs.

Settlement Notice means the notice given to Group Members of the proposed settlement in accordance with sections 33X(4) and 33Y of the Act and any relevant practice note of the Court, including but not limited to the Class Actions practice note (GPN-CA). The Settlement Notices (Annexures A to F to the Pre-Approval Orders) comprise Notice A, Notice B and Notice C.

Settlement Scheme means this settlement distribution scheme setting out the principles for the application and distribution of the Settlement Sum.

Settlement Sum means the amount of $22.5 million (twenty-two million, five hundred thousand dollars) (inclusive of costs, expenses and any applicable taxes).

Shine Lawyers means Shine Lawyers Pty Ltd (ACN 134 702 757).

Success Fee has the meaning given to that term under the Funding Agreement, and in this instance means the amount calculated as equal to 3.5 times the Cash Outlay.

Term Deposit means any term deposit or similar fixed term interest-bearing investment named 'Insurance Advice Settlement Distribution Fund Term Deposit' established with an authorised deposit-taking institution in Australia.

Third Applicant means Notre Dame Saez Gomez Galarza.

Third Respondent means The Colonial Mutual Life Assurance Society Pty Limited (ACN 004 021 809).

Trustee Undertaking means the acknowledgement and agreement Registrants are required to provide in accordance with orders 10(a)(iii) and 10(b)(ii) of the Pre-Approval Orders if they held one or more CommInsure Life Products inside a superannuation fund.

Undistributed Funds means the remaining balance of the Settlement Distribution Fund after the Payment Amounts are distributed to Eligible Group Members. The Undistributed Funds include the sum of the Payment Amounts that were unable to be successfully transferred to Eligible Group Members and were forfeited by them, together with any accrued interest on those forfeited Payment Amounts.

Unique Access Code means a unique identifier issued to an Eligible Group Member by the Settlement Administrator to enable access to a Secure Request Link where required.

Unverified Registrant means:

(a) an Unverified Registered Person who is identified by the Settlement Administrator (from the information provided in their registration and the Group Member Data) to be either:

  (i) a New Client; or

  (ii) an Existing Client whose registration includes answers to the two Group Member questions in Clause 31(c) below; or

(b) a Late Registrant who:

  (i) completed a form approved for registration under the Opt Out and Registration Orders or a late registration on Shine Lawyers' website, which was received by Shine Lawyers before the Registration Deadline; and

  (ii) is identified by the Settlement Administrator (from the information provided in their registration and the Group Member Data) to be a New Client.

Unverified Registered Person means any person who:

(a) registered to participate in the Proceeding by pre-registering with Shine

Lawyers by 16 December 2024 (regardless of whether they had signed a costs agreement), *or* completed a form approved for registration under the Opt Out and Registration Orders by the Class Deadline in accordance with order 19 of the Opt Out and Registration Orders; and

(b) did not verify their details and complete any incomplete mandatory fields of the Registration Form by the Registration Deadline

Woodsford means Woodsford Group Limited (company number 07327885) (formerly Woodsford Litigation Funding Limited) of 8 Bloomsbury Street, London, WC1B 3SR.

B. Interpretation

1. In this Settlement Scheme:

(a) headings are for convenience only and do not affect interpretation.

(b) where the context permits, the singular includes the plural, and the plural includes the singular.

(c) a gender includes all genders.

(d) if a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(e) a reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, regardless of whether it comprises a separate legal entity.

(f) a reference to a thing done by any person includes a reference to the thing as done by a director, officer, servant, agent, personal representative or legal representative, if permitted to be done by law or by any provision of the Settlement Deed or the Settlement Scheme.

(g) a reference to money (including “$”) is a reference to Australian currency.

(h) specifying anything in the Settlement Scheme after the words “include”, “including”” or “for example” or similar expressions, does not limit what else might be included.

(i) unless otherwise specified, a reference to a Clause is a reference to a Clause of the Settlement Scheme.

(j) a reference to an agreement or document (including a reference to the Settlement Scheme) is to the agreement or document as amended, supplemented, novated or replaced.

C. Settlement Administration

2. This Settlement Scheme sets out the principles for the application and distribution of the Settlement Distribution Fund.

3. The Settlement Scheme is administered and applied by the Settlement Administrator.

4. With the approval of the Court, KordaMentha is appointed as Settlement Administrator.

5. The Settlement Administrator:

   (a) is responsible for:

      (i) establishing and maintaining a Registration Portal for the submission of Registration Forms;

      (ii) assessing registrations to identify:

         (1) which Unverified Registered Persons are Unverified Registrants; and

         (2) Registrants;

      (iii) assessing registrations to determine which Registrants and Unverified Registrants are:

         (1) Matched Registrants;

         (2) Group Members;

         (3) Eligible Group Members;

      (iv) calculating Payment Amounts for Eligible Group Members;

      (v) distributing:

         (1) Payment Amounts to Eligible Group Members in accordance with the Settlement Scheme; and

         (2) other Court-approved deductions;

      (vi) enforcing the Settlement Deed and administering the Settlement Scheme on behalf of Group Members;

   (b) may appoint delegates to act on its behalf. The Settlement Administrator is responsible for the conduct of any appointed delegate; and

(c) in so far as is consistent with this Settlement Scheme, is authorised to make decisions that, in the Settlement Administrator's sole discretion, ultimately benefit the Eligible Group Members as a whole.

6. In acting as Scheme Administrator, including discharging any function or exercising any discretion conferred by the Settlement Scheme, the Scheme Administrator (and any delegates):

(a) must not act as the solicitor for the Applicants or any individual Group Member in relation to the Settlement Scheme;

(b) will administer the Settlement Scheme fairly and according to its terms, and in doing so will:

(i) act in accordance with a duty owed to the Court in priority to any obligation owed to the Applicants or any individual Group Member;

(ii) balance the interest of any individual Group Member against the interests of Group Members as a whole;

(iii) at all times and when exercising the discretion conferred upon it under the Settlement Scheme, ensure that the Settlement Scheme is administered in a practical, proportionate and cost-effective manner. This includes:

(1) seeking expert advice as it considers necessary;

(2) applying to the Court to amend the Settlement Scheme if it considers it desirable or appropriate to do so; and

(3) extending time for compliance with any deadline fixed by the Settlement Scheme in accordance with Clause 12 below.

7. The Settlement Administrator will use reasonable endeavours to apply and distribute the Settlement Distribution Fund within 18 months after the expiry of the Consequential Orders Appeal Date.

8. If the Settlement Distribution Fund is not distributed within 18 months after the expiry of the Consequential Orders Appeal Date, the Settlement Administrator will report to the Court on the reasons for the delay, the steps it proposes to take to address the delay, and the date by which it reasonably expects to conclude the final distribution to Eligible Group Members from the Settlement Distribution Fund.

9. The Settlement Administrator may:

(a) obtain legal advice;

(b) engage third party service providers including, but not limited to, accountants, solicitors, tax advisers and mailing houses;

(c) obtain advice in respect of tax matters arising from the administration of, and making payments from, the Settlement Distribution Fund; and

(d) seek a ruling from the Federal Commissioner of Taxation and any of the Commissioners of State Revenue if the Settlement Administrator determines that obtaining such a ruling would be in the best interests of Eligible Group Members.

10. Notwithstanding anything elsewhere in this Settlement Scheme, the Settlement Administrator may, at any time, correct any error, slip or omission occurring during the course of the administration of this Settlement Scheme.

11. The Settlement Administrator, together with its employees and agents:

(a) will, subject to approval by the Court, be indemnified from the Settlement Distribution Fund against all liabilities (including Administration Costs) arising from or in connection with the administration of the Settlement Scheme; and

(b) has the same immunities from suit as attach to the office of a judge of the Federal Court of Australia.

12. The Settlement Administrator, together with its employees and agents, in discharging any function or exercising any power or discretion conferred by the Settlement Scheme, will not be liable for any loss to any Group Member or trustee of a superannuation fund arising by reason of any mistake or omission made in good faith or of any other matter or thing except wilful and individual fraud and wrongdoing on the part of the Settlement Administrator, its employees or agents who are sought to be made liable.

13. The Settlement Administrator will have no liability to any Group Member who is not paid a Payment Amount or who is paid an incorrect Payment Amount arising from:

(a) any incorrect information or omission in:

(i) a Registration Form; or

(ii) any communication sent by an Eligible Group Member or Registrant (or persons acting on their behalf) to the Settlement Administrator; or

(iii) the Group Member Data;

(b) incorrect or insufficient Australian Bank Account details provided by an Eligible Group Member or persons acting on their behalf;

(c) an electronic funds transfer using the Australian Bank Account details provided by the Eligible Group Member, or persons acting on their behalf;

(d) an Eligible Group Member or Registrant's failure to receive a communication described in this Settlement Scheme or who, for some other reason, failed to complete a Registration Form or respond to a communication or request from the Settlement Administrator within the time limit set under this Settlement Scheme or in any order of the Court; and/or

(e) any error or omission by the Settlement Administrator.

14. The time for doing any act or thing under this Settlement Scheme may be extended by the Settlement Administrator in their absolute discretion, or by order of the Court. The Settlement Administrator shall not extend any time period beyond 45 Days after the date specified in this Settlement Scheme for the doing of any act or thing, except by order of the Court.

15. The Settlement Administrator will apply to the Court for orders dismissing the Proceeding with no order as to costs within 20 Business Days of concluding the final distribution to Eligible Group Members from the Settlement Distribution Fund.

D. Costs

16. Subject to other provisions of the Settlement Scheme, Administration Costs are to be paid:

(a) to Shine Lawyers on a "solicitor and own client" basis;

(b) the Settlement Administrator on a "solicitor and own client" basis if the Settlement Administrator is a legal practice, or on such other reasonable basis as the Court considers appropriate if the Settlement Administrator is not a legal practice;

(c) in the first instance from any interest accrued on the Settlement Sum in the Interest-Bearing Account or Term Deposit;

(d) in such amounts as are approved by the Court from time to time during the implementation of the Settlement Scheme.

17. Nothing in this Settlement Scheme prevents a Group Member from retaining or seeking advice in respect of this settlement from a lawyer who is not performing the role of Settlement Administrator, provided that:

(a) the Group Member does so at their own cost; and

(b) the Group Member is not entitled to recover any legal costs from the Settlement Administrator, and any such legal costs must not be treated as Administration Costs unless the Settlement Administrator has:

(i) made a written request that the Group Member's lawyer carry out the legal work in question; and

(ii) expressly confirmed in that written request that the Group Member can recover those legal costs from the Settlement Administrator.

E. Supervision by the Federal Court

18. The Settlement Administrator is authorised to enforce the Settlement Deed and administer this Settlement Scheme on behalf of Group Members.

19. The Settlement Administrator may apply to the Court at any time for directions in respect of any issues arising in relation to this Settlement Scheme or the administration of the Settlement Scheme. If the Settlement Administrator exercises its liberty under this clause, it:

(a) must give Shine Lawyers and the Respondents at least 7 Days' notice in writing of its intention to make such an application to the Court; and

(b) must serve on Shine Lawyers and the Respondents all documents filed in support of the application as soon as practicable after filing (subject to any claim for confidentiality).

20. The Settlement Administrator is entitled to seek payment of its reasonable legal costs and disbursements incurred in making any application to the Court pursuant to Clause 19 and/or Clause 15 above from the Settlement Distribution Fund as part of the Administration Costs. The amount of those costs is subject to the Court's approval.

F. Payment of the Settlement Sum

21. The Settlement Administrator must open the Holding Account and inform Shine Lawyers and the Respondents of the account details of the Holding Account by the Approval Orders Appeal Date.

22. The First Respondent and the Second Respondent will cause:

    (a) the Settlement Sum to be paid into the Holding Account within 1 Business Day after the Approval Orders Appeal Date or within 1 Business Day after receiving notice that the Settlement Administrator has opened the Holding Account, whichever is later; and

    (b) a transfer receipt to be provided to Shine Lawyers and the Settlement Administrator that bears the date payment of the Settlement Sum was made into the Holding Account and the amount paid, within 1 Business Day after the payment in Clause 22(a) is effected.

23. The Settlement Sum will be taken to have been received into the Holding Account on the date recorded in the transfer receipt provided to Shine Lawyers and the Settlement Administrator.

24. The funds in the Holding Account (being the Settlement Distribution Fund) will be held on trust by the Settlement Administrator for the benefit of:

    (a) the Applicants and Group Members;

    (b) Shine Lawyers, the Applicants and the Funder in respect of the Applicants' Costs; and

    (c) the Settlement Administrator in respect of the Administration Costs.

25. Within 5 Business Days after the Consequential Orders Appeal Date expires, the Settlement Administrator will pay $[insert] to Shine Lawyers' trust account, being the total sum approved under section 33V(2) of the Act for:

    (a) the Cash Outlay and any security for costs paid or payable by the Funder and/or any ATE insurer;

    (b) Funding Commission;

    (c) the Applicants' Approved Costs (excluding sums approved in respect of the Cash Outlay, the Funding Commission and the Applicants' Reimbursement

Payment);

(d) any deferred or conditional ATE insurance premiums; and

(e) the Applicants' Reimbursement Payment,

which is to be held on trust by Shine Lawyers for distribution in accordance with the contractual arrangements between the Funder, Shine Lawyers and the Applicants.

26. Following the Consequential Orders Appeal Date, the Settlement Administrator may pay from the Holding Account:

(a) any pre-approved Administration Costs after they are incurred; and

(b) any additional sums that are approved by the Court from time to time during the implementation of this Settlement Scheme in respect of Administration Costs.

G. Accounts Structure and Investment of Funds

27. The Settlement Administrator may, in its absolute discretion:

(a) select and appoint any authorised deposit-taking institution in Australia for the purposes of establishing and maintaining any account contemplated by this Settlement Scheme;

(b) establish and maintain one or more Interest-Bearing Accounts;

(c) transfer all or part of the Settlement Distribution Fund from the Holding Account to any Interest-Bearing Account;

(d) invest all or part of the Settlement Distribution Fund in one or more Term Deposits;

(e) transfer funds between the Holding Account, any Interest-Bearing Account, and any Term Deposit as the Settlement Administrator considers appropriate;

(f) determine the duration, terms, and timing of any Term Deposit, including early redemption, where considered appropriate.

28. All interest earned on any Interest-Bearing Account or Term Deposit forms part of the Settlement Distribution Fund.

H. Registration of Group Members

29. Participation in this Settlement Scheme is limited to Registrants and Unverified Registrants.

30. A Registrant who receives Notice A must provide the following information when completing a Registration Form:

    (a) The capacity in which they are acting, including whether they are completing the Registration Form:

        (i) on their own behalf (as the Group Member); or

        (ii) on behalf of an estate (of a deceased Group Member); or

        (iii) on behalf of a Group Member who has authorised them to register on their behalf.

    (b) The Group Member's:

        (i) name (first name, middle name, surname and, where applicable, any name that they were formerly known by);

        (ii) date of birth;

        (iii) email address;

        (iv) mobile phone or telephone number;

        (v) postal and/or residential address.

    (c) The Trustee Undertaking.

31. A Registrant who receives Notice B must provide the following information when completing a Registration Form:

    (a) The Group Member's:

        (i) name (first name, middle name, surname and, where applicable, any name that they were formally known by);

        (ii) date of birth;

        (iii) email address;

        (iv) mobile phone or telephone number;

        (v) postal and/or residential address.

(b) the full name and date of birth of each person insured by the Group Member's CommInsure Life Product policy during the Relevant Period.

(c) Responses to the following Group Member questions:

(i) Did the Group Member (themselves or through their superannuation fund as a member) receive advice from a Commonwealth Financial Planning Ltd (CFP) or Financial Wisdom Ltd (FWL) financial adviser about their CommInsure Life Product policy/policies at any time during the Relevant Period?

(ii) If the answer to (1) is yes, did the Group Member obtain, renew or retain their CommInsure Life Product policy/policies on the basis of that financial advice?

(d) The Trustee Undertaking.

32. Registrants who receive Notice A or Notice B, when completing a Registration Form, may also provide the policy number for each CommInsure Life Product held during the Relevant Period, to the extent they are known. For the avoidance of doubt, the provision of CommInsure Life Product policy numbers is not mandatory.

33. A Registrant will not be permitted to submit their Registration Form if one or more of the mandatory fields is incomplete.

34. Registrants who receive Notice B must complete the two Group Member questions in the Registration Form. The answers to these questions will determine whether a Registrant who is identified in the Group Member Data as an Existing Client is a Group Member.

35. Registrants will be required to make a declaration that the answers to the Group Member questions, or any purported correction, are true and correct.

36. A Registrant or Unverified Registrant who is identified in the Group Member Data as an Existing Client:

(a) will be a Group Member if they answer "Yes" to *both* Group Member questions;

(b) will *not* be a Group Member if they answer "No" to *either* of the Group Member questions.

37. Unverified Registrants must provide the Trustee Undertaking if requested to do so by the Settlement Administrator.

38. Registrants must ensure that the information they provide in the Registration Form is true and accurate. Registrants and Unverified Registrants must also ensure that any other information they provide to the Settlement Administrator) is true and accurate. The Settlement Administrator is not responsible for:

(a) checking the truthfulness and accuracy of information provided by Registrants or Unverified Registrants; and

(b) any consequence that arises from the failure of a Registrant or Unverified Registrant to provide true and accurate information to the Settlement Administrator.

39. If:

(a) a form approved for registration under the Opt Out and Registration Orders or a late registration completed on Shine Lawyers' website is received by Shine Lawyers or the Settlement Administrator after the Class Deadline; or

(b) a Late Registrant completes a Registration Form,

the Settlement Administrator shall not accept that form or Registration Form. If the person who completed the form or Registration Form still seeks to have their form or Registration Form accepted, then they must apply to the Court before 3 August 2026 for a grant of leave to participate in the Settlement Scheme. If the Court grants leave to that person, then they are deemed to be an Unverified Registrant for the purposes of the Settlement Scheme.

40. A Registrant (other than an Applicant) becomes a Matched Registrant when:

(a) they submit a Registration Form on the Registration Portal in accordance with order 10 of the Court's orders dated 16 March 2026 (as amended on 27 March 2026) prior to the Registration Deadline; and

(b) the Settlement Administrator identifies (from the information provided in the Registration Form and the Group Member Data), that the Registrant is either:

(i) a New Client; or

(ii) an Existing Client.

41. An Unverified Registrant, by definition, must be a Matched Registrant.

I. Group Member Data

42. Between 9 and 22 June 2026, the Respondents must produce to Shine Lawyers on a confidential basis Group Member Data for each CommInsure Life Product held by a person who:

    (a) is a New Client (insofar as they can reasonably be identified); or

    (b) had registered with Shine Lawyers as at 16 December 2024 (regardless of whether they had signed a costs agreement or completed any form approved for registration under the Opt Out and Registration Orders); or

    (c) had registered to participate in the Proceeding by completing a form approved for registration under the Opt Out and Registration Orders by the Class Deadline in accordance with order 19 of the Opt Out and Registration Orders.

43. The Respondents have authorised Shine Lawyers to disclose the Group Member Data to the Settlement Administrator on a confidential basis, and the Settlement Administrator to use the Group Member Data for the purposes of administering this Settlement Scheme.

44. The Settlement Administrator is entitled to rely on the accuracy of the information provided in the Group Member Data to identify whether a Registrant or Unverified Registered Person is:

    (a) an Existing Client;

    (b) a New Client;

    (c) neither of the above,

    without further recourse to the Registrant or Unverified Registered Person.

45. If the Settlement Administrator identifies a Registrant or Unverified Registrant to be both an Existing Client and a New Client, the Registrant or Unverified Registrant will be deemed to be a New Client for the purposes of this Settlement Scheme.

46. If the Settlement Administrator identifies a Registrant to be an Existing Client or a New Client (or a Registrant is deemed to be a New Client for the purposes of this Settlement Scheme in accordance with Clause 45 above), it will be deemed that the Registrant is a Matched Registrant.

47. If the Settlement Administrator identifies from the Group Member Data that two Matched Registrants are joint owners of a CommInsure Life Product policy/policies, the Settlement

Administrator will treat them as one Matched Registrant for the purpose of:

(a) assessing whether they are an Eligible Group Member; and

(b) estimating any Payment Amount in accordance with the Payment Formula.

48. If a record of a Registrant or Unverified Registered Person does not appear in the Group Member Data, it will be deemed that the Registrant or Unverified Registered Person is not a Group Member.

J. Calculation of the Distribution Sum and determination of Payment Amount

49. To receive a Payment Amount a Registrant or Unverified Registrant must be an Eligible Group Member.

50. To be an Eligible Group Member, a Registrant (other than the Applicants) must:

(a) be a Matched Registrant who is either:

(i) a New Client; or

(ii) an Existing Client who confirms in their Registration Form that during the Relevant Period they:

(1) (themselves or through their superannuation fund as a member) received advice from a Commonwealth Financial Planning Ltd (CFP) or Financial Wisdom Ltd (FWL) financial adviser about their CommInsure Life Product policy/policies; and

(2) obtained, renewed or retained their CommInsure Life Product policy/polices on the basis of that financial advice,

(i.e. they have answered *both* Group Member questions “Yes”), subject to the exception in Clause 52(b) below; and

(b) have paid $1,000 including GST or more in premiums in total during the Relevant Period for all CommInsure Life Product policies they held, based on the Registrant’s record(s) in the Group Member Data;

(c) have an estimated entitlement under the Settlement Scheme of at least $20; and

(d) have provided the Trustee Undertaking, *unless* their record(s) in the Group Member Data confirms that they held all their CommInsure Life Product policies outside of their superannuation fund.

51. To be an Eligible Group Member, an Unverified Registrant must:

(a) be:

(i) a New Client; or

(ii) an Existing Client whose registration confirms that during the Relevant Period they:

(1) (themselves or through their superannuation fund as a member) received advice from a Commonwealth Financial Planning Ltd (CFP) or Financial Wisdom Ltd (FWL) financial adviser about their CommInsure Life Product policy/policies; and

(2) obtained, renewed or retained their CommInsure Life Product policy/polices on the basis of that financial advice,

(i.e. they have answered *both* Group Member questions "Yes"), subject to the exception in Clause 52(b) below; and

(b) have paid $1,000 including GST or more in premiums in total during the Relevant Period for all CommInsure Life Product policies they held, based on the Unverified Registrant's record(s) in the Group Member Data;

(c) have an estimated entitlement under the Settlement Scheme of at least $20; and

(d) provide the Trustee Undertaking if requested to do so by the Settlement Administrator, where their record(s) in the Group Member Data confirms that they held some or all their CommInsure Life Product policies through their superannuation fund as a member.

52. For the avoidance of doubt, a Matched Registrant (including an Unverified Registrant) who is an Existing Client who:

(a) has answered *either* of the Group Member questions "No" is not a Group Member and, accordingly, *is not* an Eligible Group Member (refer to Clause 34 above).

(b) has changed their answer to *either* of the Group Member questions in their Registration Form from "No" to "Yes" *and* selected "*My previous response was inconsistent with me being a group member*" as the reason for changing their answer, *is not* an Eligible Group Member (refer to Clause 50(a)(ii) above).

53. The Settlement Administrator is not required to contact any Matched Registrant (including an Unverified Registrant) who is an Existing Client to seek to resolve any inconsistency in their responses to the Group Member questions (for example, if a Matched Registrant has answered the first question "No" and the second question "Yes").

54. The Applicants are deemed Eligible Group Members for the purposes of the Settlement Scheme.

55. Within 120 Business Days after the Consequential Orders Appeal Date expires, the Settlement Administrator must:

(a) identify whether each Unverified Registered Person is an Unverified Registrant in accordance with the definition of those terms in Section A of the Settlement Scheme;

(b) identify whether each Registrant is a Matched Registrant in accordance with Clause 40 above;

(c) identify whether each Matched Registrant (who is not an Unverified Registrant) is an Eligible Group Member in accordance with Clauses 50 and 52 above;

(d) identify whether each Unverified Registrant is an Eligible Group Member in accordance with Clauses 51(a)-(c) and 52 above;

(e) identify whether each Eligible Group Member held one or more CommInsure Life Product policies through their superannuation fund as a member;

(f) estimate the Payment Amount for:

(i) each Eligible Group Member who is a New Client; and

(ii) each Eligible Group Member who is an Existing Client,

in accordance with the Payment Formula;

(g) prepare a list which sets out the estimated Payment Amount for each Eligible Group Member and, for each Eligible Group Member who held one or more CommInsure Life Product policy/policies through their superannuation fund as a member, the amount the Eligible Group Member must repay to the trustee of their superannuation fund calculated in accordance with the Repayment Formula set out in Annexure B;

(h) notify the following persons that they are not eligible to receive a Payment Amount under the Settlement Scheme:

(i) any Unverified Registered Person who is not an Unverified Registrant;

(ii) any person who completed a Registration Form who is not a Registrant;

(iii) any Registrant for whom a record does not appear in the Group Member Data; and

(iv) any Matched Registrant (including Unverified Registrants) who is an Existing Client who, based on the information provided in the Registration Form or registration, during the Relevant Period, <u>did not</u>:

(1) (themselves or through their superannuation fund as a member) receive advice from a Commonwealth Financial Planning Ltd (CFP) or Financial Wisdom Ltd (FWL) financial adviser about their CommInsure Life Product policy/policies; and

(2) obtain, renew or retain their CommInsure Life Product policy/policies on the basis of that financial advice.

(v) any Matched Registrant (who is not an Unverified Registrant) who:

(1) paid less than $1,000 including GST in premiums in total during the Relevant Period for all CommInsure Life Product policies they held, based on the Registrant's record(s) in the Group Member Data; and/or

(2) has an estimated entitlement under the Settlement Scheme of less than $20; and/or

(3) held one or more CommInsure Life Product policy/policies through their superannuation fund as a member but did not provide the Trustee Undertaking.

(vi) any Unverified Registrant who:

(1) paid less than $1,000 including GST in premiums in total during the Relevant Period for all CommInsure Life Product policies they held, based on the Registrant's record(s) in the Group Member Data; and/or

(2) has an estimated entitlement under the Settlement Scheme of less than $20.

56. To calculate the Distribution Sum, the Settlement Administrator must:

(a) prepare a summary of the total funds available in the Settlement Distribution Fund at that time; and

(b) calculate and set aside:

(i) any pre-approved Administration Costs that have not been paid; and

(ii) an amount equal to the Settlement Administrator's highest reasonable estimate of any additional Administration Costs likely to be incurred prior to the final distribution of the Settlement Distribution Fund, notwithstanding that such Administration Costs have not yet been approved by the Court; and

(iii) any amount payable to the Australian Tax Office for any tax obligation and/or tax related expense in accordance with Clause 77 below.

The remaining balance will be the Distribution Sum available for distribution to Eligible Group Members as Payment Amounts calculated in accordance with the Payment Formula.

K. Distribution to Eligible Group Members

57. Within 20 Business Days after preparing the list in Clause 55(g) above, the Settlement Administrator will send a Notice of Estimated Distribution to each Eligible Group Member who is entitled to receive a Payment Amount.

58. The Notice of Estimated Distribution will be sent:

(a) by email to the email address provided in the Eligible Group Member's Registration Form; or

(b) if no email address was provided or in the case of any bounce-backs, by ordinary pre-paid post to the address provided in the Eligible Group Member's Registration Form.

59. For the avoidance of doubt, the Notice of Estimated Distribution will only be sent to Registrants and Unverified Registrants who:

(a) are assessed by the Settlement Administrator to be Eligible Group Members using the criteria in Clause 50 or Clause 51 respectively; or

(b) are deemed Eligible Group Members for the purposes of the Settlement Scheme (see Clause 54 above).

60. The Notice of Estimated Distribution must include:

(a) the Eligible Group Member's estimated Payment Amount; and

(b) a Secure Request Link (which may include or be accompanied by a Unique Access Code) for the Eligible Group Member to:

(i) enter the details of their nominated Australian Bank Account into which the Settlement Administrator is to pay any Payment Amount under this Settlement Scheme; and

(ii) provide the Trustee Undertaking, if requested to do so by the Settlement Administrator..

The Secure Request Link will remain active for no less than 28 Days after the date of the Notice of Estimated Distribution.

61. Further to Clause 47 above, where an Eligible Group Member comprises two Matched Registrants (including Unverified Registrants) who are joint owners of a CommInsure Life Product policy/policies:

(a) separate Notices of Estimated Distribution will be sent to each of the Matched Registrants; and

(b) each Notice of Estimated Distribution will:

(i) confirm that the Matched Registrant is entitled to receive a 50% share of the Eligible Group Member's estimated Payment Amount; and

(ii) include a Secure Request Link for the Matched Registrant to:

(1) enter the details of their nominated Australian Bank Account into which the Settlement Administrator is to pay 50% of any Payment Amount under this Settlement Scheme; and

(2) provide the Trustee Undertaking if requested to do so by the Settlement Administrator.

The Secure Request Link will remain active for 28 Days from the date of the Notice of Estimated Distribution.

For the avoidance of doubt, together, the two Matched Registrants are one Eligible Group Member and will be entitled to one Payment Amount calculated in accordance with the Payment Formula.

62. If the Settlement Administrator does not receive Australian Bank Account details and the Trustee Undertaking (if requested) from an Eligible Group Member by the date the Secure Request Link in the Notice of Estimated Distribution expires, the Settlement Administrator will send:

(a) an email (using the email address provided in their Registration Form or registration) to the Eligible Group Member with a Secure Request Link (and, where applicable, a Unique Access Code) requesting that they provide Australian Bank Account details and any Trustee Undertaking that has been requested; and

(b) a second email with a Secure Request Link (and, where applicable, a Unique Access Code, using the email address provided in their Registration Form or registration) to the Eligible Group Member if no response to the first email is received within 10 Business Days, notifying the Eligible Group Member that they have 10 Business Days to provide Australian Bank Account details and any Trustee Undertaking that has been requested; or

(c) if no email address is available or in the case of any bounce-backs, a letter by ordinary pre-paid post to the Eligible Group Member's last known address in lieu of the email and second email.

63. Without limitation, the Settlement Administrator may:

(a) issue a Secure Request Link to an Eligible Group Member;

(b) require the use of a Unique Access Code to access a Secure Request Link;

(c) permit an Eligible Group Member who has an existing account on the

Registration Portal to access a Secure Request Link and provide Australian Bank Account details and any Trustee Undertaking that has been requested by the Settlement Administrator without a Unique Access Code;

(d) determine the authentication, verification and access processes applicable to the provision of payment instructions;

(e) vary or replace any link, access process or authentication requirement where the Settlement Administrator considers it appropriate to do so.

64. If the Settlement Administrator does not receive Australian Bank Account details and any Trustee Undertaking that has been requested from an Eligible Group Member within 10 Business Days after the second email or second letter is sent (refer to Clauses 62(b) and 62(c) above), the Settlement Administrator will not take any further steps to obtain Australian Bank Account details or any Trustee Undertaking they have requested from the Eligible Group Member.

65. The Settlement Administrator will store all Australian Bank Account details provided by Eligible Group Members securely and for the sole purpose of distributing the Distribution Sum in accordance with this Settlement Scheme.

66. Within 65 Business Days after the last Notice of Estimated Distribution is sent (refer Clause 58 above), the Settlement Administrator will:

(a) recalculate and pay the Payment Amount to each Eligible Group Member by electronic funds transfer to the Eligible Group Member's nominated Australian Bank Account (refer Clause 57(a) above);

(b) send a Remittance Notice to each Eligible Group Member whose Payment Amount is successfully transferred to the Eligible Group Member's nominated Australian Bank Account, confirming:

(i) their Payment Amount and the date on which it was transferred; and

(ii) if the Eligible Group Member held one or more CommInsure Life Product policy/policies through their superannuation fund as a member, the amount the Eligible Group Member must repay to the trustee of their superannuation fund.

The Remittance Notice will be sent by email to the email address provided in the Registration Form or registration or, if no email address is available or in the case of any bounce-backs, by ordinary pre-paid post to the Eligible Group

Member's last known address.

67. The Settlement Administrator will, in respect of any Payment Amount that is returned to the Settlement Administrator by the authorised deposit-taking institution associated with the Australian Bank Account provided by an Eligible Group Member, or that otherwise fails to transfer, send:

(a) an email (using the email address provided in their Registration Form or registration) to the Eligible Group Member with a Secure Request Link (and, where applicable, a Unique Access Code) requesting that they provide updated Australian Bank Account details; and

(b) a second email with a Secure Request Link (and, where applicable, a Unique Access Code, using the email address provided in their Registration Form or registration) to the Eligible Group Member if no response to the first email is received within 10 Business Days, notifying the Eligible Group Member that they have 10 Business Days to provide updated Australian Bank Account details; or

(c) if no email address is available or in the case of any bounce-backs, by ordinary pre-paid post to the Eligible Group Member's last known address in lieu of the email and second email.

68. If the Settlement Administrator does not receive updated Australian Bank Account details from an Eligible Group Member within 10 Business Days after the second email or letter is sent (refer to Clauses 67(b) and 67(c) above), the Settlement Administrator will not take any further steps to obtain updated Australian Bank Account details from the Eligible Group Member or to re-attempt payment of the Payment Amount to the Eligible Group Member.

69. If, within 25 Business Days after the second email or second letter is sent to the Eligible Group Member requesting:

(a) Australian Bank Account details and the Trustee Undertaking (if requested) (refer to Clauses 62(b) and 62(c) above), the Settlement Administrator has not received Australian Bank Account details and/or the Trustee Undertaking from the Eligible Group Member, their Payment Amount will be forfeited, and the Eligible Group Member will have no claim against the Settlement Administrator or the Settlement Distribution Fund. In that event, the Eligible Group Member's Payment Amount will remain part of the Distribution Sum and be available for distribution to the Eligible Group Members when their Payment Amounts are recalculated under Clause 66(a) above.

(b) updated Australian Bank Account details (refer to Clauses 67(b) and 67(c) above), the Settlement Administrator has not received updated Australian Bank Account details from the Eligible Group Member, the Eligible Group Member's Payment Amount will be forfeited and the Eligible Group Member will have no claim against the Settlement Administrator or the Settlement Distribution Fund. In that event, the Eligible Group Member's Payment Amount will form part of the Undistributed Funds.

70. For the avoidance of doubt, the Settlement Administrator may make the payments contemplated in Section K in tranches over a period of time to be determined by the Settlement Administrator, at its discretion.

71. The Settlement Administrator is not responsible for recovering any Payment Amount which an Eligible Group Member advises they did not receive or that was transferred to an incorrect bank account because the details of the Australian Bank Account provided by the Eligible Group Member to the Settlement Administrator in the Secure Request Link sent to them pursuant to Clauses 59(b), 61(b), 62 or 67 above, or otherwise are incorrect.

72. The Settlement Administrator is not liable to the trustee of a superannuation fund for, or responsible for recovering, the amount identified in a Remittance Notice sent to an Eligible Group Member that is required to be repaid to the trustee by the Eligible Group Member in accordance with the Trustee Undertaking, but which the Eligible Group Member fails to repay.

73. Any person or Registrant or Unverified Registered Person or Unverified Registrant who does not receive a Payment Amount under the Settlement Scheme is not entitled to appeal their eligibility.

74. Eligible Group Members are not entitled to appeal the amount of their Payment Amount.

L. Tax Matters

75. Each Eligible Group Member is responsible for obtaining his or her own taxation or government entitlements advice in respect of the Payment Amount they receive.

76. The Settlement Administrator is not obliged to obtain any taxation advice or taxation

rulings (class, public or private) concerning any tax or stamp duty potentially payable by an Eligible Group Member in respect of the Payment Amount they receive.

77. The Settlement Administrator is entitled to withhold an amount attributable to any applicable taxes payable on the Settlement Distribution Fund before the Distribution Sum is distributed to Eligible Group Members (refer to Clause 56 above). The Settlement Administrator must pay the amount withheld to the Australian Taxation Office.

M. Reporting by the Settlement Administrator

78. The Settlement Administrator will, within 20 Business Days after concluding the final transfer of Payment Amounts to Eligible Group Members in accordance with Section K above, report to the Court on the following matters:

(a) the amount of interest earned on the Settlement Sum;

(b) the amount of the Administration Costs;

(c) the amount of the Distribution Sum;

(d) the number of Registered Persons;

(e) the number of Unverified Registrants;

(f) the number of Registrants;

(g) the number of:

(i) Eligible Group Members who are New Clients, and identifying the number who are comprised of two Matched Registrants (including Unverified Registrants) (refer to Clause 47 above);

(ii) Eligible Group Members who are Existing Clients, and identifying the number who are comprised of two Matched Registrants (including Unverified Registrants) (refer to Clause 47 above);

(h) the number of Eligible Group Members who received a Payment Amount, and identifying the number who are comprised of two Matched Registrants (including Unverified Registrants) (refer to Clause 47 above);

(i) the Payment Amounts transferred to each:

(i) Eligible Group Member who is a New Client;

(ii) Eligible Group Member who is an Existing Client;

(j) the total quantum of Payment Amounts distributed to Eligible Group Members;

(k) if the amounts in Clauses 78(c) and 78(j) are different, an explanation for this;

(l) the number of Eligible Group Members to whom a Payment Amount was unable to transferred and was forfeited in accordance with Clause 69 above;

(m) a summary of the emails and letters sent to the Eligible Group Members in Clause 78(l) above;

(n) the balance of the Settlement Distribution Fund (the **Undistributed Funds**); and

(o) any other matter the Settlement Administrator determines is relevant,

(**Distribution Report**).

N. Undistributed Funds

79. In respect of the Undistributed Funds, provided the Settlement Administrator has taken all reasonable steps in accordance with this Settlement Scheme to distribute the Distribution Sum, the Settlement Administrator is to, within 10 Business Days after providing the Distribution Report in Clause 78 above to the Court:

(a) inform the Applicants of the amount of the Undistributed Funds; and

(b) obtain instructions from the Applicants (or a majority of the Applicants) as to a nominated Australian charity registered with the Australian Charities and Not-for-profits Commission to receive the Undistributed Funds.

80. Within 10 Business Days after receiving the Applicants' nominated Australian charity, the Settlement Administrator is to cause payment of the Undistributed Funds to be made to that charity.

Annexure A – Payment Formula

1. The following definitions apply to the Payment Formula:

   (a) **Classification** means the identification of an Eligible Group Member as:

      (i) an Existing Client; or

      (ii) a New Client,

      under the Settlement Scheme.

   (b) **Division** refers to the band into which an Eligible Group Member falls based on their Total Premiums Paid and Classification.

   (c) **Total Premiums Paid** means the total premiums paid by an Eligible Group Member for all CommInsure Life Product policies they held during the Relevant Period, as recorded in the Group Member Data.

   (d) **Total Units** means the sum total of the Units for all Eligible Group Members.

   (e) **Units** means the numerical value allocated to each Division in Table 1 and Table 2.

   (f) **Unit Value** means the Australian dollar value of one Unit, calculated by dividing the Distribution Sum by the Total Units.

2. Each Eligible Group Member's Payment Amount is calculated using the following assessment methodology and formulae:

   (a) The Settlement Administrator will calculate the Total Premiums Paid by the Eligible Group Member and assign them to a Division.

   (b) The Settlement Administrator will allocate Units to the Eligible Group Member by reference to their Classification and Division, using:

      (i) Table 1 if the Eligible Group Member is an Existing Client;

      (ii) Table 2 if the Eligible Group Member is a New Client.

   (c) The Settlement Administrator will calculate the Total Units using the formula:

      Total Units = Σ [(Units × Number of Eligible Group Members in a Division) for all Divisions in Table 1 and Table 2]

   (d) The Settlement Administrator will calculate the Unit Value using the formula:

      Unit Value = Distribution Sum ÷ Total Units

(e) The Unit Value will vary depending on:

(i) the Distribution Sum;

(ii) the number of Eligible Group Members;

(iii) the number of Eligible Group Members in each Division; and

(iv) the number of Eligible Group Members who forfeit their Payment Amount under Clause 69.

(f) The Payment Amount for each Eligible Group Member will be calculated using the formula:

Payment Amount = Units × Unit Value

3. Payment Amounts calculated in accordance with the methodology and formulae in this Annexure A include the:

(a) estimated Payment Amount included in an Eligible Group Member's Notice of Estimated Distribution sent pursuant to Clause 57; and

(b) recalculated Payment Amount included in an Eligible Group Member's Remittance Notice sent pursuant to Clause 67(b).

4. Table 1 – Eligible Group Members who are Existing Clients

Division	**Units**
$1,000 – $4,999	1
$5,000 – $9,999	2
$10,000 – $19,999	3
$20,000 – $29,999	4
$30,000 – $39,999	6
$40,000 – $49,999	7
$50,000 – $99,999	8
$100,000 – $199,999	9

Division	**Units**
$200,000 and above	10

5. Table 2 – Eligible Group Members who are New Clients

Division	**Units**
$1,000 – $4,999	2
$5,000 – $9,999	4
$10,000 – $19,999	6
$20,000 – $29,999	8
$30,000 – $39,999	12
$40,000 – $49,999	14
$50,000 – $99,999	16
$100,000 – $199,999	18
$200,000 and above	20

Annexure B – Repayment Formula

1. If the Eligible Group Member’s records in the Group Member Data indicate:

   (a) they held *all* their CommInsure Life Product policies through their superannuation fund as a member, the amount they must repay to the trustee of their superannuation account from their Payment Amount is **100%**.

   (b) they held:

      (i) one or more CommInsure Life Product policies through their superannuation fund as a member; *and*

      (ii) one or more CommInsure Life Product policies outside of their superannuation fund,

   the amount they must repay to the trustee of their superannuation account from their Payment Amount is **50%**.