

# Proposed Settlement Distribution Scheme

*Jessica Amy Challenor v QSuper Board ABN 32 125 059 006*

Federal Court of Australia Proceeding VID691 of 2021

[Proposed as at 18 November 2025]

## BACKGROUND TO THE SCHEME

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- A. This Scheme provides for the distribution of money paid by the QSuper Board in settlement of the Federal Court of Australia Proceeding, VID691 of 2021 (**Proceeding**).
- B. On 25 September 2025, the Deed of Settlement (**Settlement Deed**) took effect between the parties to the Proceeding. The Applicant agreed to settle the Proceeding on her own behalf and on behalf of all Group Members for the total amount of \$67 million inclusive of interest and costs (**Settlement Sum**).
- 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) (the **Act**).
- D. Subject to Court approval, Shine Lawyers ACN 134 702 757 (**Shine**) will be appointed as Settlement Administrator on the making of orders under section 33V of the Act.
- E. The Applicant has incurred legal costs and disbursements in conducting the Proceeding and has entered into a Retainer and Costs Agreement with Shine. Costs will also be incurred in administering this Scheme.
- F. This Scheme sets out the principles for the distribution of the Settlement Sum to Participating Group Members, after the deduction of the Shine and Funder Amount.

## OPERATIVE PART

### A. DEFINITIONS

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1. The following definitions apply unless the context requires otherwise:

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

**Administration Costs** means the reasonable legal costs and disbursements incurred by the Settlement Administrator (or their delegates or agents), as approved by the Court.

**Appeal Date** means:

- (i) if no appeal or application for leave to appeal is brought in respect of the Approval Order, the Claims Dismissal Order or the Settlement Distribution Order, the day that is 49 days after the making of the Approval Order, the Claims Dismissal Order or the Settlement Distribution Order (whichever is latest) (unless the Court has fixed a later date by which an appeal or an application for leave to appeal may be brought); or
- (ii) if the Court has fixed a date more than 49 days after the making of Approval Order, Claims Dismissal Order or Settlement Distribution Order (whichever is the latest) 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
- (iii) if an appeal or application for leave to appeal is brought in respect of the Approval Order, Claims Dismissal Order or Settlement Distribution Order within the time limited for such an appeal or application for leave:
  - (1) subject to (2), the day after the date of the final disposition of that appeal or application for leave to appeal;
  - (2) subject to (3), 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

- (3) if an appeal or application for leave to appeal from the disposition referred to in (1) above is brought within the time within which such an appeal or application for leave may be brought, the date of final disposition of that appeal or application for leave to appeal.

**Applicant and Sample Group Member's Reimbursement Payment**

means an amount approved by the Court, by way of compensation and reimbursement for time and expenditure reasonably incurred by the Applicant and/or the Sample Group Member in their representative capacities in bringing and maintaining the Proceeding in the interests of Group Members.

**Applicant** means Jessica Amy Challenor.

**Applicant's Legal Costs and Disbursements** means a sum approved by the Court representing the Applicant's reasonable legal costs and disbursements on a solicitor and own client basis (calculated in accordance with the Applicant's Retainer and Costs Agreement with Shine) incurred on her own behalf and on behalf of all or any Group Members in the Proceeding, including the Cash Outlay and Remaining Costs.

**Approval Order** means a Court order that:

- (i) the Settlement of the Proceeding including the Released Claims be approved under section 33V of the Act on the terms set out in the Settlement Deed;
- (ii) pursuant to sections 33V and/or 33ZF of the Act, the Applicant be authorised *nunc pro tunc* to enter into and give effect to the Settlement Deed (and the transactions contemplated by it) for and on behalf of each of the Group Members and/or making orders under section 33ZB of the Act making the section 33V orders binding on the Applicant, all Group Members and the Respondent.

**ART** means Australian Retirement Trust, a super fund formed through the merger of the Sunsuper Superannuation Fund (ABN 98 503 137 921) and the QSuper Fund in February 2022.

**ART Group Member** means a Group Member who is a current ART member and has an ART account.

**ARTPL** means Australian Retirement Trust Pty Limited as the trustee of Australian Retirement Trust (ABN 88 010 720 840) of 266 George Street, Brisbane, Queensland 4000.

**Assessment Methodology** means Schedule 2 to this Scheme entitled “Assessment Methodology”.

**ATE Insurers** means the insurers providing after-the-event insurance in relation to the Proceeding (including any adverse costs cover).

**ATO** means the Australian Taxation Office.

**ATO Payment** means a payment made by ARTPL to the Australian Taxation Office under the *Superannuation (Unclaimed Money and Lost Members) Act 1999* (Cth) of the amount that was allocated to a Participating Group Member as a trustee voluntary payment in accordance with the timeframes under that Act.

**Business Day** means a day on which banks are open for general banking business in Brisbane, Queensland (not being a Saturday, Sunday or public holiday in that place).

**Cash Outlay** means the total amount of fees and costs paid or payable by the Funder (including any security for costs paid or payable) in relation to the Proceeding and/or the Managed Investment Scheme.

**Claims Dismissal Order** means a Court order dismissing all of the Claims in the Proceeding of the Applicant and of each Group Member, with no order as to costs and with all previous costs orders vacated with effect from the date on which the Settlement Administrator notifies the Court of the final payment having been made to Group Members under the Settlement Distribution Scheme.

**Court** means the Federal Court of Australia.

**Death Benefit Recipient** means a Group Member who falls within the criteria in paragraph 3(b) of the FASOC.

**Deferred Fees** means that portion of Shine’s professional fees incurred by the Applicant but not paid by the Woodsford Parties pursuant to the Funding Agreement and carried on a conditional basis pursuant to the Retainer and Costs Agreement between the Applicant and Shine.

**Distribution** means an amount distributed to a Participating Group Member from the Settlement Sum Account in accordance with this Scheme.

**FASOC** means the Further Amended Statement of Claim filed in the Proceeding on 19 December 2024.

**Former ART Group Member** means a Group Member who, on 1 July 2016, was a member of the QSuper Fund, and who is not a current ART member and does not have an ART account.

**Former Spouse** means a Group Member who falls within the criteria in paragraph 3(c) of the FASOC.

**Funding Agreement** means the litigation funding agreement entered into between the Woodsford Parties and the Applicant dated 13 April 2022.

**Funding Commission** means 27.5% of the Settlement Sum.

**Funder** means Woodsford Litigation Funding 10 LLP (Company Number OC432978) of 8 Bloomsbury Street, London, WC1B 3SR.

**Fund Member** means a Group Member who falls within the criteria in paragraph 3(a) of the FASOC.

**Group Members** means those persons who meet the description of Group Members in paragraph 3 of the FASOC, other than any persons who have validly opted out of the Proceeding pursuant to section 33J of the Act. For the avoidance of doubt, Group Members includes the Sample Group Member.

**Group Member Data** means the information regarding Registered Group Members produced by the Respondent pursuant to subparagraphs 15(e) to (j) of the orders made by the Court on 19 November 2025.

**Holding Account** means an interest-bearing account held with an Australian authorised deposit taking institution of which the account holder is Shine as trustee, and which the Settlement Distributor must pay, or cause to be paid, the Shine and Funder Amount.

**High Risk** means a person who, as at 1 July 2016, was eligible for the High Risk Rate and Occupational Rating Category as set out in Schedule B.5 to the FASOC: Heavy manual and other identifiable high risk occupations (e.g. police, emergency services, cleaners, security guards).

**Managed Investment Scheme Costs** means any fees and costs due in relation to the operation of the Managed Investment Scheme.

**Managed Investment Scheme** means the Woodsford – QSuper – Litigation Funding Scheme.

**Net Settlement Sum** means the amount of the Settlement Sum available for distribution to Participating Group Members after the deduction of the Shine and Funder Amount. The Net Settlement Sum is inclusive of interest.

**Non-Participating Group Members** has the meaning given in clause 50 and the definitions of the Assessment Methodology at Schedule 2 to this Scheme.

**Participating Group Members** means the Applicant, Sample Group Member and those Group Members:

- (i) who completed the Registration Form and submitted it to Shine before the Registration Deadline on 4.00 pm AEST on 27 February 2026;
- (ii) for whom a record is contained in the Group Member Data;
- (iii) who, based on the information provided in the Registration Form and the Group Member Data, the Settlement Administrator determines are Group Members; and
- (iv) whose Payment Amount (once calculated) is more than \$20.

**Payment Amount** means the individual entitlement of a Participating Group Member calculated in accordance with the principles in Schedule 2 Assessment Methodology to this Scheme:

**Proceeding** means the representative proceeding *Jessica Amy Challenor v QSuper Board ABN 32 125 059 006* (Federal Court of Australia Proceeding No VID691 of 2021).

**Professional** means a person who, as at 1 July 2016, was eligible for the Professional Rate and Occupational Rating Category as set out in Schedule B.5 to the FASOC: university qualified relevant to their occupation or a senior manager (e.g. surgeons, doctors, executives) with a salary of \$120,000+ working in office based environments.

**QSuper** means the QSuper Board Pty Limited ACN 657 707 009.

**QSuper Fund** means the superannuation fund known as QSuper, of which QSuper Board was the trustee prior to its merger with the Sunsuper Superannuation Fund in February 2022.

**Registered Group Members** means:

- (i) the Applicant;
- (ii) the Sample Group Member; and
- (iii) any person who:
  - (1) completed the Registration Form and submitted it to Shine before the Registration Deadline on 4.00 pm AEST on 27 February 2026; and
  - (2) is confirmed to be a Group Member in accordance with this Scheme.

**Registration Deadline** means 4.00 pm AEST on 27 February 2026, being the date fixed by the Court as the time by which a Registration Form must be completed and submitted to Shine for a Group Member to be considered in this Scheme.

**Registration Form** means a registration submitted using the Registration Portal before the Registration Deadline containing the information required for the purposes of this Scheme.

**Registration Portal** means the online portal operated by Shine in accordance with Order 11 made on 19 November 2025.

**Remaining Costs** means that portion of the Applicant's Legal Costs and Disbursements incurred by the Applicant but not paid by the Woodsford Parties under the Funding Agreement and carried on a conditional basis pursuant to the Applicant's Retainer and Costs Agreement with Shine.

**Respondent** means the QSuper Board.

**Retainer and Costs Agreement** means the legal costs disclosure and agreement between Shine and the Applicant relating to the Proceeding.

**Sample Group Member** means Keir McLean Brown.

**Scheme** means this Settlement Distribution Scheme.

**Settlement Administrator** means the person responsible for:

- (i) establishing a Registration Portal to take registrations;



- (ii) verifying registrations to determine which registrants are:
  - (1) Group Members;
  - (2) Participating Group Members;
- (iii) calculating Payment Amounts for Participating Group Members; and
- (iv) enforcing the Scheme on behalf of Group Members.

**Settlement Distribution Order** means a Court order approving the terms of a Settlement Distribution Scheme.

**Settlement Distributor** means the person appointed to make payments to Participating Group Members to administer the Settlement Distribution Scheme.

**Settlement Notice** means the notice sent to Group Members informing them of the proposed settlement, the main provisions of this proposed Scheme, the Applicant's intention to apply for approval of the settlement by the Court, the date of the settlement approval hearing, the requirement for Group Members to complete the Registration Form before the Registration Deadline to participate in the distribution of the Settlement Sum and right to apply to be heard on the question of whether the proposed settlement should be approved.

**Settlement Sum** means an amount of \$67,000,000 in full and final Settlement of the Proceeding inclusive of interest, any GST payable on the Settlement Sum, the Applicant's Legal Costs and Disbursements, any commission or other amount to be paid to the Funder or any other person and the costs of settlement approval and settlement administration.

**Settlement Sum Account** means:

- (i) an interest-bearing holding account with an Australian authorised deposit taking institution which is separate to the general reserve for ART of which ARTPL is the account holder as trustee;
- (ii) the Settlement Sum held in the Settlement Sum Account, and any interest accrued on it, is to be held for allocation or distribution by ARTPL in accordance with this Scheme.

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

**Shine and Funder Amount** means an amount (approved by the Court and less than the Settlement Sum) referable to:

- (i) the Applicant's Legal Costs and Disbursements;
- (ii) the Administration Costs;
- (iii) the Managed Investment Scheme Costs;
- (iv) the Funding Commission;
- (v) any after-the-event insurance premiums (including any deferred premiums);
- (vi) any Applicant and Sample Group Member's Reimbursement Payment.

**Standard** means a person who, as at 1 July 2016, was eligible for the Standard Rate and Occupational Rating Category as set out in Schedule B.5 to the FASOC: nurses, health care workers/carers, manual light positions. Any worker who does not meet the criteria for any of the other ratings.

**Tax** means a tax, levy, duty, charge, deduction or withholding or an imposition, however it is described, that is imposed by law of a Government of Australia or elsewhere, together with any related interest, penalty, fine or other charge.

**Unit Value** has the meaning given in the definitions of the Assessment Methodology at Schedule 2 to this Scheme.

**Unique Identifier** means an anonymised, randomly generated identifier for each potential Group Member who has been distributed a Settlement Notice, which has been generated by ARTPL to match client identification numbers used in its systems to identify potential Group Members, generate Group Member Data and enable the Settlement Administrator to determine Participating Group Members.

**White Collar** means a person who, as at 1 July 2016, was eligible for the White Collar Rate and Occupational Rating Category as set out in Schedule B.5 to the FASOC: 80% of time in office or classroom environment and duties are limited to administration or managerial and, occupation does not involve more than 10% light manual duties (e.g. managers, teachers, call centre operators).

**Woodsford Parties** means the following parties:

- (i) The Funder;

- (ii) Woodsford Group Limited (Company Number 07327885 (England and Wales Foreign Company)); and
- (iii) Woodsford Australia Pty Limited (ACN 644 961 446).

## **B. SETTLEMENT ADMINISTRATOR AND SETTLEMENT DISTRIBUTOR**

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- 2. This Settlement Distribution Scheme (**Scheme**) sets out a procedure for the distribution of the Settlement Sum.
- 3. The Scheme is administered and applied by the Settlement Administrator.
- 4. With approval of the Court, Shine is appointed as the Settlement Administrator.
- 5. The Settlement Administrator:
  - (a) is responsible for:
    - (i) establishing a Registration Portal to take registrations;
    - (ii) verifying registrations to determine which registrants are:
      - (1) Group Members;
      - (2) Participating Group Members;
      - (3) Non-Participating Group Members;
    - (iii) calculating Payment Amounts for Participating Group Members; and
    - (iv) enforcing the 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 Scheme, is authorised to make decisions that, in the Settlement Administrator's sole discretion, ultimately benefit the Participating Group Members as a whole.
- 6. The Settlement Distributor is to distribute:
  - (a) Payment Amounts to Participating Group Members in accordance with this Scheme; and
  - (b) other Court-approved deductions to the Settlement Administrator.
- 7. With approval of the Court, ARTPL is appointed as the Settlement Distributor.
- 8. The Settlement Distributor will distribute the Settlement Sum within 6 months of the expiry of the Appeal Date, other than in exceptional circumstances.

9. If the Settlement Sum is not distributed within 6 months of the expiry of the Appeal Date, the Settlement Distributor will report to the Court and the Settlement Administrator on the reasons for the delay and the steps that the Settlement Distributor proposes to take to address it.
10. The Settlement Administrator and Settlement Distributor may (each or collectively):
  - (a) obtain legal advice;
  - (b) engage third party service providers including, but not limited to, accountants, solicitors, tax advisors, registry service providers and mailing houses;
  - (c) obtain advice in respect of tax matters arising from the administration of, and making payments from, the Settlement Sum; 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 the Participating Group Members.
11. Notwithstanding anything elsewhere in this Scheme, the Settlement Administrator may at any time correct any error, slip or omission occurring during the course of the administration of this Scheme.
12. The Settlement Administrator and Settlement Distributor each have the same immunities from suit as attach to the office of a judge of the Federal Court of Australia.
13. The time for doing any act or thing under this Scheme may be extended by the Settlement Administrator in their absolute discretion, or by order of the Court. Subject to Clause 14, the Settlement Administrator should not extend any time period beyond 45 days after the period specified in this Scheme except by order of the Court.
14. Where the time for doing any act or thing under this Scheme is contingent upon any other act or thing under this Scheme, an extension of time for performance of the prior step will result in a commensurate extension of time for performance of the contingent step (in the exercise of the absolute discretion of the Settlement Administrator or by order of the Court).

### **C. SUPERVISION OF THE SCHEME**

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15. The Settlement Administrator or Settlement Distributor may at any time refer any issues arising in relation to the Scheme or its administration to the Court for directions.
16. The Settlement Administrator or Settlement Distributor (as applicable) must:
  - (a) give seven days' notice to the other of an intention to make such an application for directions; and
  - (b) serve on the other all documents filed in any such application as soon as practicable after filing; and
  - (c) set out the nature of the order(s) sought and the reason(s) for seeking those order(s).
17. The Settlement Administrator is entitled to seek payment of its costs in relation to any such application or reference to the Court including from any remainder of the Net Settlement Sum or otherwise, subject to the Court's approval.

### **D. PAYMENT OF THE SETTLEMENT SUM**

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18. The Respondent must, within 5 Business Days after the date of the Settlement Deed, pay, or cause to be paid, the Settlement Sum into the Settlement Sum Account.
19. The Settlement Sum held in the Settlement Sum Account, and any interest accrued on it, is to be held for allocation or distribution by the Settlement Distributor in accordance with this Scheme.
20. Shine must open the Holding Account and provide the details of it to the Respondent no later than the Appeal Date.
21. Within 2 Business Days after the expiry of the Appeal Date for the Approval Order, the Settlement Distributor is to transfer into the Holding Account the Shine and Funder Amount.
22. The Shine and Funder Amount will be taken to have been received into the Holding Account immediately upon the Respondent causing an electronic funds transfer of the Shine and Funder Amount to be made to the Holding Account.
23. The funds in the Holding Account referable to:

- (a) any Funding Commission or after-the-event insurance premiums (including deferred premiums) will be held by Shine on trust for the Funder and the ATE Insurers (in respect of the Funder and the ATE Insurers' respective entitlements as approved by the Court, if any);
  - (b) the Applicant's Legal Costs and Disbursements will be held on trust by Shine for the Funder and Shine, in accordance with the Court's orders approving payment of that amount to the Funder and/or Shine (as applicable);
  - (c) any Applicant and Sample Group Member's Reimbursement Payment will be held by Shine on trust for the Applicant or Sample Group Member (as applicable), in respect of their respective entitlements as approved by the Court (if any).
24. From the funds in the Holding Account (including any interest earned thereon), the Settlement Administrator will make the payments set out below, in order of priority, in accordance with Court orders approving such payments pursuant to s33V(2) of the Act:
- (a) first, pay *pari passu* and *pro rata* and without duplication to:
    - (i) Woodsford Australia Pty Ltd (ACN 644 961 446), the Managed Investment Scheme Costs in the sum approved by the Court;
    - (ii) the Funder, the Cash Outlay and any security for costs paid or payable by it, in the sum approved by the Court;
  - (b) second, to pay any balance, *pari passu* and *pro rata*, to:
    - (i) the Funder, Funding Commission in the sum approved by the Court;
    - (ii) Shine, the Remaining Costs plus a 25% uplift on the Deferred Fees in the sum approved by the Court;
    - (iii) the ATE Insurers, any unpaid premium that is due to the ATE Insurers in the sum approved by the Court;
  - (c) third, the Applicant and Sample Group Member's Reimbursement Payment in the sum approved by the Court, which is to be paid to the Applicant and Sample Group Member;
  - (d) fourth, pay to the Administrator the Administration Costs incurred or to be incurred by the Administrator in the sum approved by the Court.

25. In respect of any taxation or other statutory mandated obligations arising from the requirement that Shine hold funds on trust in accordance with this clause D, nothing in this Scheme alters Shine's entitlements as a trustee under the general law.

#### **E. REGISTRATION OF GROUP MEMBERS**

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26. The Settlement Distributor must, within 10 Business Days after the date of the Court making orders approving the Settlement Notice (**Preliminary Orders**) produce a list of Unique Identifiers for each potential Group Member to the Settlement Administrator.
27. For the purposes of this Scheme, it is deemed that the list of Unique Identifiers includes a complete list of potential Group Members.
28. Each potential Group Member's Unique Identifier will be provided to them with the Settlement Notice in accordance with the Preliminary Orders.
29. A person must provide the following information when completing and lodging a Registration Form:
- (a) The Group Member's:
    - (i) Unique Identifier;
    - (ii) first and last names (including, where applicable, any name that they were formerly known by);
    - (iii) date of birth;
    - (iv) QSuper or ART member number (if known). For the avoidance of doubt, the provision of a QSuper or ART member number is not mandatory;
    - (v) email address;
    - (vi) postal and/or residential address;
    - (vii) mobile phone or telephone number;
  - (b) a confirmation as to the capacity in which the person is acting, including whether they are registering:
    - (i) on their own behalf (as a Fund Member); or
    - (ii) on behalf of an estate or as a Death Benefit Recipient; or
    - (iii) as a Former Spouse; or

- (iv) on behalf of a Group Member who has authorised them to register on their behalf.
  - (c) whether, as at 1 July 2016, the Fund Member was eligible to be occupationally rated as:
    - (i) White Collar; or
    - (ii) Professional; or
    - (iii) Standard; or
    - (iv) High Risk; and
  - (d) if they are registering as a Death Benefit Recipient or Former Spouse, the following information in relation to the QSuper Fund Member from whose account they received a transfer:
    - (i) first and last names (including, where applicable, any name that the QSuper Fund Member was formerly known by);
    - (ii) date of birth;
    - (iii) date of death (if deceased);
    - (iv) QSuper or ART member number (if known). For the avoidance of doubt, the provision of a QSuper or ART member number is not mandatory.
30. The Registration Form is to be designed so that the Unique Identifier provided in accordance with clause 29(a)(i) above can be automatically verified against the list of Unique Identifiers for each potential Group Member provided by the Settlement Distributor in clause 26. A registrant will not be permitted to submit their Registration Form unless the Unique Identifier they provide matches a Unique Identifier in the list provided by the Settlement Distributor (irrespective of whether that Unique Identifier matches the Unique Identifier assigned to that particular potential Group Member).
31. The Registration Form will require Group Members to re-confirm entry of the:
- (a) date of birth of the Fund Member; and/or
  - (b) QSuper or ART member number of the Fund Member (if the Group Member provides one).

The potential Group Member will not be permitted to submit their Registration Form if the re-confirmed date of birth or QSuper/ART member number (if



provided) do not match. This is intended to minimise the risk of data discrepancies arising between the information provided by the potential Group Member and the Settlement Distributor's records in the registration process.

32. Group Members must complete the occupational rating questions in the Registration Form, the answers to which will determine automatically the occupational category to which they are allocated (and whether they satisfy the Group Member definition). In the event that a Group Member considers that the occupational category to which they are allocated by that process is incorrect, they are provided an opportunity to identify what they consider is the correct allocation, and to describe why they consider the automatic allocation was incorrect. The Settlement Administrator may consider any such purported correction and may, in their absolute discretion, contact Group Members to resolve any inconsistency and/or determine the appropriate category to which the Group Member ought be allocated. In any event, Group Members will be required to make a declaration that the answers to the occupational rating questions, or any purported correction of the resulting allocation, is true and correct.
33. Group Members must ensure that the information they provide in the Registration Form (and any other information provided to the Settlement Administrator or Settlement Distributor) is true and accurate. The Settlement Administrator is not responsible for:
  - (a) checking the truthfulness and accuracy of information provided by Group Members; and
  - (b) any consequence that arises from the failure of a Group Member to provide true and accurate information to the Settlement Administrator or Settlement Distributor, including but not limited to a de facto release of preserved benefits inconsistent with the scheme established by the *Superannuation Industry (Supervision) Regulations 1994* (Cth).
34. The Settlement Distributor is responsible for confirming that the date of birth of the Fund Member provided on the Registration Form matches the relevant date of the birth for the Unique Identifier provided on the Registration Form. The Settlement Administrator is entitled to rely on the Settlement Distributor's confirmation that the relevant date of birth and Unique Identifier fields match in assessing whether a registrant is a Participating Group Member in this Scheme.
35. If a Group Member's Registration Form is received by the Settlement Administrator after the Registration Deadline, then the Settlement Administrator

shall not accept that Registration Form. If that Group Member still seeks to be accepted as a Registered Group Member, that Group Member may by 10:15am on 16 April 2026, apply to the Court for determination of whether that Group Member is eligible to participate in the Scheme. If the Court determines in favour of that Group Member, then that Group Member is deemed to be eligible to participate in the Scheme as a Registered Group Member.

36. A person (other than the Applicant and Sample Group Member) becomes a Registered Group Member when:
  - (a) the person lodges a complete Registration Form on the Registration Portal in accordance with the orders of the Court made on 19 November 2025, prior to the Registration Deadline. For the avoidance of doubt, where a person had registered with Shine prior to 5 December 2025, the Settlement Administrator is permitted to consider information already provided to Shine in assessing whether the registrant has already provided the information required in the Registration Form; and
  - (b) the Settlement Administrator confirms (from the information provided in the Registration Form and the Group Member Data) that the person is a Group Member.
37. The Applicant and Sample Group Member are deemed to be Registered Group Members for the purposes of this Scheme.
38. The Settlement Administrator may liaise with the Settlement Distributor to reconcile any issues between the information a person provides in the Registration Form and the Group Member Data to assist in determining whether a person is a Registered Group Member.
39. A Registered Group Member becomes a Participating Group Member when the Settlement Administrator determines that:
  - (a) based on the information provided in the Registration Form and the Group Member Data, the Group Member is a Participating Group Member; and
  - (b) their Payment Amount is more than \$20 in accordance with the process set out in clause G below.
40. The Settlement Administrator is entitled to rely on the Group Member Data to identify whether a Participating Group Member is a:
  - (a) ART Group Member;

- (b) Former ART Group Member;
  - (c) Death Benefit Recipient; or
  - (d) Former Spouse (or is a Fund Member in paragraph 3(a) of the FASOC who has a Former Spouse).
41. Only Participating Group Members are eligible to receive a Payment Amount under this Scheme.

#### **F. GROUP MEMBER DATA**

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42. Within 10 Business Days after the Registration Deadline, the Settlement Administrator must prepare a list of the following information provided by each registrant in their Registration Form and provide it to the Settlement Distributor:
- (a) Unique Identifier;
  - (b) for Fund Members, their date of birth;
  - (c) QSuper or ART member number of the Fund Member (if known). For the avoidance of doubt, the provision of a QSuper or ART member number is not mandatory; and
  - (d) where the person registering is a Death Benefit Recipient or Former Spouse, the person's first name and surname.
43. The Settlement Administrator may provide the information in clause 42 to the Settlement Distributor in tranches, including while it is still in the process of taking registrations.
44. Within 7 days after receiving a list prepared pursuant to clause 42, the Settlement Distributor must provide the Group Member Data for each registrant in that list to the Settlement Administrator. The Group Member Data is to contain the following fields:
- (a) Unique Identifier;
  - (b) whether the person who was a member of the QSuper Fund as at 1 July 2016 to whom the account relates is deceased;
  - (c) if the person to whom the account relates is deceased:
    - (i) the date of death;
    - (ii) whether the balance of the person's superannuation fund has been transferred to their estate or any beneficiary;

- (iii) the proportion of the share of the interest in the deceased person's superannuation that the individual registrant received (if any);
    - (iv) the date of the transfer; and
    - (v) Unique Identifiers for:
      - (1) the deceased Fund Member (if applicable);
      - (2) executor of the estate; and/or
      - (3) any beneficiary;

who received a share of the interest in the deceased person's superannuation;
  - (d) whether the potential Group Member is still a member of ART;
  - (e) whether any proceeds have been transferred from the account to a third party pursuant to an order or settlement under the *Family Law Act 1975* (Cth), after 1 July 2016 and if so:
    - (i) the proportion of the share of the interest in the person's superannuation that the third party received;
    - (ii) the proportion of the share of the interest in the person's superannuation fund that the individual registrant received (if any); and
    - (iii) the date of transfer;
    - (iv) Unique Identifiers for:
      - (1) the third party who received a share of the interest; and
      - (2) the Group Member from whose account proceeds have been transferred to a third party; and
  - (f) whether the Fund Member held insurance cover during the claim period in the proceeding.
45. The Settlement Administrator is entitled to rely on the accuracy of the information provided in the Group Member Data.
46. If a record of a registrant does not appear in the Group Member Data, it will be deemed that that that registrant is not a Registered Group Member.
47. The Settlement Administrator may, but is not required to, consult with the Settlement Distributor if there is a discrepancy between the Group Member Data

and the information provided by the registrant to confirm whether the registrant is a Group Member.

48. The Settlement Administrator may, but is not required to, consult with a registrant if a discrepancy of the kind described at clause 47 above is identified.

#### **G. DETERMINATION OF PAYMENT AMOUNT**

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49. After the Registration Deadline and within 50 Business Days after receiving all Group Member Data for each registrant from the Settlement Distributor, the Settlement Administrator must:

- (a) identify whether each registrant is a Registered Group Member in accordance with Clause F above;
- (b) allocate each Registered Group Member to an Occupational Rating Pool; and
- (c) estimate the Unit Value,

to estimate Payment Amounts for each Registered Group Member in accordance with the Assessment Methodology.

50. If:

- (a) the Registered Group Member's estimated Payment Amount, in accordance with the process outlined in clause 49 above, would be less than \$20; or
- (b) the Registered Group Member:
  - (i) is a Former Spouse; and
  - (ii) the date of the transfer from the Fund Member's account to the Former Spouse was made before 1 July 2016,

the Registered Group Member is not a Participating Group Member (**Non-Participating Group Member**).

51. The Settlement Administrator may request the Settlement Distributor provide a summary of the total funds available in the Settlement Sum Account (including any interest accrued on it) at any time. The Settlement Distributor must respond to any such request within one Business Day of receipt.

52. Within 5 Business Days after receiving the information pursuant to clause 51 and determining the number of Non-Participating Group Members (and after the expiry of the Appeal Date), the Settlement Administrator is to:
- (a) calculate the final Unit Value in accordance with the Assessment Methodology;
  - (b) provide a list to the Settlement Distributor which sets out:
    - (i) the information each Participating Group Member provided in their Registration Form; and
    - (ii) the Payment Amount calculated for each Participating Group Member; and
  - (c) communicate to each registrant who does not appear in the Group Member Data and each Non-Participating Group Member to inform them they are not eligible to receive a Payment Amount under this Scheme.
53. The Payment Amounts shall be calculated according to the Assessment Methodology, based on the information each Participating Group Member provided in the Registration Form and the information pertaining to each Participating Group Member in the Group Member Data.

#### **H. DISTRIBUTION TO PARTICIPATING GROUP MEMBERS**

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54. Within 15 Business Days after receiving the list from the Settlement Administrator referred to in clause 52(b) above, the Settlement Distributor will:
- (a) if a Participating Group Member is an ART Group Member, credit the Group Member's ART account with the Payment Amount (plus any amount of interest (net of Tax) earned on the Net Settlement Sum calculated on a pro rata basis, relative to their Payment Amount) to be allocated to that Participating Group Member;
  - (b) if a Participating Group Member:
    - (i) is not an ART Group Member, and
    - (ii) has ceased to be a member of ART in the last 12 months prior to the payment to be made under this clause,pay the Payment Amount (plus any amount of interest (net of Tax) earned on the Net Settlement Sum calculated on a pro rata basis, relative to their Payment Amount) to be allocated to that Group Member, following the

payment or rollover instructions or methodology pertaining to such Participating Group Member that were previously used by ARTPL;

(c) if a Participating Group Member is:

- (i) a Death Benefit Recipient, or
- (ii) a Former Spouse,

pay the Payment Amount (plus any amount of interest (net of Tax) earned on the Net Settlement Sum calculated on a pro rata basis, relative to their Payment Amount) to be allocated to that Group Member, following the payment or rollover instructions or methodology pertaining to such Participating Group Member that were previously used by ARTPL (if received in the last 12 months prior to the payment to be made under this clause);

(d) if a Participating Group Member either:

- (i) does not fall within paragraphs 54(a), (b) or (c), or
- (ii) if ARTPL cannot credit the account or make the payment,

provide a list of these Participating Group Members to the Settlement Administrator within 5 Business Days after attempting to pay the Payment Amount.

55. The Settlement Administrator will communicate to each Participating Group Member identified in the list produced under clause 54(d) within 10 Business Days of receiving the data in 54(d) to inform them that ARTPL cannot credit the account or make the payment, and they should contact ARTPL to provide updated payment instructions within 20 Business Days otherwise the Payment Amount allocated to that Group Member will be paid via an ATO Payment.

56. After 20 Business Days after the communication in clause 55, the Settlement Administrator will:

- (a) repeat the process at clause 54 for outstanding Payment Amounts to Participating Group Members; and
- (b) if ARTPL cannot credit the account or make the payment, make an ATO Payment for the Payment Amount (plus any amount of interest (net of Tax) earned on the Net Settlement Sum calculated on a pro rata basis, relative to their Payment Amount) that was allocated to that Participating Group

Member, in accordance with the timeframes under the *Superannuation (Unclaimed Money and Lost Members) Act 1999* (Cth).

57. Any Payment Amount which arises by reason of the Group Member being a Death Benefit Recipient will be paid according to the process set out at clause 54(c), even where the Group member is also an ART Group Member.
58. Payment Amounts shall be distributed to Participating Group Members in accordance with the Assessment Methodology and within 6 months of the expiry of the Appeal Date.
59. For the avoidance of doubt, the Settlement Distributor may credit or make payments contemplated by Clause H in tranches, at its discretion.
60. The completion of Distributions pursuant to Clause 54 will satisfy any and all rights, claims or entitlements of all Participating Group Members in connection with this Scheme and in or arising out of the Proceeding.

#### **I. NOTICES TO PARTICIPATING GROUP MEMBERS**

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61. The Settlement Distributor will communicate to:
  - (a) All ART Group Members who received a Payment Amount credited to their member account in accordance with clause 54(a) above: on the next periodic member statement for the member, ARTPL will identify the amount credited to the account as a result of the Scheme and note on the member statement that the amount credited relates to the distribution of a class action settlement in proceeding *Jessica Amy Challenor v QSuper Board ABN 32 125 059 006* (Federal Court of Australia proceeding VID691 of 2021); and
  - (b) The Settlement Administrator, within 5 Business Days of the date of payment to Participating Group Members, the means by which the Payment Amount has been paid in relation to each Participating Group Member who is not an ART Group Member in accordance with clause 54.
62. The Settlement Administrator will communicate to each Participating Group Member who is not an ART Group Member to the email address on the Participating Group Member's Registration Form to inform them of their entitlement to receive a Payment Amount pursuant to the distribution of a class action settlement in the Proceeding and the means by which the Payment Amount has been paid (including the need, if any, to contact a third party to recover the



Payment Account). Communications will be made within 20 Business Days of receiving the communication from the Settlement Distributor referred to in clause 61(b).

## **J. TAX MATTERS**

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- 63. Each Participating Group Member is responsible for obtaining his or her own taxation or government entitlements advice in respect of the Payment Amount they receive.
- 64. The Settlement Administrator or Settlement Distributor are not obliged to obtain any taxation advice or taxation rulings (class, public or private) concerning any tax potentially payable by a Participating Group Member in respect of Payment Amount they receive.
- 65. The Settlement Distributor is entitled to withhold an amount attributable to any applicable taxes from the Payment Amount before it is distributed to a Participating Group Member. The Settlement Distributor must pay the amount withheld to the Australian Taxation Office as part of ARTPL's obligations as trustee of ART.

## **K. REPORTING**

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- 66. The Settlement Distributor will, at monthly intervals after the commencement of distribution of the Settlement Sum, report to the Settlement Administrator on the following:
  - (a) the total quantum of Payment Amounts distributed to Participating Group Members in the preceding month;
  - (b) the dates on which payments were made to Group Members,
  - (c) the quantum of the payments made on each date;
  - (d) the number of Participating Group Members paid on each date;
  - (e) the number of Payment Amounts made:
    - (i) into an account in the QSuper or ART Fund;
    - (ii) into another superannuation fund account;
    - (iii) by a ATO Payment ; or
    - (iv) by any other means.

- (f) any other information the Settlement Distributor determines is relevant.
67. The Settlement Administrator will report to the Court at the conclusion of the distribution of the Net Settlement Sum, with a copy to be provided to the Applicant and Respondent, which sets out the following:
- (a) the Net Settlement Sum;
  - (b) the total quantum of Payment Amounts distributed to Participating Group Members;
  - (c) if the amounts in clauses 67(a) and (b) are different, an explanation for this;
  - (d) the amounts representing the highest, lowest, mean and median payments to Group Members;
  - (e) the number of Group Members to whom a payment was made including whether the payment was made:
    - (i) into an account in the ART Fund;
    - (ii) into another superannuation fund account
    - (iii) in cash; and
    - (iv) whether the payment was made by ATO Payment;
  - (f) the number of Non-Participating Group Members;
  - (g) the dates on which payments were made to Participating Group Members, and the quantum of the payments made on each date and the number of Group Members paid on each date;
  - (h) an explanation of the nature of any written communications made to Participating Group Members in relation to the distribution of the Net Settlement Sum, and when and by what means those communications were made; and
  - (i) any other information the Settlement Distributor determines is relevant.

## SCHEDULE 1: Group Member Definition

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### Paragraph 3 and Schedule B.5 of the Further Amended Statement of Claim (Group Membership and Occupational Rating Categories in the Proceeding)

The Plaintiff and the persons she represents (**Group Members**) are each persons who, not being a Judge, Judicial Registrar or Registrar of the Federal Court of Australia or of the High Court of Australia:

- (a) were members:
  - (i) of the QSuper superannuation fund (**QSuper Fund**);
  - (ii) whose category of membership of the QSuper Fund on 17 May 2016 belonged to one of the accumulation categories defined by s22(1) and (2) of the *Superannuation (State Public Sector) Deed 1990 (QSuper Deed)*;
  - (iii) who were beneficiaries of the policy of insurance established by the Respondent (**QSuper Board**) by s23I(1) and s23K of the QSuper Deed and which commenced on or about 16 December 2013; and
  - (iv) who, had they made the necessary election under cl. 10.47.1 of the policy of insurance entered into on or about 9 June 2016 by the QSuper Board with QInsure Pty Ltd (**QInsure**) to be subject to 'Occupational Rates' (as defined in the schedules to the policy), would have been entitled after 1 July 2016 to a
    - (1) Standard Rate (as defined in the schedules to the policy), and were between the ages of 17 and 39 (inclusive); or
    - (2) Professional Rate (as defined in the schedules to the policy); or
    - (3) White Collar Rate (as defined in the schedules to the policy),
- (b) at any time after 1 July 2016 received payment from a deceased Fund Member of all or part of the interest of the Fund Member attributable to the Fund Member's interest in the QSuper Fund; or
- (c) satisfy both of the following paragraphs:
  - (i) was the spouse of a person who was a Fund Member;

- (ii) pursuant to an order or settlement in a *Family Law Act 1975* (Cth) proceeding or a superannuation agreement within the meaning of part VIIIB of that Act, at any time received a transfer from a Fund Member of all or part of the Fund Member's interest in the QSuper Fund.

**Schedule B.5 – Occupational Rating Categories**

<b>Professional Rate</b>	Professionals i.e. university qualified relevant to their occupation or a senior manager. (e.g. surgeons, doctors, executives) with a salary of \$120,000.00+ working in office based environments.
<b>White Collar Rate</b>	80% of time in office or classroom environment and duties are limited to administration or managerial and, occupation does not involve more than 10% light manual duties. (e.g. managers, teachers, call centre operators).
<b>Standard Rate</b>	Nurses, health care workers/carers, manual light positions. Any worker who does not meet the criteria for any of the other ratings.
<b>High Risk Rate</b>	Heavy manual and other identifiable high risk occupations (e.g. police, emergency services, cleaners, security guards).

## SCHEDULE 2: Assessment Methodology

### A. DEFINITIONS

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1. The following definitions apply to the Assessment Methodology:

**Allocated Units** means the number of units assigned to each Occupational Rating Pool, weighted to reflect the alleged estimated average loss of a Fund Member in each occupational rating category, as outlined at clauses 3, 9 and 10 below.

**Aggregate number of units** means the sum of all Allocated Units assigned to Participating Group Members.

**Non-Participating Group Members** means Group Members who completed a Registration Form and who will not receive a Payment Amount because:

- (i) the Payment Amount that the Settlement Administrator determines that the Group Member is entitled to receive by the application of the Assessment Methodology is less than \$20; or
- (ii) the Registered Group Member:
  - (1) is a Former Spouse; and
  - (2) the date of the transfer from the Fund Member's account to the Former Spouse is before 1 July 2016.

Any Payment Amount under \$20 will remain part of the Settlement Sum to be distributed to Participating Group Members.

**Payment Amount** means the amount of the Net Settlement Sum apportioned to each Participating Group Member, calculated by multiplying the number of Allocated Units for each Participating Group Member by the Unit Value.

**Net Settlement Sum** has the meaning given in the definitions of the Scheme at 1 above.

**Participating Group Members** has the meaning given in the definitions of the Scheme at 1 above.

**Pro rata share of interest** means a share of the interest on the Net Settlement Sum which is proportional to the Payment Amount received by the Participating Group Member.

**Professional** has the meaning given in the definitions of the Scheme at 1 above.

**Standard** has the meaning given in the definitions of the Scheme at 1 above.

**Tax** has the meaning given in the definitions of the Scheme at 1 above.

**Unit Value** means the Net Settlement Sum divided by the Aggregate number of units for all Participating Group Members and represents a single unitised portion of the Net Settlement Sum.

**White Collar** has the meaning given in the definitions of the Scheme at 1 above.

## B. FORMULA

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

$$\text{Unit Value} = \frac{\text{Net Settlement Sum}}{\text{Aggregate number of units for all Participating Group Members}}$$

$$\text{Payment Amount} = \text{Number of Allocated Units} \times \text{Unit Value} \text{ (- any Tax or other amount ARTPL is required under law to withhold).}^1$$

3. For the purposes of calculating Payment Amounts, the following Allocated Units are to apply to claims for each category of Fund Member:

Occupational Pool	Rating	Allocated Units
Professional / White Collar Pool		14
Standard Pool		1

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<sup>1</sup> The parties understand the Net Settlement Sum is not subject to GST. In the event the Net Settlement Sum is subject to GST, then each Group Member will be responsible for their own taxation obligations arising from receiving a Payment Amount.

**Note:** *The Allocated Units ultimately assigned to each of the Professional / White Collar Pool and Standard Pool in the Scheme will depend on the:*

- *Total number of Registered Group Members;*
- *Number of Registered Group Members who are eligible for:*
  - *the Professional / White Collar Pool; and*
  - *the Standard Pool.*

*The ratio of Allocated Units between the Professional / White Collar Pool and the Standard Pool in this draft Scheme has been adopted on the basis of:*

- (a) *Shine's understanding of the proportion of QSuper Fund members who were likely to be eligible to be occupationally rated as Professional (approximately 17%), White Collar (approximately 48%) and Standard (approximately 22%, with a smaller percentage unknown to Shine aged under 39 as at 1 July 2016); and*
- (b) *the materially lower loss and damage alleged to have been suffered by each Standard Group Member.*

*If registrations differ considerably from the proportions assumed, it may be necessary to change the Unit Allocations to ensure that the Scheme results in a distribution which is fair and reasonable to the group members as a whole.*

4. The Payment Amount for a Participating Group Member who:

- (a) meets the criteria of a Fund Member in paragraph 3(a) of the FASOC; and
- (b) is not a Death Benefit Recipient; and
- (c) does not have a Former Spouse who has registered to participate in this Settlement,

will be determined based on 100% of the Allocated Units for the relevant Occupational Rating Pool. The Participating Group Member is responsible for accounting to any third parties, if they claim to be entitled to a share of the Participating Group Member's Payment Amount.

**Example 1:** *Jane was a member of the QSuper Fund as at 1 July 2016 and was eligible to be occupationally rated as White Collar. Jane does not have a Former Spouse. Jane's Payment Amount will be calculated based on the full value of her Allocated Units.*

*For example:*

- *Jane is eligible for the Professional/White Collar Pool = 14 Allocated Units*
- *14 Units x 100% = Jane's Payment Amount is calculated based 14 Allocated Units*
- *For illustration purposes only, if an Allocated Unit is calculated to be \$20 under the Scheme, Jane will be distributed a Payment Amount of approximately \$280.*

5. The Payment Amount for a Participating Group Member who:

- (a) meets the criteria of a Fund Member in paragraph 3(a) of the FASOC;
  - (b) is not a Death Benefit Recipient; and
  - (c) has a Former Spouse who has registered to participate in this Settlement,
- will be determined based on the Allocated Units for the relevant Occupational Rating Pool, proportionate to the share of the interest in the QSuper Fund that each retained pursuant to a *Family Law Act 1975 (Cth)* order or settlement (to the extent that it can be determined based on the information contained in the Group Member Data).

***Example 2:*** *John was a Fund Member of the QSuper Fund as at 1 July 2016 and was eligible to be occupationally rated as Professional.*

*Both John and his Former Spouse, Sally, register to participate in the Settlement.*

*Under a Family Law Act 1975 (Cth) transfer in 2019, John was required to transfer 60% of the funds in his QSuper account to Sally.*

*As a Fund Member entitled to the Professional Rate, John is eligible for 14 Allocated Units. This is split proportionally in accordance with the Family Law Act 1975 (Cth) transfer, so John's Payment Amount is calculated based on 5.6 Allocated Units (40%) and Sally's Payment Amount is calculated based on 8.4 Allocated Units (60%).*

*For example:*

- *John is eligible for the Professional / White Collar Pool = 14 Allocated Units*



- *14 Units x 40% = John's Payment Amount is calculated based on 5.6 Allocated Units*
- *14 Units x 60% = Sally's Payment Amount is calculated based on 8.4 Allocated Units*
- *For illustration purposes only, if an Allocated Unit is calculated to be \$20 under the Scheme:*
  - *John will be distributed a Payment Amount of approximately \$112.*
  - *Sally will be distributed a Payment Amount of approximately \$168.*

6. The Payment Amount for a Participating Group Member who:

- (a) does not meet the criteria of a Fund Member in paragraph 3(a) of the FASOC;
- (b) is not a Death Benefit Recipient; and
- (c) is a Former Spouse; and
- (d) where the person who was originally a QSuper Fund Member (who was required to make a transfer to the Participating Group Member under a *Family Law Act 1975* (Cth) settlement) does not register to participate in the Settlement;

will be determined based on the Allocated Units for the relevant Occupational Rating Pool, proportionate to the share of the interest in the QSuper Fund that they received under the *Family Law Act 1975* (Cth) order or settlement (to the extent that it can be determined based on the information contained in the Group Member Data).

***Example 3:*** *John was a Fund Member of the QSuper Fund as at 1 July 2016 and was eligible to be occupationally rated as Professional.*

*John's Former Spouse, Sally, registers to participate in the Settlement. John does not register to participate in the Settlement.*

*Under a Family Law Act 1975 (Cth) transfer in 2019, John was required to transfer 60% of the funds in his QSuper account to Sally.*

*As a person entitled to the Professional Rate, John is eligible for 14 Allocated Units. This is split proportionally in accordance with Family*

*Law Act 1975 (Cth) transfer, so Sally's Payment Amount is calculated based on 8.4 Allocated Units (60%). As John does not register, the remaining 5.6 Allocated Units (40%) are not distributed (the effect of which is to marginally increase the Unit Value for each Participating Group Member).*

*For example:*

- *John is eligible for the Professional / White Collar Pool = 14 Allocated Units*
- *14 Units x 60% = Sally's Payment Amount is calculated based on 8.4 Allocated Units*
- *For illustration purposes only, if an Allocated Unit is calculated to be \$20 under the Scheme, Sally will be distributed a Payment Amount of approximately \$168.*

7. The Payment Amount for a Participating Group Member who:

- (a) does not meet the criteria of a Fund Member in paragraph 3(a) of the FASOC;
- (b) is not a Former Spouse; and
- (c) is a Death Benefit Recipient,

will be determined based on the Allocated Units for the relevant Occupational Rating Pool, proportionate to the share of the interest in the QSuper Fund that the Participating Group Member received.

**Example 4:** *Fred received a death benefit payment from the account of his father, Jimmy, in 2019. As at 1 July 2016, Jimmy was a Fund Member who would have been entitled to be occupationally rated as White Collar.*

*Fred shared the benefit payment 50/50 with his sister, Jane. As a person who was entitled to the White Collar Rate, Jimmy's account is eligible for 14 Allocated Units. This is split proportionally, so Fred's Payment Amount is calculated based on 7 Allocated Units (50%).*

*If Jane also registered, her Payment Amount would also be calculated based on 7 Allocated Units (50%). If Jane does not register, the remaining 7 Allocated Units would not be distributed (the effect of which is to marginally increase the Unit Value for each Participating Group Member).*

*For example:*

- *Jimmy's account is eligible for the Professional / White Collar Pool = 14 Allocated Units*
- *14 units x 50% = Fred's Payment Amount is calculated based on 7 Allocated Units*
- *For illustration purposes only, if an Allocated Unit is calculated to be \$20 under the Scheme, Fred will be distributed a Payment Amount of approximately \$140.*

8. The Payment Amount for a Participating Group Member who:

- (a) Meets the criteria of a Fund Member in paragraph 3(a) of the FASOC; and
- (b) Either:
  - (i) is a Former Spouse; or
  - (ii) is a Death Benefit Recipient,

will be determined based on the Allocated Units for the relevant Occupational Rating Pool, attributable to their individual claim and a separate allocation proportionate to the share of the interest in the QSuper Fund that the Participating Group Member received from their Former Spouse or benefactor.

***Example 5:*** *Jenny was a QSuper Fund Member as at 1 July 2016 who was eligible to be occupationally rated as Professional. As a person entitled to the Professional Rate, Jenny is eligible for 14 Allocated Units. Jenny registers to participate in the Settlement.*

*In 2019, Jenny received a transfer under the Family Law Act 1975 (Cth) of 50% of the QSuper account of her Former Spouse, Bill. Bill would have been entitled to be occupationally rated as White Collar. As a person entitled to the White Collar Rate, Bill is eligible for 14 Allocated Units. Bill does not register to participate in the Settlement.*

*Jenny's Payment Amount is calculated based on 14 Allocated Units (for her own claim) plus a further 7 Allocated Units (representing her 50% share of Bill's claim). As Bill has not registered, the remaining 7 Allocated Units for his own share are not distributed (the effect of which is to marginally increase the Unit Value for each Participating Group Member).*

*For example:*

- *Jenny is eligible for the Professional / White Collar Pool = 14 Allocated Units*
- *Bill is also eligible for the Professional / White Collar Pool = 14 Allocated Units*
- *(14 units x 100%) + (14 Units x 50%) = Jenny's Payment Amount is calculated based on 21 Allocated Units*
- *For illustration purposes only, if an Allocated Unit is calculated to be \$20 under the Scheme, Jenny will be distributed a Payment Amount of approximately \$420.*

### **C. UNDERLYING REASONING**

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9. The total number of Participating Group Members who will receive a Payment Amount will not be known until the Registration Deadline has passed and the list of Participating Group Members referred to in clause 52(b) of the Scheme is finalised.
10. The determination of the Allocated Units in the assessment Formula is based on the following principles:
  - (a) The discounts from the default rate offered on the premiums for Death and Total and Permanent Disability (**TPD**) insurance for the Professional and White Collar Occupational Rating Categories were significantly higher (0.60 of the Standard Rate for Professional or 0.65 of the Standard Rate for White Collar) than the discount offered to Standard QSuper Fund Members;
  - (b) The difference between the premiums for Professional and White Collar Occupational Rating Categories at 1 July 2016 were minimal. Therefore, the alleged losses (cumulative overcharge and lost investment returns) between Fund Members eligible for Professional and White Collar Occupational Ratings are not significant. The Settlement Administrator considers that the time and cost of attempting to differentiate Payment Amounts between Professional and White Collar Participating Group Members would be disproportionate to the small differences in the claim amounts of those two groups. The Settlement Administrator therefore considers that undertaking any such assessment would be unfair to the

Participating Group Members collectively, given the impact that the costs of the assessment would have on the Net Settlement Sum.

- (c) The Settlement Administrator will assess the distribution of the Net Settlement Sum between the Participating Group Members by assigning, in principle:
  - (i) the same number of Allocated Units to Participating Group Members eligible at 1 July 2016 for the Professional and White Collar occupational rating (creating a single composite **Professional / White Collar Pool**); and
  - (ii) a materially lower number of Allocated Units to Participating Group Members eligible at 1 July 2016 for the Standard occupational rating (the **Standard Pool**).

The final Allocated Units will depend on the number of Participating Group Members who were only entitled to a proportion of a share of the Settlement (as described in Section B 'Formula', above).

- 11. No payment will be made to Registered Group Members where the estimated entitlement is less than \$20 (**Non-Participating Group Members**). This is because it would cost more than \$20 in administrative costs to distribute Payment Amounts of less than \$20. Therefore, a Registered Group Member whose Payment Amount is calculated as less than \$20 will not receive a Payment Amount from the Net Settlement Sum.
- 12. It is possible that, depending on the:
  - (a) total number of registrations received;
  - (b) number of Registered Group Members who are assessed to be eligible for the Professional/White Collar Rate;
  - (c) number of Registered Group Members who are assessed to be eligible for the Standard Rate and were under 39 years of age as at 1 July 2016,the Registered Group Members entitled to the Standard Rate will not be entitled to a Payment Amount under this Scheme.