

## ASX announcement

### Lodgement of Court orders with ASIC

**Sydney, 3 April 2017:** Further to its announcement on Friday, 31 March 2017, Cover-More Group Limited (ASX: CVO) (**Cover-More**) is pleased to announce that it has lodged with the Australian Securities and Investments Commission (**ASIC**) the orders of the Federal Court of Australia (the **Court**) approving the scheme of arrangement between Cover-More and its shareholders under which Zurich Insurance Company Ltd, through its wholly owned subsidiary, Zurich Travel Solutions Pty Limited (ACN 616 683 604), will acquire all of the shares on issue in Cover-More (**Scheme**). A copy of the Court orders approving the Scheme is attached to this announcement.

ASIC has confirmed that the Scheme is now effective.

It is expected that trading in Cover-More's shares on ASX will be suspended from close of trading today.

*ENDS*

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### About Cover-More Group

Cover-More Group Limited is a specialist and integrated travel insurance, medical assistance and employee assistance provider. The group listed on the Australian Securities Exchange (ASX) in 2013. Cover-More has the leading market position in Australia—with an approximate 40% share of the national travel insurance market and a growing footprint in India and China as well as a presence in Malaysia, Singapore, New Zealand and the United Kingdom and now the United States. Visit <https://www.covermoregroup.com> for more information.



Federal Court of Australia

District Registry: New South Wales

Division: General

No: NSD98/2017

**IN THE MATTER OF COVER-MORE GROUP LIMITED (ACN 166 776 334)**

**COVER-MORE GROUP LIMITED (ACN 166 776 334)**

Plaintiff

**ORDER**

**JUDGE:** JUSTICE FOSTER

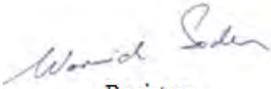
**DATE OF ORDER:** 31 March 2017

**WHERE MADE:** Sydney

**THE COURT ORDERS THAT:**

1. Pursuant to s 411(4)(b) of the *Corporations Act 2001* (Cth) (**the Act**), the scheme of arrangement between Cover-More Group Limited (ACN 166 776 334) (**Cover-More**) and holders of fully paid ordinary shares in Cover-More in the form set out in Annexure "A" to these Orders, be approved.
2. Pursuant to s 411(12) of the Act, Cover-More be exempted from compliance with s 411(11) of the Act.
3. These orders be entered forthwith.

Date that entry is stamped: 31 March 2017

  
Registrar



## ANNEXURE "A"

**KING & WOOD  
MALLESONS**

# Scheme of Arrangement

Dated 31 March 2017

Cover-More Group Limited (ACN 166 776 334)

Scheme Participants

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## Scheme of Arrangement

### Details

<b>Parties</b>	<b>Cover-More and Scheme Participants</b>	
<b>Cover-More</b>	Name	<b>Cover-More Group Limited</b>
	ACN	166 776 334
	Address	Level 2 60 Miller Street North Sydney NSW 2060 Australia
<b>Scheme Participants</b>	Name	Each person registered as a holder of fully paid ordinary shares in Cover-More as at 5.00pm on the Record Date
<b>Governing law</b>	New South Wales	



## General terms

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### 1 Definitions and interpretation

#### 1.1 Definitions

In this Scheme:

**ACCC** means the Australian Competition and Consumer Commission.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited or the market operated by it, as the context requires.

**Bidder Nominee** has the meaning given to that term in clause 2.3 of this Scheme.

**Business Day** means a business day as defined in the Listing Rules.

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

**Court** means the Federal Court of Australia, or such other court of competent jurisdiction under the Corporations Act agreed in writing by Zurich and Cover-More.

**Cover-More** means Cover-More Group Limited (ACN 166 776 334).

**Cover-More Share** means a fully paid ordinary share in the capital of Cover-More.

**Cover-More Shareholder** means each person registered in the Register as a holder of Cover-More Shares.

**Deed Poll** means the deed poll dated 16 February 2017 executed by Zurich and the Bidder Nominee substantially in the form of Annexure C of the Scheme Implementation Agreement or as otherwise agreed by Zurich, the Bidder Nominee and Cover-More under which Zurich and the Bidder Nominee each covenant in favour of each Scheme Participant to perform its respective obligations under this Scheme.

**Details** means the section of this agreement headed "Details".

**Effective** means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

**Effective Date** means the date on which the Scheme becomes Effective.

**Employee Performance Right** means a Performance Right issued under the "Cover-More Group Limited Long Term Incentive Plan" operated by the Target and adopted by the Target Board on 12 June 2015.



**Encumbrance** means any security for payment of money or performance of obligations, including a mortgage, lien, charge, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or 12(2) of the *Personal Property Securities Act 2009* (Cth) or any agreement to create any of them or allow them to exist.

**End Date** means 30 June 2017 or such other date as is agreed in writing by Zurich and Cover-More.

**Immediately Available Funds** means a bank cheque or other form of cleared funds acceptable to Cover-More.

**Implementation Date** means the fifth Business Day following the Record Date or such other date as is agreed by Zurich and Cover-More.

**Listing Rules** means the Listing Rules of the ASX.

**Permitted Dividend** means an interim dividend and/or special dividend (which may be franked) declared or determined by Target Board, provided that the maximum aggregate amount paid or payable by Target per Target Share in respect of all such dividends is A\$0.05 per Target Share.

**Record Date** means the fifth Business Day following the Effective Date or such other date as Cover-More and Zurich agree.

**Register** means the register of members of Cover-More maintained by or on behalf of Cover-More in accordance with section 168(1) of the Corporations Act and **Registry** has a corresponding meaning.

**Registered Address** means, in relation to a Cover-More Shareholder, the address shown in the Register.

**Regulatory Authority** includes:

- (a) ASX, ACCC, ASIC and the Takeovers Panel;
- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

**Scheme** means this scheme of arrangement between Cover-More and Scheme Participants under which all of the Scheme Shares will be transferred to Zurich (or if applicable, the Bidder Nominee) under Part 5.1 of the Corporations Act as described in clause 6 of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Cover-More and Zurich in accordance with clause 8.2 of this Scheme.

**Scheme Consideration** means the consideration payable by Zurich (or if applicable, the Bidder Nominee) for the transfer of Target Shares held by a Scheme Participant to Zurich (or the Bidder Nominee), being, in respect of each Target Share, \$1.95 less the amount of the Permitted Dividend paid or payable in respect of the Target Share in accordance with the Scheme Implementation Agreement.



**Scheme Implementation Agreement** means the scheme implementation agreement dated 11 December 2016 between Cover-More and Zurich under which, amongst other things, Cover-More has agreed to propose this Scheme to Cover-More Shareholders, and each of Zurich and Cover-More has agreed to take certain steps to give effect to this Scheme.

**Scheme Meeting** means the meeting of Cover-More Shareholders, ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act at which Cover-More Shareholders will vote on this Scheme.

**Scheme Participant** means each person who is a Cover-More Shareholder as at 5.00pm on the Record Date.

**Scheme Share** means a Cover-More Share held by a Scheme Participant as at the Record Date and, for the avoidance of doubt, includes any Cover-More Shares issued on or before the Record Date.

**Second Court Date** means the day on which the Court makes an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme (or if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard).

**Share Scheme Transfer** means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

**Subsidiary** has the meaning given to it in the Corporations Act.

**TAA** means the *Taxation Administration Act 1953* (Cth).

**Trust Account** means the trust account operated by or on behalf of Cover-More to hold the Scheme Consideration on trust for the purpose of paying the Scheme Consideration to the Scheme Participants in accordance with clause 6.4 of this Scheme.

**Zurich** means Zurich Insurance Company Ltd, a company incorporated under the laws of Switzerland.

## 1.2 Reference to certain general terms

Unless the contrary intention appears, a reference in this Scheme to:

- (a) **(variations or replacement)** a document, agreement (including this agreement) or instrument is a reference to that document, agreement or instrument as amended, consolidated, supplemented, novated or replaced;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this agreement;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);



- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(party)** a party means a party to this Scheme;
- (g) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Regulatory Authority;
- (h) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (i) **(dollars)** Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (j) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (k) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (l) **(meaning not limited)** the words "include", "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind; and
- (m) **(time of day)** time is a reference to Sydney time.

### 1.3 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this Scheme.

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## 2 Preliminary

### 2.1 Cover-More

Cover-More is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Victoria; and
- (c) admitted to the official list of the ASX and Cover-More Shares are officially quoted on the stock market conducted by ASX.

As at 31 March 2017, Cover-More's issued securities are:

- (a) Cover-More Shares: 380,082,011; and
- (b) Employee Performance Rights: Nil.

### 2.2 Zurich

Zurich is a company incorporated in Switzerland.



### 2.3 Bidder Nominee

Pursuant to clause 2.2 of the Scheme Implementation Agreement, Zurich may nominate a wholly owned Subsidiary of Zurich ("**Bidder Nominee**") to pay the Scheme Consideration and to which the Scheme Shares are to be transferred in accordance with clause 5 of this Scheme.

If Zurich nominates a Bidder Nominee, then clause 2.2 of the Scheme Implementation Agreement provides that:

- (a) Zurich must procure that the Bidder Nominee complies with the Scheme Implementation Agreement as if the Bidder Nominee were a party to it in place of Zurich; and
- (b) any such nomination will not relieve Zurich of its obligations under the Scheme Implementation Agreement, including the obligation to pay (or procure the payment by Bidder Nominee of) the Scheme Consideration as contemplated by the terms of this Scheme.

### 2.4 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to Zurich (or if applicable, the Bidder Nominee), Zurich will provide (or procure the Bidder Nominee to provide) the Scheme Consideration to Cover-More on behalf of each Scheme Participant in accordance with the terms of this Scheme;
- (b) all Scheme Shares will be transferred to Zurich (or if applicable, the Bidder Nominee) on the Implementation Date; and
- (c) Cover-More will enter the name of Zurich (or if applicable, the Bidder Nominee) in the Register in respect of all Scheme Shares transferred to Zurich (or if applicable, the Bidder Nominee) in accordance with the terms of this Scheme.

### 2.5 Scheme Implementation Agreement

Cover-More and Zurich have agreed by executing the Scheme Implementation Agreement to implement the terms of this Scheme.

### 2.6 Deed Poll

Each of Zurich and the Bidder Nominee have executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance of) its respective obligations as contemplated by this Scheme, including to provide (or procure the provision of) the Scheme Consideration.

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## 3 Conditions precedent

### 3.1 Conditions precedent to Scheme

This Scheme is conditional on, and will not become Effective until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00am on the Second Court Date, neither the Deed Poll nor the Scheme Implementation Agreement have been terminated in accordance with their terms;



- (b) all of the conditions precedent in clause 3.1 of the Scheme Implementation Agreement having been satisfied or waived (other than the condition precedent in item (c)) in accordance with the terms of the Scheme Implementation Agreement by 8:00am on the Second Court Date;
- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, Cover-More and Zurich having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act; and
- (d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

### **3.2 Conditions precedent and operation of clause 5**

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clause 5 of this Scheme.

### **3.3 Certificate in relation to conditions precedent**

Each of Cover-More and Zurich must provide to the Court on the Second Court Date a certificate confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in clause 3.1 of this Scheme (other than the conditions precedent in clause 3.1(c) and clause 3.1(d) of this Scheme) have been satisfied or waived as at 8.00am on the Second Court Date.

The certificates referred to in this clause 3.3 will constitute conclusive evidence of whether the conditions precedent referred to in clause 3.1 of this Scheme (other than the conditions precedent in clause 3.1(c) and 3.1(d) of this Scheme) have been satisfied or waived as at 8.00am on the Second Court Date.

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## **4 Scheme**

### **4.1 Effective Date**

Subject to clause 4.2, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

### **4.2 Termination and End Date**

Without limiting any rights under the Scheme Implementation Agreement, if:

- (a) the Scheme Implementation Agreement or the Deed Poll is terminated in accordance with its terms before the Scheme becomes Effective; or
- (b) the Effective Date does not occur on or before the End Date,

then each of Zurich (and if applicable the Bidder Nominee) and Cover-More are released from any further obligation to take steps to implement the Scheme.



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## **5 Implementation of Scheme**

### **5.1 Lodgement of Court orders with ASIC**

If the conditions precedent set out in clause 3.1 of this Scheme (other than the condition precedent in clause 3.1(d) of this Scheme) are satisfied, Cover-More must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 5.00pm on the first Business Day after the day on which the Court approves this Scheme or such later time as Zurich and Cover-More agree in writing.

### **5.2 Transfer and registration of Cover-More Shares**

On the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with clauses 6.1 to 6.4 of this Scheme and Zurich having provided Cover-More with written confirmation thereof:

- (a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Zurich (or if applicable, the Bidder Nominee) without the need for any further act by any Scheme Participant (other than acts performed by Cover-More as attorney and agent for Scheme Participants under clause 8.1 of this Scheme) by:
  - (i) Cover-More delivering to Zurich (or if applicable, the Bidder Nominee) a duly completed and executed Share Scheme Transfer executed on behalf of the Scheme Participants; and
  - (ii) Zurich (or if applicable, the Bidder Nominee) duly executing the Share Scheme Transfer, attending to the stamping of the Share Scheme Transfer (if required) and delivering it to Cover-More for registration; and
- (b) as soon as practicable after receipt of the duly executed Share Scheme Transfer, Cover-More must enter, or procure the entry of, the name of Zurich (or if applicable, the Bidder Nominee) in the Register in respect of all Scheme Shares transferred to Zurich (or if applicable, the Bidder Nominee) in accordance with the terms of this Scheme.

### **5.3 Entitlement to Scheme Consideration**

On the Implementation Date, in consideration for the transfer to Zurich (or if applicable, the Bidder Nominee) of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of this Scheme.

### **5.4 Title and rights in Cover-More Shares**

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6 of this Scheme, on and from the Implementation Date, Zurich (or if applicable, the Bidder Nominee) will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by Cover-More of Zurich (or if applicable, the Bidder Nominee) in the Register as the holder of the Scheme Shares.



### 5.5 Scheme Participants' agreements

Under this Scheme, each Scheme Participant agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, in accordance with the terms of this Scheme.

### 5.6 Warranty by Scheme Participants

Each Scheme Participant warrants to Zurich (or if applicable, the Bidder Nominee) and is deemed to have authorised Cover-More to warrant to Zurich (or if applicable, the Bidder Nominee) as agent and attorney for the Scheme Participant by virtue of this clause 5.6, that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Zurich (or if applicable, the Bidder Nominee) under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Zurich (or if applicable, the Bidder Nominee) under the Scheme.

### 5.7 Transfer free of encumbrances

To the extent permitted by law, all Cover-More Shares (including any rights and entitlements attaching to those shares) which are transferred to Zurich (or if applicable, the Bidder Nominee) under this Scheme will, at the date of the transfer of them to Zurich (or if applicable, the Bidder Nominee), vest in Zurich (or if applicable, the Bidder Nominee) free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

### 5.8 Appointment of Zurich as sole proxy

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clauses 5.2 and 6.2 of this Scheme, on and from the Implementation Date until Cover-More registers Zurich (or if applicable, the Bidder Nominee) as the holder of all of the Cover-More Shares in the Register, each Scheme Participant:

- (a) irrevocably appoints Cover-More as attorney and agent (and directs Cover-More in such capacity) to appoint Zurich (or if applicable, the Bidder Nominee) and each of its directors from time to time (jointly and each of them individually) as its sole proxy and where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to Cover-More Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 5.8(a)); and
- (b) must take all other actions in the capacity of the registered holder of Cover-More Shares as Zurich (or if applicable, the Bidder Nominee) reasonably directs.

Cover-More undertakes in favour of each Scheme Participant that it will appoint Zurich (or if applicable, the Bidder Nominee) and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.8(a) of this Scheme.



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## 6 Scheme Consideration

### 6.1 Consideration under the Scheme

On the Implementation Date, Cover-More must procure Zurich to pay (or procure the payment of) the Scheme Consideration to the Scheme Participants in accordance with clauses 6.2, 6.3, 6.4 and 6.5 of this Scheme.

### 6.2 Satisfaction of obligations

Subject to clause 6.4 of this Scheme, the obligation of Cover-More to procure payment of the Scheme Consideration pursuant to clause 6.1 of this Scheme will be satisfied by Cover-More procuring Zurich no later than two Business Days before the Implementation Date to deposit (or procure the deposit) in Immediately Available Funds the aggregate amount of the Scheme Consideration payable to all Scheme Participants into the Trust Account (except that the amount of any interest on the amount deposited (less bank fees and other charges) will be to Zurich's (or if applicable, the Bidder Nominee's) account).

### 6.3 Payment of Scheme Consideration

On the Implementation Date, subject to receipt of the Scheme Consideration from or on behalf of Zurich (or the Bidder Nominee) in accordance with clause 6.2 of this Scheme, Cover-More must pay to each Scheme Participant an amount equal to the Scheme Consideration for each Scheme Share transferred to Zurich (or if applicable, the Bidder Nominee) on the Implementation Date by that Scheme Participant, which obligation will be satisfied by Cover-More:

- (a) where a Scheme Participant has, before 5:00pm on the Record Date, made an election in accordance with the requirements of the Register to receive dividend payments from Cover-More by electronic funds transfer to a bank account nominated by the Scheme Participant, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
- (b) whether or not a Scheme Participant has made an election referred to in clause 6.3(a), dispatching, or procuring the dispatch of, a cheque drawn on an Australian bank in Australian currency for the relevant amount to the Scheme Participant by pre-paid ordinary post (or, if the address of the Scheme Participant in the Register is outside Australia, by pre-paid airmail post) to their Registered Address at 5.00pm on the Record Date, such cheque being drawn in the name of the Scheme Participant (or in the case of joint holders, in accordance with clause 6.8).

### 6.4 Foreign resident capital gains withholding

If Zurich (or if applicable, the Bidder Nominee) determines that it must pay an amount to the Commissioner pursuant to Subdivision 14-D of Schedule 1 to the TAA with respect to the acquisition of the Target Shares from a Scheme Participant, Zurich (or if applicable, the Bidder Nominee) will, for any such Scheme Participant:

- (a) determine the amount to be paid to the Commissioner ("**Payment Amount**");
- (b) remit the Payment Amount to the Commissioner within the time required under the TAA; and



- (c) reduce the amount of Scheme Consideration payable to that Scheme Participant by the Payment Amount for the purposes of the Deed Poll, this Scheme and the Scheme Implementation Agreement.

For the avoidance of doubt, Zurich (and if applicable, the Bidder Nominee) will, for the purposes of the Deed Poll, this Scheme and the Scheme Implementation Agreement, be deemed to have satisfied its obligations to pay the Scheme Consideration to a Scheme Participant if the amount paid to the Scheme Participant is the amount of the Scheme Consideration that would have otherwise been payable to the Scheme Participant pursuant to the Scheme, less the Payment Amount for that Scheme Participant.

### 6.5 Cancellation and re-issue of cheques

Cover-More may cancel a cheque issued under clause 6.3 of this Scheme if the cheque:

- (a) is returned to Cover-More; or
- (b) has not been presented for payment within six months after the date on which the cheque was sent.

During the period of one year commencing on the Implementation Date, on request from a Scheme Participant (which request may not be made until the date which is five Business Days after the Implementation Date), Cover-More must reissue a cheque that was previously cancelled under this clause 6.5.

### 6.6 Unclaimed monies

- (a) The *Unclaimed Money Act 1995* (NSW) will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 7 of the *Unclaimed Money Act 1995* (NSW)).
- (b) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of Zurich.

### 6.7 Orders of a court

In the case of notice having been given to Cover-More (or the Registry) of an order made by a court of competent jurisdiction or by a Regulatory Authority:

- (a) which requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to that Scheme Participant in accordance with clause 6.3 of this Scheme, then Cover-More shall procure that payment is made in accordance with that order; or
- (b) which would prevent Cover-More from dispatching payment to any particular Scheme Participant in accordance with clause 6.3 of this Scheme, or such payment is otherwise prohibited by applicable law, Cover-More will be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Participant multiplied by the Scheme Consideration until such time as payment in accordance with clause 6.3 of this Scheme is permitted by law.

### 6.8 Joint holders

In the case of Scheme Shares held in joint names, any bank cheque required to be paid to Scheme Participants by or on behalf of Zurich (or if applicable, the Bidder Nominee) must be payable to the joint holders and be forwarded to the



holder whose name appears first in the Register as at 5.00pm on the Record Date.

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## **7 Dealings in Scheme Shares**

### **7.1 Determination of Scheme Participants**

To establish the identity of the Scheme Participants, dealings in Scheme Shares will only be recognised by Cover-More if:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Register as the holder of the relevant Scheme Shares on or before 5.00pm on the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before 5.00pm on the Record Date at the place where the Register is kept.

### **7.2 Register**

Cover-More must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1(b) of this Scheme on or before 5.00pm on the Record Date, provided that nothing in this clause 7.2 requires Cover-More to register a transfer that would result in a Cover-More Shareholder holding a parcel of Cover-More Shares that is less than a "marketable parcel" (as defined in the operating rules of ASX).

### **7.3 No disposals after Effective Date**

If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Effective Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.

Cover-More will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after 5.00pm on the Record Date (except a transfer to Zurich (or if applicable, the Bidder Nominee) pursuant to this Scheme and any subsequent transfer by Zurich (or if applicable, the Bidder Nominee) or its successors in title) or received prior to 5:00pm on the Record Date but not in registrable or actionable form.

### **7.4 Maintenance of Cover-More Register**

For the purpose of determining entitlements to the Scheme Consideration, Cover-More will maintain the Register in accordance with the provisions of this clause 7.4 until the Scheme Consideration has been paid to the Scheme Participants and Zurich (or if applicable, the Bidder Nominee) has been entered in the Register as the holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

### **7.5 Effect of certificates and holding statements**

Subject to provision of the Scheme Consideration and registration of the transfer to Zurich (or if applicable, the Bidder Nominee) contemplated in clauses 5.2 and 6.3 of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after 5.00pm on the Record Date as documents of title in respect of those shares (other than statements of holding in favour of Zurich (or if applicable, the Bidder Nominee) and its successors in title). After 5.00pm on the



Record Date, each entry current on the Register as at 5.00pm on the Record Date (other than entries in respect of Zurich (or if applicable, the Bidder Nominee) or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

## 7.6 Details of Scheme Participants

Within three Business Days after the Record Date Cover-More will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Register at 5.00pm on the Record Date are available to Zurich and the Bidder Nominee (if applicable) in such form as Zurich reasonably requires.

## 7.7 Quotation of Cover-More Shares

- (a) Suspension of trading on ASX in Cover-More Shares will occur from the close of trading on ASX on the Effective Date.
- (b) After the Scheme has been fully implemented, Cover-More will apply:
  - (i) for termination of the official quotation of Cover-More Shares on the ASX; and
  - (ii) to have itself removed from the official list of the ASX,in each case with effect on and from the close of trading day immediately following, or shortly after, the Implementation Date, as determined by Zurich.

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## 8 General Scheme provisions

### 8.1 Power of attorney

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints Cover-More and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) executing any document necessary or expedient to give effect to this Scheme including the Share Scheme Transfer;
- (b) enforcing the Deed Poll against Zurich (or if applicable, the Bidder Nominee),

and Cover-More accepts such appointment.

### 8.2 Variations, alterations and conditions

Cover-More may, with the consent of Zurich (or if applicable, the Bidder Nominee) (which cannot be unreasonably withheld), by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.

### 8.3 Further action by Cover-More

Cover-More will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.



#### **8.4 Authority and acknowledgement**

Each of the Scheme Participants:

- (a) irrevocably consents to Cover-More and Zurich (or if applicable, the Bidder Nominee) doing all things necessary or expedient for or incidental to the implementation of this Scheme; and
- (b) acknowledges that this Scheme binds Cover-More and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Cover-More.

#### **8.5 No liability when acting in good faith**

Neither Cover-More nor Zurich (and if applicable, the Bidder Nominee), nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

#### **8.6 Enforcement of Deed Poll**

Cover-More undertakes in favour of each Scheme Participant to enforce the Deed Poll against Zurich and/or the Bidder Nominee (as applicable) on behalf of and as agent and attorney for the Scheme Participants.

#### **8.7 Stamp duty**

Zurich (or if applicable, the Bidder Nominee) will:

- (a) pay all stamp duty (if any) (including any fines, penalties and interest) payable in connection with this Scheme or the Deed Poll; and
- (b) indemnify each Scheme Participant against any liability incurred by the Scheme Participant arising from failure to comply with clause 8.7(a).

#### **8.8 Notices**

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Cover-More, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Cover-More's registered office or at the office of the Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Cover-More Shareholder shall not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

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### **9 Governing law**

#### **9.1 Governing law**

This Scheme is governed by the law in force in New South Wales.

#### **9.2 Jurisdiction**

Each party irrevocably and unconditionally:



- (a) submits to the non-exclusive jurisdiction of the courts of that place.
- (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.