



Approval to hold a stake in a financial sector company of more than 15%

Financial Sector (Shareholdings) Act 1998

To: NWC Group Pty Ltd ABN 75 138 867 393 (NWC Group) and the persons named in the attached schedule (its associates)

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- A. NWC Group and its associates have applied for an approval under section 13 of the *Financial Sector (Shareholdings) Act 1998* (the Act), to hold a stake of more than 15% in Avea Insurance Limited ABN 18 009 129 793 (the Company); and
- B. I am satisfied it is in the national interest to approve NWC Group and each of its associates to hold a stake in the Company of more than 15%,

I, Gordon Walker, a delegate of the Treasurer, under subsection 14(1) of the Act, APPROVE NWC Group and each of its associates to hold a stake in the Company of 100%.

This instrument comes into force on the completion of the sale and acquisition of the shares in the Company within the meaning of, and under the Share Acquisition Agreement- Avea Insurance Limited, provided to APRA on 24 November 2014, being the date that Presidian Pty Ltd will cease to hold a stake in the Company. The Approval under the instrument remains in force indefinitely.

Dated: 9 January 2015

[Signed]

Gordon Walker
Acting General Manager
Specialised Institutions Division
South West Region

Interpretation

In this Notice:

financial sector company has the meaning given in section 3 of the Act.

stake in relation to a company, has the meaning given in clause 10 of Schedule 1 to the Act.

unacceptable shareholding situation has the meaning given in section 10 of the Act

Note 1 Under section 14 of the Act, the Treasurer must give written notice of this Approval to the applicant and financial sector company concerned and must publish a copy of this notice in the *Gazette*.

Note 2 Under paragraph 16(2)(a) of the Act, the Treasurer may, by written notice given to a person who holds an Approval under section 14, impose one or more conditions or further conditions to which the Approval is subject. Under paragraph 16(2)(b) of the Act, the Treasurer may revoke or vary any conditions imposed under paragraph 16(2)(a) of the Act or specified in the Notice of Approval. The Treasurer's powers under subsection 16(2) may be exercised on the Treasurer's own initiative or an application made to the Treasurer in accordance with the requirements of subsection 16(4) of the Act, by the person who holds the Approval (see subsection 16(3) of the Act).

Note 3 A person who holds an Approval under section 14 of the Act may apply to the Treasurer under subsection 17(1) of the Act, to vary the percentage specified in the Approval.

Note 4 Under subsection 17(6) of the Act, the Treasurer may, on the Treasurer's own initiative, by written notice given to a person who holds an Approval under section 14, vary the percentage specified in the Approval if the Treasurer is satisfied it is in the national interest to do so.

Note 5 The circumstances in which the Treasurer may revoke a person's Approval under section 14 are set out in subsection 18(1) of the Act.

Note 6 Section 19 of the Act provides for flow-on approvals. If an Approval has been granted for the holding of a stake in a financial sector company and the financial sector company is a holding company for an authorised deposit-taking institution or an authorised insurance company, then an approval is taken to exist for the holding of a stake of equal value in each financial sector company that is a 100% subsidiary of the holding company.

Note 7 Under section 11 of the Act, a person or 2 or more persons under an arrangement are guilty of an offence if the person(s) acquires shares in a company and the acquisition has the result, in relation to a financial sector company, that:

- (i) an unacceptable shareholding situation comes into existence; or
- (ii) if an unacceptable shareholding situation already exists in relation to the company and in relation to a person – there is an increase in the stake held by the person in the company;

and the person(s) was reckless as to whether the acquisition would have that result. A maximum penalty of 400 penalty units applies or by virtue of subsection 4B(3) of the *Crimes Act 1914*, in the case of a body corporate, a penalty not exceeding 2,000 penalty units. By virtue of section 39 of the Act, an offence against section 11 is an indictable offence.

Note 8 Under section 32(3) of the Act, if a person has engaged in or is proposing to engage in any conduct in contravention of a condition to which an approval under section 14 is subject, the Federal Court may, on the application of the Treasurer, grant an injunction:

- (i) restraining the person engaging in the conduct; and
- (ii) if in the court's opinion, it is desirable to do so, requiring the person to do something.

SCHEDULE – Associates of NWC Group

Web-Ezi Pty Ltd ACN 111 353 729

La Trobe Valley Pty Ltd ACN 071 876 867

Michael Anthony Nicola

Walter James Pisciotta

Steven Kloss Pty Ltd ACN 083 227 552

Kilienz Pty Ltd ACN 078 276 338

Four Us Pty Ltd ACN 076 542 526

Rainbow TJP Superannuation Fund Pty Ltd ACN 161 369 562

Rainbow LOZ Superannuation Fund Pty Ltd ACN 161 369 508

Rainbow LCP Superannuation Fund Pty Ltd ACN 161 369 571

Rainbow End Investments Pty Ltd ACN 067 489 329