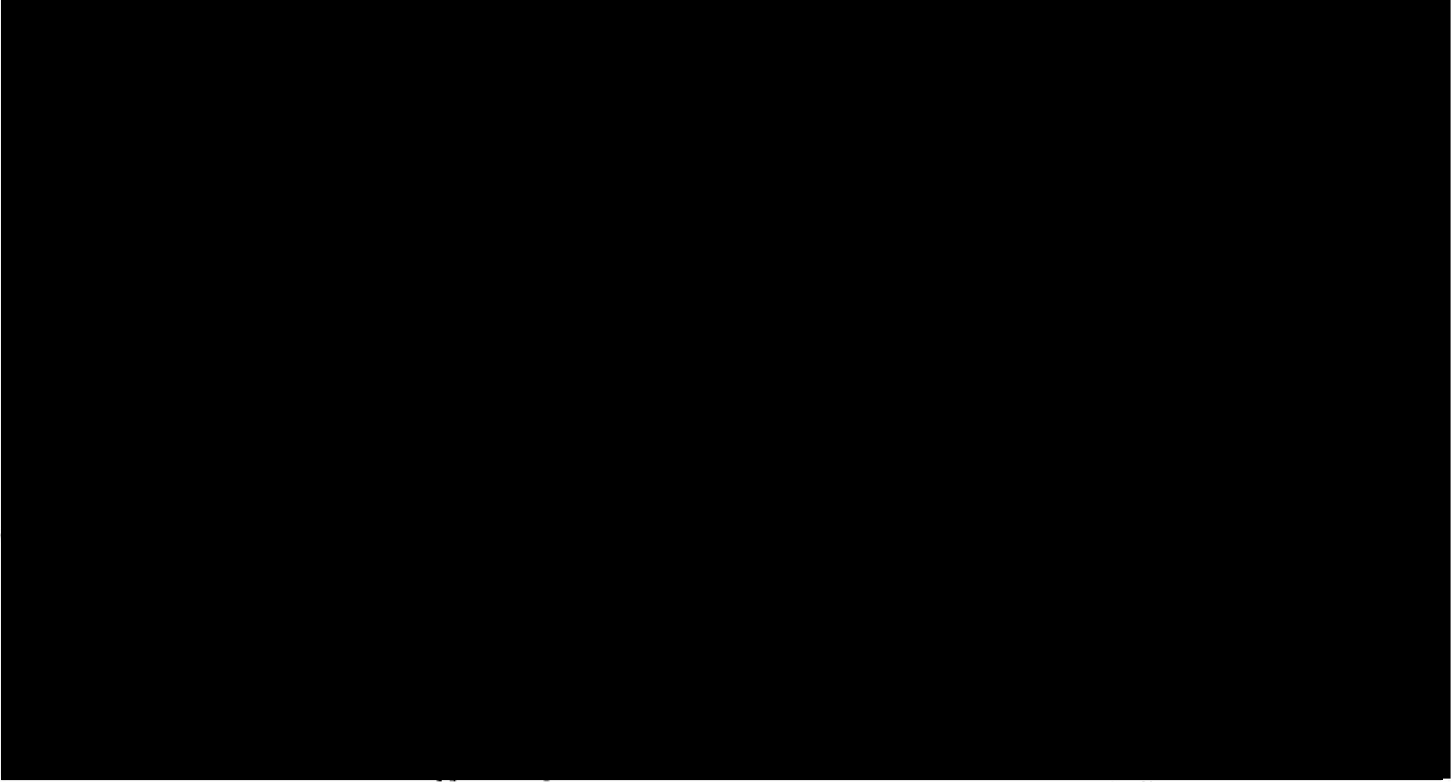
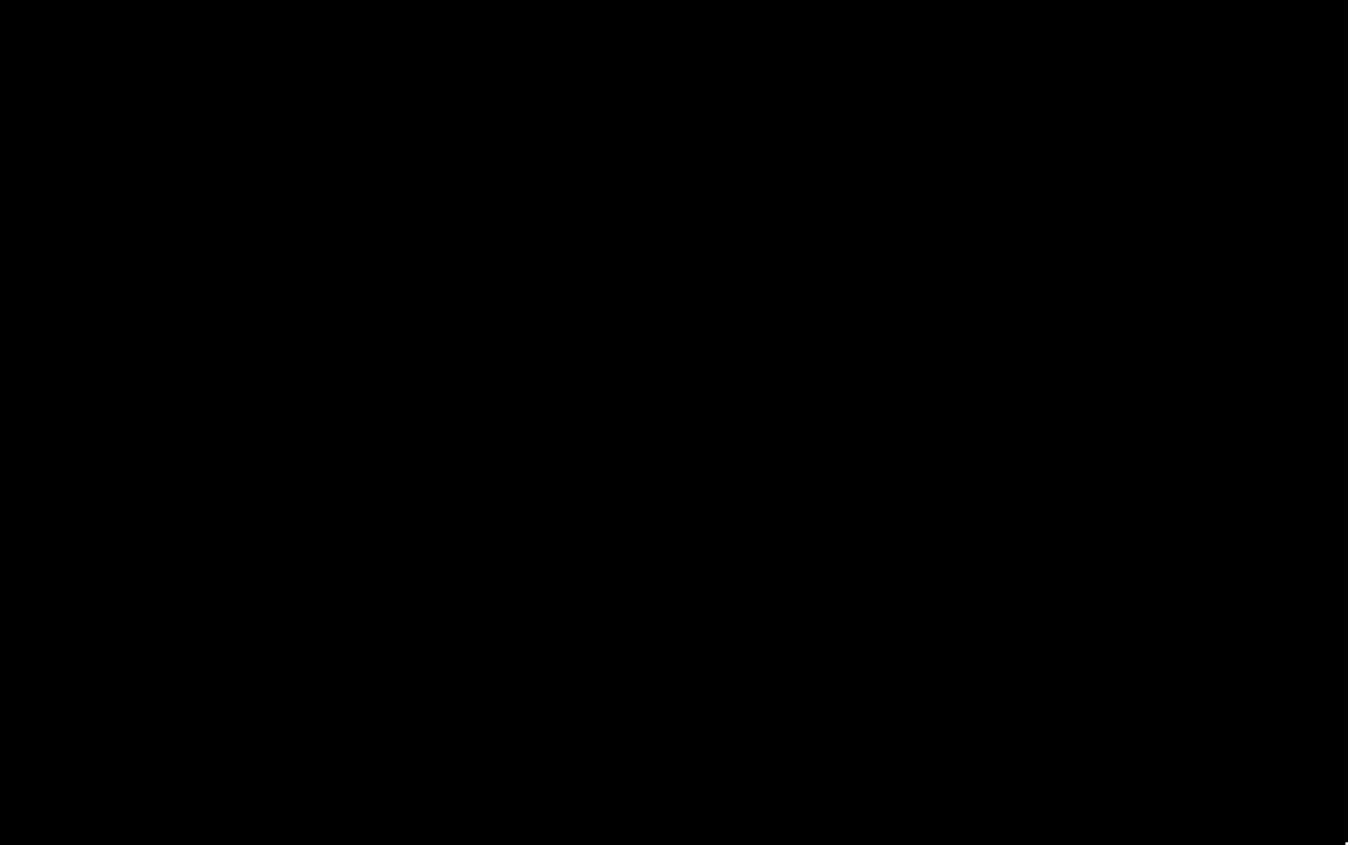


Section 38



outstanding claims were assigned to QBE Insurance Limited as at 31/5/98 by a Portfolio Assumption
Deed signed on 30/6/98 under section 36(8) of the Insurance Act.

Section 38



This Portfolio Assumption Deed

is made on 30 June 1998 between the following parties:

1. **MLC Insurance Limited**
ACN 000 248 073
of 105-153 Miller Street, North Sydney
(Assignor)
2. **QBE Insurance Limited**
ACN 000 157 899
of Level 2, 82 Pitt Street, Sydney
(Assignee)

Recitals

- A. The Assignor and the Assignee are both authorised under the *Insurance Act 1973* (Cth) as amended (**the Act**) to carry on insurance business as defined in the Act (which definition is adopted for the purpose of this deed) in Australia.
- B. The Assignor ceased issuing contracts of insurance in December 1996 and wishes to assign the whole of its liabilities, obligations and interests under all contracts of insurance in respect of insurance business (including reinsurance) it has carried on in Australia (**the Contracts**) to the Assignee, and to enter into a deed with the Assignee to provide for the collection of recoveries and other matters in connection with the Contracts (**Run-Off Deed**).
- C. The Assignee wishes to assume such obligations, liabilities and interests and accept the assignment.

This deed witnesses

that in consideration of, among other things, the mutual promises contained in this deed, the parties agree:

Operative Provisions

1 Assignment

- 1.1 The Assignor hereby assigns absolutely to the Assignee and the Assignee assumes the whole of the obligations, liabilities and interests of the Assignor under the Contracts, by way of absolute assignment as described in Section 36 of the Act, on and from the date hereof. *amended: (a) 31 May 1998*
(b) This Deed will be governed
- 1.2 In consideration of the Assignee assuming the liabilities under the Contracts, the Assignor will pay the Assignee the sum of \$15,165,500 and acknowledges that the Assignee may keep all recoveries to which the Assignee is entitled under the Run-Off Deed.

2 Acceptance of Assignment

- 2.1 The Assignee hereby accepts the assignment and shall hereafter:
- (a) assume and discharge all the liabilities and obligations of the Assignor under the Contracts whether such liabilities and obligations arise with respect to events or matters prior to, on or after the date hereof; and
 - (b) be bound by, perform and observe the provisions of the Contracts to the same extent as if it were named in the Contracts as the insurer in place of the Assignor.
- 2.2 The Assignee shall fully indemnify and keep indemnified the Assignor against all claims, actions, losses, damages, costs, charges, expenses, outgoings, payments and liabilities (**detriments**) that the Assignor suffers, incurs or is liable for in connection with the Assignee's failure to comply with clause 2.1, whether such detriments arise with respect to events or matters prior to, on or after the date hereof.

3 Acknowledgments

- 3.1 The parties acknowledge that the assignment provided for in this deed:
- (a) is made in connection with the Assignor having ceased its previous activities as an insurer in Australia and in contemplation of having its authority under the Act revoked; and
 - (b) operates and is intended to operate as an absolute assignment under sub-sections 36(8) and (9) of the Act.

4 General

- 4.1 ✓ Each party shall pay its own costs and with respect to this deed, and the Assignee shall pay any stamp duty (including any interest, fine, penalty, charge or other amount) assessed in respect of this deed.
- 4.2 ✓ In this deed, unless the context otherwise requires:
- (a) the singular includes plural and vice versa;
 - (b) references to any gender include references to each gender;
 - (c) references to persons include references to corporations, bodies which are not incorporated and vice versa.
- 4.3 ✓ The Assignor and the Assignee shall sign, execute and do all deeds, act and things as may be reasonably required by the other party effectively to carry out and give effect to the terms and intentions of this deed.



Executed as a deed:

The common seal of
MLC INSURANCE LIMITED
is affixed to this document:



RL Morath

Secretary/Director

RL MORATH

Name (please print)

David Clarke

Director

DAVID CLARKE

Name (please print)

The common seal of
QBE INSURANCE LIMITED
is affixed to this document:



A Ramsay

Secretary/Director

A Ramsay

Name (please print)

F O'Leary O'Riordan

Director

F O'LEARY O'RIORDAN

Name (please print)

**Amending Deed
(Portfolio Assumption Deed)**

QBE Insurance Limited

ACN 000 157 899

and

MLC Insurance Limited

ACN 000 248 073

FREEHILL
HOLLINGDALE
& PAGE

MLC Centre Martin Place Sydney New South Wales 2000 Australia
Telephone (02) 9225 5000 Int + (61 2) 9225 5000 Facsimile (02) 9322 4000 DX 361 Sydney
Reference: JOC:31B

SYDNEY MELBOURNE PERTH CANBERRA BRISBANE SINGAPORE HANOI HO CHI MINH CITY
CORRESPONDENT OFFICE IN JAKARTA

Liability is limited by the Solicitors Scheme under the Professional Standards Act 1994 (NSW)