

ATRADIUS CREDIT INSURANCE N.V. ABN 72 099 372 595

and

**COMPAÑÍA ESPAÑOLA DE SEGUROS Y REASEGUROS DE
CRÉDITO Y CAUCIÓN SOCIEDAD ANONIMA ARBN 610 834 556**

**Summary of Scheme under Division 3A of Part III of the Insurance Act 1973 (Cth) for
the transfer of the insurance business of the Australian Branch of ATRADIUS
CREDIT INSURANCE N.V to the Australian Branch of COMPAÑÍA ESPAÑOLA DE
SEGUROS Y REASEGUROS DE CRÉDITO Y CAUCIÓN SOCIEDAD ANONIMA**

You are or may be an affected policyholder of the Australian Branch of Atradius Credit Insurance N.V.

Atradius Credit Insurance N.V. is applying to the Federal Court of Australia for confirmation of a scheme to transfer all of the insurance business of the Australian Branch of Atradius Credit Insurance N.V. to the Australian Branch of Compañía Española de Seguros y Reaseguros de Crédito y Caución Sociedad Anonima. This summary provides information concerning the proposed scheme, how your contract with the Australian Branch of Atradius Credit Insurance N.V. may or will be affected and your right to be heard on the scheme. The summary has been approved, as a summary of the Scheme, by the Australian Prudential Regulation Authority.

Introduction

1. This is a summary of a scheme under Division 3A of Part III of the *Insurance Act 1973* (Cth) (the **Insurance Act**) for the transfer of all of the Australian insurance business (the **Business**) including insurance contracts (the **Insurance Contracts**) of the Australian Branch of Atradius Credit Insurance N.V. ABN 72 099 372 595 (**Atradius**) to the Australian Branch of Compañía Española de Seguros y Reaseguros de Crédito y Caucción Sociedad Anonima ARBN 610 834 556 (**CYC**) (the **Scheme**).
2. Subject to confirmation of the Scheme by the Federal Court of Australia (**Court**), and to any modifications ordered by the Court, the Scheme is proposed to effect the transfer of the Insurance Contracts to CYC on the terms set out in this summary.
3. Upon confirmation of the Scheme by the Court, the Scheme becomes binding on all persons.
4. An actuarial report has been prepared by Adam Searle of KPMG, in respect of the Scheme (the **Actuarial Report**). The Actuarial Report is summarised in paragraph 16 of this summary.
5. Atradius and CYC have agreed a Transfer Deed to give effect to the transfer of the Insurance Contracts to CYC (the **Transfer Deed**). Material terms of the Transfer Deed are summarised in paragraph 13 of this summary.

The parties

6. Compañía Española de Seguros y Reaseguros de Crédito y Caucción Sociedad Anonima ARBN 610 834 556, a company incorporated in Spain in accordance with Spanish law and registered as a foreign company in Australia under the Corporations Act, is authorised by APRA to carry on insurance business under the Insurance Act.
7. CYC can be contacted at:
Level 14, 1 Market Street,
Sydney, New South Wales 2000
Tel: (02) 9201 5222
Fax: (02) 9261 2773
8. Atradius Credit Insurance N.V. ABN 72 099 372 595, a company incorporated in the Netherlands in accordance with Dutch law and registered as a foreign company in Australia under the Corporations Act is authorised by APRA to carry on insurance business in Australia under the Insurance Act.
9. Atradius can be contacted at:
Level 14, 1 Market Street,
Sydney, New South Wales 2000
Tel: (02) 9201 5222
Fax: (02) 9261 2773

Your right to appear

10. An application for confirmation of the Scheme will be made to the Court in Sydney on 25 October 2016 at 10:15am, or such later date as the Court appoints. Any policyholder affected by the Scheme may request to be heard by the Court on the application. **You have the right to attend the Court hearing** of the application for confirmation of the Scheme.
 11. If you wish to appear at the hearing at the Court at which CYC will seek orders confirming the Scheme you are requested to advise the solicitor for CYC, Dean Carrigan of Clyde & Co Australia (Level 30, 420 George Street, Sydney, New South Wales, 2000) by phone on (02) 9210 4400 or by email to dean.carrigan@clydeco.com at least three days prior to the date fixed for the hearing.
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Summary of Scheme

12. Any policyholder affected by the Scheme is not required to take any action if they have no objection to the Scheme.

Details of the Scheme

13. Subject to confirmation of the Scheme by the Court, the Business will be transferred from Atradius to CYC under the Scheme.
14. The Business to be transferred includes all assignment of proceeds arrangements between an insured and a third party financier in respect of the Insurance Contracts.
15. The transfer of the Business will involve:
 - (a) In consideration of the transfer of the Assets by Atradius to CYC, CYC will on the effective date or a later date to be agreed by the Parties (but in any event, no later than 31 December 2016), pay to Atradius an amount equal to the Assets Value (as that term is defined in the Scheme).
 - (b) In consideration for the assumption by CYC of the Assumed Liabilities, Atradius will on the effective date or a later date to be agreed by the Parties (but in any event, no later than 31 December 2016), pay to CYC an amount equal to the Assumed Liabilities Value (as that term is defined in the Scheme).

Actuarial Report

16. The Actuarial Report has concluded that the implementation of the Scheme will not have a materially detrimental impact on the interests of policyholders of the Insurance Contracts, having regard to various factors, including those outlined below and APRA's capital requirements.
17. The reasons supporting the conclusions reached in the Actuarial Report are summarised below:
 - a) The Scheme results in the same financial position and capital adequacy for pre-transfer Atradius policyholders and post-transfer CYC policyholders.
 - b) The security provided to policyholders by reinsurance is unchanged as a result of the Scheme.
 - c) There is no change in the policy terms and conditions as a result of the Scheme.
 - d) There is no change in claims management as a result of the Scheme.
 - e) In terms of operations, CYC will operate in a similar manner to pre-transfer Atradius.

Effect of Scheme on policyholders

18. Should the scheme be confirmed by the Court, all outstanding claims-related rights and liabilities of Atradius in respect of the Insurance Contracts will be transferred to CYC such that any claims arising under or in connection with any Contract must be made against CYC and not Atradius.
19. Upon the Scheme becoming effective:
 - (a) Atradius will be released and discharged from all liabilities and obligations under the Insurance Contracts; and
 - (b) all premiums and other amounts payable to or recoverable by Atradius under the Insurance Contracts will be payable to and recoverable by CYC.
20. Apart from CYC becoming the insurer in place of Atradius under the Insurance Contracts, the Insurance Contracts will be transferred to CYC with the same terms and conditions as applied prior to the Scheme taking effect. Any policyholder under the Insurance Contracts who has a claim on or obligation to Atradius pursuant to the Insurance Contracts will have the same claim on or obligation to CYC in substitution for his or her claim on or obligation to Atradius.
21. Policyholders are not required to take any action before or as a result of the Scheme.

Further Information

22. Following completion of the transfer, Atradius intends to apply to APRA to have its authorisation to carry on insurance business in Australia revoked.
23. If you have any questions in relation to the Scheme or any information contained in this summary, please contact:
Sharon James
Senior Controller
Atradius Credit Insurance N.V.
T: +61 (02) 9201 2212

Between 9:00am and 5:00pm local time each weekday (other than public holidays).

Public Inspection

24. A copy of the Scheme and the Actuarial Report is available for inspection from 9:00am to 5:00pm local time each weekday (other than weekends and public holidays) between 19 September 2016 to 12 October 2016 (inclusive) at the following addresses:

New South Wales

Atradius Credit Insurance N.V.
Level 14, 1 Market Street
Sydney NSW 2000

South Australia

Finlaysons
81 Flinders Street
Adelaide SA 5000

Victoria

Atradius Credit Insurance N.V.
Level 13, 470 Collins Street
Melbourne VIC 3000

Tasmania

Dobson Mitchell Allport
59 Harrington Street
Hobart TAS 7001

Queensland

Clyde & Co Australia
Level 22, 12 Creek Street
Brisbane QLD 4000

Australian Capital Territory

Chamberlains Law Firm
24 Lonsdale Street, Braddon,
Canberra ACT 2612

Western Australia

Clyde & Co Australia
Level 28, 197 St Georges Terrace
Perth WA 6000

Northern Territory

MSP Legal
6/32 Marina Boulevard
Darwin NT 0820

25. Copies of this summary, the Scheme, the Notice of Intention and the Actuarial Report will also be available on the following website: <https://atradius.com.au/>.
26. On request, an affected policyholder is entitled to obtain a copy of the Scheme free of charge.
27. We recommend that policyholders obtain and review the Scheme documentation, which contains a discussion of the impact of the Scheme on policyholders.

THIS SUMMARY HAS BEEN APPROVED, AS A SUMMARY OF THE SCHEME, BY THE AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY.