



# **Suncorp-Metway Ltd**

**ABN 66 010 831 722**

## **INFORMATION MEMORANDUM**

In connection with proposed offers of Reset Preference Shares (“Preference Shares”) at an Issue Price of \$100 each with a minimum application of 1,000 Preference Shares.

This information memorandum does not contain or represent an offer of securities or an invitation to apply for securities. If Suncorp Metway wishes to offer securities or to invite an application for securities, it will do so by means of a personal offer to a person who falls within one of the exceptions set out in section 708 of the Corporations Act or an offer in a jurisdiction outside Australia where permitted by law. This Information Memorandum is not to be distributed in, and no offer of Preference Shares will be made in, the United States of America or in any other country where it would be unlawful to do so.

The Company will not offer the Preference Shares under a prospectus, offer information statement or other disclosure document in accordance with Part 6D.2 of the Corporations Act.

**This document is important and should be read in its entirety. Potential investors are directed to the disclaimers and limitations referred to in Section 1 of this document.**

***Arranger***

Salomon Smith Barney Australia Securities Pty Limited

***Dealer Group (“Dealer Group”)***

***Joint Lead Managers***

Salomon Smith Barney Australia Securities Pty Limited  
Macquarie Equity Capital Markets Limited

***Co-Managers***

ABN AMRO Morgans Limited  
Wilson HTM Limited



## **SUNCORP-METWAY LTD (“Suncorp Metway”)**

### **Registered Office**

Level 18  
Suncorp Metway Centre  
36 Wickham Terrace  
BRISBANE QLD 4000  
(07) 3835 5355

### **Solicitors**

**Corrs Chambers Westgarth**  
Waterfront Place  
1 Eagle Street  
BRISBANE QLD 4000  
(07) 3228 9333

### **Share Registrar**

**Douglas Heck & Burrell Registries**  
Level 22  
300 Queen Street  
BRISBANE QLD 4000  
(07) 3228 4219

### **Auditors**

**KPMG**  
Central Plaza One  
345 Queen Street  
BRISBANE QLD 4000  
(07) 3233 3111

### **Bookrunner and Arranger**

**Salomon Smith Barney Australia Securities Pty Limited**  
2 Park Street  
SYDNEY NSW 2000  
(02) 8225 4000

---

## CONTENTS

1.	IMPORTANT NOTICES	2
2.	SUMMARY OF PROPOSED OFFER	4
3.	ABOUT SUNCORP METWAY	55
4.	ANNEXURE	6

## **1. IMPORTANT NOTICES**

### **Limited Responsibility for Information**

This Information Memorandum is dated 16 August 2001 and has been issued and prepared by Suncorp Metway based on the information available to it. Other than to the extent required by law, Suncorp Metway and the Dealer Group and their respective employees, officers and agents make no representation or warranty, express or implied, as to, and assume no responsibility or liability for, the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions from any information, statement or opinion contained in this Information Memorandum or in any accompanying, previous or subsequent material or presentation.

The Dealer Group:

- does not make or purport to make, any statement or representation (including but not limited to any representation with respect to any future matter) contained in this Information Memorandum;
- is not responsible for the contents of this Information Memorandum;
- has not verified the accuracy or completeness of this Information Memorandum; and
- is not liable in any way for any mis-statement in or omission from this Information Memorandum, except as required by law and then only to that extent.

Except as required by law, neither Suncorp Metway nor the Dealer Group undertakes to review the financial condition or affairs of Suncorp Metway at any time or to advise any persons to whom the Information Memorandum has been delivered of any information coming to its attention.

### **No Requirement for Disclosure Document**

This Information Memorandum does not contain or represent an offer of securities or an invitation to apply for securities. If Suncorp Metway wishes to offer the Preference Shares or to invite an application for the Preference Shares, it will do so by means of a personal offer to a person who falls within one of the exceptions set out in section 708 of the Corporations Act or an offer in a jurisdiction outside Australia where permitted by law.

Suncorp Metway will not offer the Preference Shares under a prospectus, offer information statement or other disclosure document ("Disclosure Document") in accordance with Part 6D.2 of the Corporations Act.

The contents of this Information Memorandum may not be reproduced or used in whole or in part for any purpose without the express written permission of Suncorp Metway.

### **Investor Representations**

Offers of Preference Shares where the offers are received in Australia will only be made to investors that satisfy section 708(8) or section 708(11) of the Corporations Act. By applying for Preference Shares, the applicant will be deemed to represent that they are not an investor in respect of which a Disclosure Document is required.

### **Information**

As this Information Memorandum is not a Disclosure Document it does not contain all information that would be contained in a standard full-disclosure prospectus, including all information that investors and their professional advisers would reasonably require to make an informed assessment of the

assets and liabilities, financial position and performance, profits and losses and prospects of Suncorp Metway.

This Information Memorandum has been prepared by Suncorp Metway as at 16 August 2001 (the "Preparation Date"). The delivery of the Information Memorandum at any time after the Preparation Date does not imply the information contained in it is accurate, timely and complete at any time subsequent to the Preparation Date. Accordingly, neither the delivery of this Information Memorandum, nor the issue of Preference Shares implies or should be relied upon as a representation or warranty that there has been no change since the Preparation Date in the affairs or financial condition of Suncorp Metway or other information contained in this Information Memorandum.

### **No Recommendation**

The information contained in this Information Memorandum is not a recommendation by Suncorp Metway or the Dealer Group that any person subscribe for Preference Shares. Each intending subscriber should determine for itself the relevance of the information contained in this Information Memorandum, must conduct its own investigations and analysis of the operations and prospects of Suncorp Metway and must base its investment decision solely upon such independent assessment and investigation as it deems necessary.

### **No Other Material Authorised**

Suncorp Metway has not authorised any person to give any information or make any representation in connection with the proposed offer of Preference Shares which is not contained in this Information Memorandum and any such information or representation not contained in it must not be relied upon as having been authorised by or on behalf of Suncorp Metway or the Dealer Group.

### **No Offer in the United States or in Other Countries Where Unlawful to Make Offer**

This Information Memorandum is not to be distributed in, and no offer of Preference Shares will be made in, the United States of America. The Preference Shares have not been and will not be registered under the United States Securities Act of 1993 (as amended).

This Information Memorandum is not to be distributed in, and no offer of Preference Shares will be made in any country in which it would be unlawful to do so.

### **No Official Quotation of Preference Shares on ASX**

The Preference Shares will not be officially quoted on Australian Stock Exchange Limited for the first 12 month period following initial allotment.

### **Stamp Duty**

There are no stamp duties associated with the issue of and initial investment in Preference Shares. Holders of Preference Shares should obtain their own advice in relation to the application of stamp duty on any resale before undertaking any dealing in those Preference Shares.

## 2. SUMMARY OF PROPOSED OFFER

Suncorp-Metway Ltd is proposing to offer Preference Shares for \$100 each. The minimum application is for 1,000 Preference Shares. It is expected that between 2,000,000 and 2,500,000 Preference Shares will be offered to raise between \$200 million and \$250 million, although Suncorp Metway will have the right to issue more or less than these amounts.

The Terms and Conditions of the Preference Shares are contained in Annexure A.

### Ratings

Suncorp Metway has been rated for creditworthiness by Standard & Poor's, Moody's Investors Service and Fitch. The Preference Shares have been rated for creditworthiness by Standard & Poor's and Fitch.

#### **Suncorp – Metway - Long Term Senior Debt Rating**

Standard & Poor's	A-
Moody's Investors Service	A3
Fitch	A

#### **Suncorp – Metway - Preference Shares – Credit Rating**

Standard & Poor's	BBB-
Fitch	BBB+

Securities rated "BBB-" or above by Standard & Poor's, and "BBB+" or above by Fitch are considered to be investment grade. The Preference Shares have been given an investment grade rating by Standard & Poor's Ratings Services and Fitch.

These ratings are credit ratings, not "market" ratings. They are not recommendations by Standard & Poor's Ratings Services or Fitch to buy, hold or sell Preference Shares.

Ratings are subject to revision or withdrawal at any time.

### **3. ABOUT SUNCORP METWAY**

#### **Corporate History**

The current Suncorp Metway Group was formed on 1 December 1996 from the merger of three of Queensland's largest financial institutions – the Suncorp Group, the Metway Bank Limited Group and the QIDC Limited Group.

Suncorp Metway is the parent company in the Suncorp Metway Group and conducts the banking activities of the Suncorp Metway Group.

#### **Proposed Acquisition**

On 15 June 2001, Suncorp Metway Group announced that it was buying the Australian GIO general insurance business of AMP for \$1.24 billion.

The business being acquired includes the operations of the former AMP Fire and General Company.

Excluded from the acquisition are the GIO re-insurance business, GIO Australia Holdings Limited (the former listed company which is involved in class action litigation) and GIO's run-off-book of its former large scale Commercial and Special Risks Insurance Business.

The acquisition is scheduled for completion on September 30, 2001 and requires certain regulatory consents and other approvals.

Suncorp-Metway is Australia's sixth-largest bank. Currently, the general insurance company in the Suncorp Metway Group, Suncorp Metway Insurance Limited is the nation's seventh largest general insurance company. Completion of the acquisition will result in the Suncorp Metway Group becoming Australia's second largest general insurance group and the Suncorp Metway Group having combined total assets of \$32.3 billion.

Suncorp Metway is admitted to the official list of Australian Stock Exchange Limited (ASX). It has obligations under the Corporations Act and the ASX Listing Rules to provide continuous disclosure (subject to certain limited exceptions) of information that a reasonable person would expect to have a material effect on the price or value of its securities. Suncorp Metway has made announcements to ASX in order to fulfil its obligations in this regard.

---

#### 4. ANNEXURE

# TERMS AND CONDITIONS – RESET PREFERENCE SHARES

16 August 2001

- (a) **Description** Suncorp-Metway Ltd will issue a number of \$100 perpetual preference shares, paying fixed non-cumulative dividends with certain terms periodically reset. The first reset will be five years from issue. Holders will have an option on each reset date to request the preference shares be exchanged for ordinary shares of approximately equal value to the original issue price of the preference shares (the “Reset Preference Shares”).
- (b) **Issuer** Suncorp-Metway Limited (“SML”).
- (c) **Investors** The Reset Preference Shares will be placed without the requirement for a disclosure document (within the meaning of the Corporations Act) to Australian institutional and other qualifying investors.
- (d) **Pricing and Issue Price** A\$100 per Reset Preference Share.
- (e) **Pricing Date and Issue Date** The date of issue, pricing and allotment of the Reset Preference Shares, will be around 30 August 2001.
- (f) **Liquidation Preference** A\$100 per Reset Preference Share.
- (g) **Minimum Subscription Amount** The Minimum Subscription Amount will be 1000 Reset Preference Shares and in multiples of 500 thereafter.  
The Issuer reserves the right to change the Minimum Subscription Amount at its absolute discretion.
- (h) **Minimum Transferable Amount** During the first twelve months from the Issue Date, the Minimum Transferable Amount will be 1000 Reset Preference Shares and then increments of 500 as part of the same transfer. After the twelve months, there will be no Minimum Transferable Amount.  
The Issuer reserves the right to change the Minimum Transferable Amount at its absolute discretion.
- (i) **Maturity** None, the Reset Preference Shares are perpetual.
- (j) **Dividends** The Reset Preference Shares will pay a fixed semi-annual dividend for each semi-annual period. The Dividend is calculated as:  
Dividend = Dividend Rate x Issue Price x D/365  
Where: D is the number of days in the semi-annual period ending on the Dividend Payment Date, including the first but excluding the last day of the period  
Dividend Rate = Market Rate plus the Margin  
If a Dividend is likely, in the reasonable opinion of SML, to have a franking percentage of less than 100% for any semi-annual period, the Issuer must advise Holders in writing at least 50 business days prior to the Dividend Payment Date for that Dividend (in which case the “Holder Exchange – Franking Event” applies – see below).

- (k) **Reset Feature** The Issuer will have the ability to “Reset” certain terms of the Reset Preference Shares on specific future dates. The first Reset Date will be 5 years after the Issue Date. SML will offer new terms within the Notice Period in a Dividend Reset Notice, specifying:
- (i) the timing of the next Reset Date (which must be a Dividend Payment Date);
  - (ii) the Dividend Rate to apply to the period commencing on the Reset Date until the next Reset Date; and
  - (iii) the frequency of Dividend Payment Dates (including appropriate adjustments to the calculation of Dividends, the next Dividend Payment Date, and the Additional Amount formula).
- The determination of the Margin is subject to the restrictions in Margin below.
- (l) **Margin** The Margin will initially be finalised on the Pricing Date following the institutional bookbuild process (the Initial Margin).
- The determination of the Margin on Reset Dates will be subject to the following restrictions (unless otherwise agreed by APRA):
- (i) The Margin may not be increased above the Initial Margin during the first ten years.
  - (ii) The Margin may be increased on any Reset Date after ten years subject to the following limitations:
    - (A) any increase in the Margin from the Margin immediately preceding the change shall be limited to 100 basis points; and
    - (B) the cumulative increase in the Margin from the Initial Margin shall be limited to 100 basis points.
  - (iii) The Margin may be decreased without limitation on any Reset Date (including Reset Dates during the first 10 years).
- (m) **Market Rate** The initial Market Rate will be the five year swap rate prevailing on the Pricing Date. On Reset Dates, the Market Rate will be the swap rate applicable for the period to the next Reset Date.
- (n) **Withholding Deductions** SML will be entitled to deduct from any Dividend payable to Holders the amount of any withholding or other tax, duty or levy required by law to be deducted from such amount.
- (o) **Dividend Payment Date & Restrictions** Dividends will be paid on the last day of each semi-annual Period (the Dividend Payment Date).
- A Dividend is only payable if:
- (i) the directors, at their discretion, determine that the dividend is payable;
  - (ii) the amount of payments on Tier 1 Securities (defined below) does not exceed the Distributable Profits on the relevant Dividend Payment Date
  - (iii) SML complies with APRA’s then prevailing prudential standards and guidelines; and
  - (iv) APRA has not issued any objection to the Dividend payment or stated that if the proposed payment is made the Reset Preference Shares will cease to be treated as Tier 1 Capital.
- Distributable Profits are the operating profits after income tax of SML for the immediately preceding year, less dividends, distributions or coupons already paid on any Tier 1 Securities during the current year.
- Tier 1 Securities means the Reset Preference Shares, SML ordinary shares or any other Tier 1 qualifying securities.

- (p) **Ordinary Dividend Restrictions** If SML fails to make a Dividend payment on the Reset Preference Shares, SML cannot make any payments, or return capital, on any Tier 1 Securities until SML has made either:
- (i) two consecutive payments on the Reset Preference Shares; or
  - (ii) an Optional Dividend Payment to Holders.
- (q) **Optional Dividend Payment** SML may pay an optional Reset Preference Share dividend, equal to all Dividends not paid on the Reset Preference Shares (and not previously made up by an optional payment). Where an Optional Dividend Payment is made, the Ordinary Dividend Restrictions will no longer apply.
- An Optional Dividend Payment may not be made where the Dividend Payment Restrictions would not be satisfied.
- (r) **Ranking** The Reset Preference Shares rank ahead of ordinary shares for payment of dividends.
- In a winding-up or liquidation of SML, the Reset Preference Shares rank subordinated to all creditors including depositors, senior to ordinary shareholders and at least equal with other preference shares and other Tier 1 securities for return of the Issue Price, and otherwise do not participate in a winding up. All Preference Shares rank equally amongst themselves.
- (s) **Set-off** No contractual right of set-off exists between the Reset Preference Shares and any claims by SML on the holders of the Reset Preference Shares.
- (t) **Right to Participate in Issues** Reset Preference Shares do not have a right to participate in issues of securities to, or capital reconstructions affecting, holders of ordinary shares.
- (u) **Voting** Reset Preference Share Holders will not be entitled to vote at a general meeting of SML except that they may vote:
- (i) if at the time of the meeting, a Dividend has been declared but has not been paid in full by the relevant Dividend Payment Date;
  - (ii) on a proposal to reduce SML's share capital;
  - (iii) on a resolution to approve the terms of a buyback agreement;
  - (iv) on a proposal that affects rights attached to the Reset Preference Shares;
  - (v) on a proposal to wind up SML;
  - (vi) on a proposal for the disposal of the whole of SML's property, business and undertaking; or
  - (vii) during the winding up of SML
- in which case Holders will have the same rights as to manner of attendance and to voting as ordinary shareholders with one vote per Reset Preference Share.
- (v) **Events of Default** Nil.
- (w) **Holder Exchange - Reset Dates** Holders not wishing to rollover some or all of their Reset Preference Shares may request an Exchange within the Notice Period by delivering an Exchange Notice to SML.
- (x) **Exchange Notice** An Exchange Notice is a notice given by either a Holder to SML requesting the exchange of their Reset Preference Shares for SML ordinary shares (Ordinary Shares), or notice given by SML to a Holder stating that SML intends to exchange some or all of the Holder's Reset Preference Shares for Ordinary Shares.

- (y) **SML Exchange Options** On the receipt of an Exchange Notice from a Holder, SML in its absolute discretion must determine within the Notice Period which of the following actions to undertake (singularly or in combination):
- (i) exchange the Holder's Reset Preference Shares for cash consideration (subject to APRA approval) equal to the Exchange Consideration; or
  - (ii) exchange the Holder's Reset Preference Shares for the Exchange Number of Ordinary Shares.
  - (iii) arrange for the Holder's Reset Preference Shares to be each acquired at the Issue Price by a third party and that the proceeds be delivered to the Holder.
- (z) **SML Exchange – Special Events** On the occurrence of a Tax Event or a Regulatory Event, SML has the right to exchange some or all of the Reset Preference Shares on the next Dividend Payment Date. SML in its absolute discretion must determine within the Notice Period which of the following actions to undertake (singularly or in combination):
- (i) exchange the Holder's Reset Preference Shares for cash consideration (subject to APRA approval) equal to the Exchange Consideration; or
  - (ii) exchange the Holder's Reset Preference Shares for the Exchange Number of Ordinary Shares.
- (aa) **Holder Exchange – Franking Event** On the occurrence of a Holder Exchange – Franking Event, Holders have the right to request exchange of some or all of the Holder's Preference Shares by delivering an Exchange Notice within the Notice Period to SML to exchange some or all of their Reset Preference Shares on the next Dividend Payment Date. Where a Holder requests an exchange, SML in its absolute discretion must determine within the Notice Period which of the following actions to undertake (singularly or in combination):
- (i) exchange the Holder's Reset Preference Shares for cash consideration (subject to APRA approval) equal to the Exchange Consideration; or
  - (ii) exchange the Holder's Reset Preference Shares for the Exchange Number of Ordinary Shares.

- (bb) **Holder Exchange - Control Event** On the occurrence of a Control Event, Holders have the right to request exchange of some or all of the Holder's Reset Preference Shares by delivering an Exchange Notice within the Notice Period to SML to exchange some or all of their Reset Preference Shares 50 business days after the notification to Holders of the occurrence of a Control Event. Where a Holder requests an exchange, SML in its absolute discretion must determine within the Notice Period which of the following actions to undertake (singularly or in combination):
- (i) exchange the Holder's Reset Preference Shares for cash consideration (subject to APRA approval) equal to the Exchange Consideration (see below); or
  - (ii) exchange the Holder's Reset Preference Shares for the Exchange Number of Ordinary Shares.
- (cc) **Notice Period** Notice Period is:
- (i) in respect of the Reset Feature, at least 50 business days prior to the Reset Date.
  - (ii) in respect of a Holder Exchange – Reset Dates, at least 35 business days prior to the Reset Date.
  - (iii) in respect of SML Exchange Options, at least 21 business days prior to the Reset Date.
  - (iv) in respect of an SML Exchange – Special Event at least 21 business days prior to the next Dividend Payment Date.
  - (v) in respect of a Holder Exchange – Control Event, the 21 business days following the occurrence of the notification to Holders of the Control Event.
  - (vi) in respect of a Holder Exchange – Franking Event, at least 35 business days prior to the next Dividend Payment Date for Holders, and at least 21 business days prior to the next Dividend Payment Date for SML where a Holder requests exchange.
- (dd) **Exchange Amount** The Exchange Amount is:
- (i) on an SML Exchange Option, the Issue Price;
  - (ii) on an SML Exchange – Special Event or a Holder Exchange – Franking Event, the Issue Price plus the Additional Amount; or
  - (iii) on a Holder Exchange – Control Event, the Issue Price plus the Accrued Dividend Amount.
- (ee) **Exchange Consideration** The product of the Exchange Amount and the number of Reset Preference Shares held by the Holder that are to be exchanged.
- (ff) **Exchange Number** The Exchange Number is the number of Ordinary Shares to be exchanged for a Holder's Reset Preference Shares and is calculated by dividing the Exchange Consideration by the VWAP.

- (gg) **VWAP** VWAP is 97.5% of the average of the daily volume weighted average sale price of SML ordinary shares over the 20 trading day period of those shares prior to the relevant date for exchange on the occurrence of the specified events set out in the above paragraphs.
- If the ordinary shares have been quoted cum dividend or cum entitlement during that period, and the ordinary shares to be issued to Preference Share holders will not carry that entitlement, then the VWAP on the days the shares have been quoted cum dividend or cum entitlement will be reduced by an amount equal to:
- (i) the cash amount of the dividend (not including any amount for attached franking); or
  - (ii) the cash amount or the value of the other entitlement.

Appropriate adjustments will be made for any capital reconstruction during this period.

- (hh) **Accrued Dividend Amount** The Accrued Dividend Amount is only payable, subject to APRA approval, where a Holder has elected to Exchange their Reset Preference Shares after the occurrence of a Control Event.
- The Accrued Dividend Amount is the Dividend payable on the next Dividend Payment Date multiplied by the number of days from (but not including) the last Dividend Payment Date until the date on which the Reset Preference Shares will be exchanged, divided by the number of days in the semi-annual period..

- (ii) **Additional Amount** The Additional Amount is a “make whole” amount and is designed to compensate Holders for adverse movements in interest rates in certain circumstances. It is payable only where:
- (i) SML exercises exchange options on a date other than a Reset Date where there is a SML Exchange Special Event; or
  - (ii) a Holder exercises an exchange option on a date other than a Reset Date where there is a Holder Exchange – Franking Event; and
  - (iii) the comparable Market Rate until the next Reset Date is less than the current period Market Rate.

The Additional Amount per Reset Preference Share is the sum of the following Market Rate Adjustment Amounts where there is one of these Market Rate Adjustment Amounts for each dividend date remaining up to and including the next Reset Date (eg two dates if the exchange date occurs at the end of four years after the Issue Date), and where each Market Rate Adjustment Amount is:

$$\frac{\text{Issue Price} \times 0.5 \times (\text{MR} - \text{NMR})}{(1 + i)^t}$$

NMR = the New Market Rate is the Market Rate that would be calculated for the period from the exchange date until the next Reset Date.

MR = the Market Rate.

$$i = \frac{(\text{NMR} + \text{Margin}) \times 0.5}{1 - \text{Tax Rate}}$$

t = the number of dividend dates from the dividend date for which that Market Rate Adjustment Amount is being calculated until and including the Reset Date.

The Tax Rate is the general Australian company income tax rate.

- (jj) **Control Event** A Control Event occurs when:
- (i) there is an unconditional takeover offer for more than 50% of the ordinary shares in SML and the offeror becomes entitled to more than 50% of the voting power or the Board of SML recommends acceptance; or
  - (ii) a scheme of arrangement is approved which when implemented the purchaser will have more than 50% of the voting power of SML.
- (kk) **Tax Event** Means the receipt by SML of advice from reputable legal counsel that as a result of any amendment to, clarification of, or change in Australian tax law (including laws, treaties, judicial decisions and administrative actions) that results in:
- (i) the Reset Preference Shares being unable to be franked by SML;
  - (ii) Holders not being entitled to franking credits on the Reset Preference Shares; or
  - (iii) there is more than insubstantial risk of SML being exposed to a more than *de minimus* increase in the costs of servicing the obligations on the Reset Preference Shares (as a result of increased taxes, duties or other governmental charges or duties) that SML deems to be unacceptable.
- (ll) **Regulatory Event** Means:
- (i) the receipt by SML of advice from reputable legal counsel of advice that as a result of any amendment to, clarification of, or change in any law or regulation affecting securities laws in Australia, additional requirements would be imposed on SML which SML determines, at its sole discretion, to be unacceptable; or
  - (ii) the determination by SML that there is a risk that SML is not or will not be entitled to treat all of the Preference Shares as Tier 1 capital under APRA guidelines.
- (mm) **Listing** The Reset Preference Shares will not be listed on Australian Stock Exchange (“ASX”) for the first 12 month period following their initial allotment.
- (nn) **Business Days** Has the meaning given in the Listing Rules of the ASX.
- (oo) **Notices and meetings** Holders of Reset Preference Shares will be entitled to:
- (i) receive notice of and attend (but not vote, except in accordance with paragraph (u)) at any general meeting of SML;
  - (ii) receive all reports and audited accounts of SML which are sent by SML to holders of ordinary shares in SML.

Failure by SML to give a Holder any notice, report or other document to which that Holder is entitled under this paragraph shall not affect the validity of any meeting (or any proceedings at any meeting), transaction or document which relates to the document which was not received by the Holder.