

SUPREME COURT OF VICTORIA

NOTICE TO GROUP MEMBERS

NAB Shareholder Class Action

Pathway Investments Pty Ltd & Anor v National Australia Bank Limited (SCI 2010 6249)

NOTICE OF HEARING TO CONSIDER APPROVAL OF A PROPOSED SETTLEMENT

A group proceeding, or class action, is being conducted in the Supreme Court of Victoria by Pathway Investments Pty Limited and Doystoy Pty Limited (the **Plaintiffs**) on their own behalf and on behalf of group members. The Plaintiffs are claiming compensation from National Australia Bank Limited (**NAB**) for alleged loss suffered as a result of NAB's alleged conduct between 1 January 2008 and 24 July 2008 (**the Relevant Period**). NAB is defending the proceeding.

You have received this notice because you either:

1. registered to participate in any settlement of these proceedings by 4.00 pm, 12 October 2012 pursuant to the Court's orders of 24 August 2012 (in which case you are a **Registered Group Member**); or
2. entered a funding agreement with International Litigation Funding Partners Pte Ltd (**ILFP**) before these proceedings commenced (in which case you are a **Previous Group Member**).

On 12 December 2012, the Court will be asked to approve the proposed settlement.

Proposed Settlement and Settlement Scheme

The Plaintiffs and NAB have agreed to settle the proceedings, subject to the Court's approval.

Under the terms of the settlement, NAB will pay into a Settlement Distribution Fund an amount of AUD115 million (comprised of AUD85 million in settlement of the proceedings, and an allowance of AUD30 million in respect of interests and costs). Maurice Blackburn, the Plaintiffs' solicitors, will administer the Settlement Distribution Fund in the interests of all group members in accordance with a Settlement Scheme, also to be approved by the Court. The Plaintiffs have proposed a Settlement Scheme which is available to be viewed at www.mauriceblackburn.com.au/nabclassaction.

The proposed Settlement Scheme provides for the distribution of the monies in the Settlement Distribution Fund to the Registered Group Members and Previous Group Members. It also provides for payment of commissions to ILFP (the funder of this litigation), the Plaintiffs' costs and disbursements and re-imbusement of the Plaintiffs' reasonable time and expenses incurred in the litigation.

Before payments are distributed to the Registered Group Members and Previous Group Members, the information on which their losses will be estimated and the estimates of loss will be notified to them. They will have an opportunity to request a formal review by an independent barrister.

Court approval

The settlement will not take effect unless and until the settlement and proposed Settlement Scheme are approved by the Court. In determining whether to grant approval the Court will assess whether the settlement is fair and reasonable in the interests of all Group Members.

The Plaintiffs will submit to the Court that the proposed settlement is fair and reasonable and in the interests of all Group Members.

Is there anything you need to do?

If you **approve** of the proposed settlement, there is nothing you need to do.

If you wish to **oppose** the proposed settlement, you are required to file with the Court, and serve on Maurice Blackburn, any affidavit evidence relied upon in opposition to the proposed settlement, together with a written outline of the grounds for opposing the proposed settlement, by no later than 4pm on 6 December 2012. You will then need to attend and make submissions to the Court in Melbourne on 12 December 2012. On that day the Court will hear the application for approval of the proposed settlement.

The address details for filing and service are as follows:

Maurice Blackburn

NAB Class Action Team
Maurice Blackburn
GPO Box 523
MELBOURNE VIC 3001

or

nabclassaction@mauriceblackburn.com.au

Court

*Re Pathway Investments Pty Ltd & anor v
National Australia Bank Limited*
No S CI 2010 6249
The Prothonotary
Supreme Court of Victoria
Level 2, 436 Lonsdale Street
Melbourne VIC 3000

Further information

A copy of the proposed Settlement Scheme is available on Maurice Blackburn's website at <http://www.mauriceblackburn.com.au/nabclassaction>

An annexure to the proposed Settlement Scheme concerning the formula for the distribution of the Settlement Sum is confidential. This annexure will only be made available to Group Members who sign a Confidentiality Undertaking, which can be obtained from Maurice Blackburn on request.

If you have any other questions please contact Maurice Blackburn at the address above or on 1800 236 734 or seek independent legal advice.