



ENFORCEABLE UNDERTAKING

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

Section 93AA *Australian Securities & Investments Commission Act 2001* ("ASIC Act")

The commitments in this Enforceable Undertaking are offered to the Australian Securities and Investments Commission ("ASIC") by:

American International Assurance Company (Australia) Limited ABN 79 004 837 861
of 549 St Kilda Road
MELBOURNE VIC 3004 ("AIA")

1. BACKGROUND

- 1.1. ASIC is responsible for monitoring and promoting market integrity and consumer protection in the Australian financial system pursuant to the Corporations Act 2001 ("the Act") and the ASIC Act 2001 ("ASIC Act").
- 1.2. American International Assurance Company (Australia) Limited ("AIA") and AIA Financial Services Limited ("AIAFS") each hold its own Australian Financial Services Licence ("AFSL"). The AFSL number held by AIA is **230043** and by AIAFS is **231109**.
- 1.3. Both AIA and AIAFS are ultimate wholly-owned subsidiaries of American International Group, Inc., an international insurance and financial services corporation, with operations in more than 130 countries and jurisdictions.
- 1.4. AIA and AIAFS both offer financial services in relation to a financial product as defined by the Act. AIA is trading as AIG Life and AIA and AIAFS is trading as AIA Financial Services.
- 1.5. From 1 July 2003 to 1 September 2005, pursuant to an AFSL issued to the company by ASIC under the Act, AIA was engaged in the business of issuing and distributing life insurance through its authorised representatives.
- 1.6. From 1 September 2005, AIA was engaged in the business of issuing life insurance, and pursuant to an AFSL issued to AIAFS by ASIC under the Act, AIAFS distributed life insurance through its authorised representatives on behalf of AIA.
- 1.7. In or about November 2004 ASIC conducted a surveillance visit of AIA in relation to its compliance with the Act, the ASIC Act and the conditions attaching to its AFSL.
- 1.8. As a result of the surveillance on AIA, ASIC commenced an investigation on 12 September 2005 into suspected contraventions of sections 912(1)(f), 1041E and 1041H of the Act.

- 1.9. AIA has fully cooperated with ASIC during the course of surveillance and investigation referred to in paragraphs 1.7 and 1.8 above.
- 1.10. ASIC has formed the view from its surveillance and investigation referred to in paragraphs 1.7 and 1.8, and AIA acknowledges ASIC's concerns that between 1 July 2003 and the date of this Enforceable Undertaking, AIA did not adequately:
- Supervise generally the market conduct of its authorised representatives
 - Audit sufficient client files of its authorized representatives
 - Implement internal controls to ensure the integrity of the records of training of its authorized representatives as required by ASIC *Policy Statement 146*
 - Ensure that its English language regulated disclosure documents were comprehensible to its clients who are predominantly of Chinese ethnicity
 - Implement disciplinary measures against authorised representatives who breached AIA compliance requirements
 - Ensure that its complaints handling system identified and recorded all oral expressions of client dissatisfaction
- 1.11. In light of the matters identified in paragraphs 1.10, ASIC has concerns that AIA may not have the capability and resources to comply with its licence conditions and the requirements of the Act, in particular provisions in relation to cold calling, anti-hawking, and deceptive or misleading conduct of its authorized representatives.
- 1.12. AIA acknowledges ASIC's concerns and has offered ASIC an Enforceable Undertaking and ASIC has agreed to accept this Enforceable Undertaking.

2. UNDERTAKINGS

Pursuant to section 93AA of the ASIC Act, AIA provides the undertakings set out below:

- 2.1. All Australian resident directors of AIA and responsible officers and staff who are employed in a legal or compliance capacity will enrol and participate in a minimum of 15 hours per year, for the 3 years subsequent to the signing of this Enforceable Undertaking, of compliance or related training. That training is to be provided by an external training provider or a registered training organisation. For the avoidance of doubt, any compliance or related training undertaken annually pursuant to this clause 2.1 by Australian resident directors of AIA and responsible officers and staff who are employed in a legal or compliance capacity shall be set-off against the equivalent requirements in clause 2.1 of the Enforceable Undertaking provided to ASIC by AIAFS dated on or around 24 January 2006.
- 2.2. AIA must maintain and regularly update a compliance program ("**Compliance Program**") and compliance program documentation ("**Compliance Documentation**") to ensure AIA will be able to comply with its obligations under the Act and the conditions ("**Licence Conditions**") contained in its AFS licence, including but not limited to:
- a) Providing financial services efficiently, honestly and fairly.
 - b) Supervising the conduct of its authorised representatives (if any).



- c) Having adequate resources (financial, technological and human) to provide financial services and carry out supervisory arrangements (if any).
- d) Training its authorised representatives (if any) as required by ASIC Policy Statement 146.
- e) Ensuring its authorised representatives (if any) comply with the cold-calling and anti-hawking provisions contained in the Act.
- f) Ensuring that its disclosure documents, such as Product Disclosure Statements, Financial Services Guides (if any) and advertising material (including those printed in languages other than English) are clear, concise and effective.
- g) Ensuring that advertising material released by its authorised representatives (if any) is compliant with the Act, including but not limited to ensuring that advertising material contains references to relevant authorised representative numbers (if any), contains references to AFS numbers, and is not misleading or deceptive.
- h) Implementing and enforcing disciplinary measures against authorised representatives (if any) who breach AIA compliance requirements.
- i) Ensuring that its complaints handling systems identify and record all oral expressions of client dissatisfaction and deal with complaints in an appropriate manner.

Engagement of Independent Expert

- 2.3. Within two weeks of the date that this Enforceable Undertaking is accepted by ASIC, AIA will appoint an independent compliance expert ("**Independent Expert**") to conduct a review of the Compliance Program and the Compliance Documentation.
- 2.4. The Independent Expert must be approved by ASIC before they are engaged to conduct this review. To enable ASIC to consider whether the proposed Independent Expert should be engaged, AIA must, within 7 days of the date of this undertaking, provide ASIC with a curriculum vitae of the proposed Independent Expert.
- 2.5. The terms of engagement of the Independent Expert must include those set out in **Annexure A** ("Terms of Engagement").
- 2.6. All remuneration and costs associated with the Independent Expert shall be borne by AIA.

The Initial Report

- 2.7. AIA must ensure that the Independent Expert reviews the Compliance Program and the Compliance Documentation and provides a written report ("**Initial Report**") required by the Terms of Engagement to AIA and ASIC within one month of the date the appointment of the Independent Expert.
- 2.8. AIA must ensure that the Independent Expert clearly specifies in the Initial Report any deficiencies identified by the Independent Expert in the Compliance Program or the Compliance Documentation and makes recommendations for remedying

those deficiencies.

- 2.9. For the purposes of this Enforceable Undertaking, a deficiency includes, but is not limited to, any matter contained in AIA's Compliance Program, Compliance Documentation (or any remedial action taken in accordance with this Enforceable Undertaking) which prevents AIA from complying with any of the obligations referred to in paragraph 2.2 above.
- 2.10. In relation to the identification of any deficiencies, AIA must ensure that the Independent Expert specifies in the Initial Report a reasonable timeframe in which any identified deficiencies can be remedied.

The Remedial Action Plan

- 2.11. If the Initial Report identifies deficiencies in the Compliance Program or the Compliance Documentation, AIA must consider the recommendations made by the Independent Expert to remedy those deficiencies and then provide to the Independent Expert and ASIC a plan ("**Remedial Action Plan**") setting out the action it proposes to take to rectify those deficiencies. AIA must provide this plan to the Independent Expert and ASIC within one month of the date that the Initial Report was received by ASIC.
- 2.12. AIA must implement the Remedial Action Plan within the timeframe specified for any recommendations by the Independent Expert in the Initial Report, or otherwise as agreed by AIA and ASIC.

The review obligation on or before the first anniversary of the Initial Report – the First Anniversary Report

- 2.13. Within one year of the date that this undertaking is accepted by ASIC, AIA must make all necessary arrangements for the Independent Expert to be engaged to conduct a review of the Compliance Program, the Compliance Documentation, the implementation of the Remedial Action Plan (if there is a Remedial Action Plan) and compliance with paragraph 2.1 above, and provide a report to AIA and ASIC ("**First Anniversary Report**").
- 2.14. AIA must ensure that the Independent Expert reviews the Compliance Program, the Compliance Documentation and the implementation of any Remedial Action Plan and provides a written report required by the Terms of Engagement to AIA and ASIC within one year and one month of the date this undertaking was accepted by ASIC.
- 2.15. AIA must ensure that the Independent Expert clearly specifies in the First Anniversary Report any deficiencies identified by the Independent Expert in the Compliance Program, the Compliance Documentation or the implementation of any Remedial Action Plan, including whether any recommendations have been implemented in accordance with the timeframe specified for any recommendations in the Independent Expert's Initial Report, and makes recommendations for remedying those deficiencies.
- 2.16. In relation to the identification of any deficiencies, AIA must ensure that the Independent Expert specifies in the First Anniversary Report a reasonable timeframe in which any identified deficiencies can be remedied.



Addressing any deficiencies in the First Anniversary Report – the First Subsequent Remedial Action Plan

- 2.17. If the First Anniversary Report identifies deficiencies in the Compliance Program, the Compliance Documentation or the implementation of the Remedial Action Plan, AIA must consider the recommendations made by the Independent Expert to remedy those deficiencies and then provide to the Independent Expert and ASIC a plan ("**First Subsequent Remedial Action Plan**") setting out the action it proposes to take to rectify those deficiencies. AIA must provide the First Subsequent Remedial Action Plan to the Independent Expert and ASIC within one month of the date that the First Anniversary Report was received by ASIC.
- 2.18. AIA must implement the First Subsequent Remedial Action Plan within the timeframe specified for any recommendations in the First Anniversary Report, or otherwise as agreed by AIA and ASIC.

The review obligation on or before the second anniversary of the Initial Report – the Second Anniversary Report

- 2.19. Within two years of the date that this Enforceable Undertaking is accepted by ASIC, AIA must make all necessary arrangements for the Independent Expert to be engaged to conduct a review of the Compliance Program, the Compliance Documentation, the implementation of the First Subsequent Remedial Action Plan (if any) and compliance with paragraph 2.1 above.
- 2.20. AIA must ensure that the Independent Expert reviews the Compliance Program, the Compliance Documentation and the First Subsequent Remedial Action Plan and provides a written report ("**Second Anniversary Report**") required by the Terms of Engagement to AIA and ASIC within two years and one month of the date this Enforceable Undertaking was accepted by ASIC.
- 2.21. AIA must ensure that the Independent Expert clearly specifies in the Second Anniversary Report any deficiencies identified by the Independent Expert in the Compliance Program, the Compliance Documentation or the implementation of any First Subsequent Remedial Action Plan, including whether any recommendations have been implemented in accordance with the timeframe specified for any recommendations in the Independent Expert's First Anniversary Report, and makes recommendations for remedying those deficiencies.
- 2.22. In relation to the identification of any deficiencies, AIA must ensure that the Independent Expert specifies in the Second Anniversary Report a reasonable timeframe in which any identified deficiencies can be remedied.

Addressing any deficiencies in the Second Anniversary Report – the Second Subsequent Remedial Action Plan

- 2.23. If the Second Anniversary Report identifies deficiencies in the Compliance Program, the Compliance Documentation or the implementation of the First Subsequent Remedial Action Plan, AIA must consider the recommendations made by the Independent Expert to remedy those deficiencies and then provide to the Independent Expert and ASIC a plan ("**Second Subsequent Remedial Action Plan**") setting out the action it proposes to take to rectify those deficiencies. AIA must provide the Second Subsequent Remedial Action Plan to the Independent Expert and ASIC within one month of the date that the Second Anniversary Report

was received by ASIC.

- 2.24. AIA must implement the Second Subsequent Remedial Action Plan within the timeframe specified for any recommendations by the Independent Expert in the Second Subsequent Remedial Action Plan, or otherwise as agreed by AIA and ASIC.

The review obligation on or before the third anniversary of the Initial Report – the Final Report

- 2.25. Within three years of the date that the Enforceable Undertaking is accepted by ASIC, AIA must make all necessary arrangements for the Independent Expert to be engaged to conduct a review of the Compliance Program, the Compliance Documentation, the implementation of the Second Subsequent Remedial Action Plan (if any) and compliance with paragraph 2.1 above.
- 2.26. AIA must ensure that the Independent Expert reviews the Compliance Program, the Compliance Documentation and the Second Subsequent Remedial Action Plan and provides a written report ("**Final Report**") required by the Terms of Engagement to AIA and ASIC within three years and one month of the date this Enforceable Undertaking was accepted by ASIC.
- 2.27. AIA must take all reasonable steps to ensure that the Independent Expert clearly specifies in the Final Report any deficiencies identified by the Independent Expert in the Compliance Program, the Compliance Documentation or the implementation of Second Subsequent Remedial Action Plan, including whether any recommendations have been implemented in accordance with the timeframe specified in the Independent Expert's Second Anniversary Report, and makes recommendations for remedying those deficiencies. If the Final Report contains a timeframe relating to a recommendation to remedy those deficiencies beyond the duration of this Enforceable Undertaking, then the terms of this Enforceable Undertaking will apply to that remedial action until complete.
- 2.28. If the Independent Expert makes any recommendations to remedy any deficiencies in the Final Report, then AIA must make all necessary arrangements for the Independent Expert to be engaged to conduct a review of the implementation of those recommendations immediately following the expiry of the timeframe recommended in the Final Report to remedy all deficiencies and to provide a written report to AIA and ASIC within one month of the expiry of that timeframe.

Addressing any deficiencies in the Final Report

- 2.29. In the event that AIA fails to remedy any deficiencies identified in the Final Report within the time recommended by the Independent Expert, ASIC may form the view that AIA has breached this Enforceable Undertaking. In addition to any other right or remedy ASIC may have available to it, arising from a breach of this Enforceable Undertaking, ASIC may rely upon any breach to impose further conditions on, or otherwise vary, the AFSL of AIA in accordance with section 914A of the Act or suspend or cancel the AFSL of AIA in accordance with section 915C of the Act.
- 2.30. For the avoidance of doubt, when used in this Enforceable Undertaking any reference to the words "AIA must ensure" in relation to any obligation requiring action by the Independent Expert shall mean AIA must make all necessary arrangements and take all reasonable steps to assist the Independent Expert to



complete the action required by this Enforceable Undertaking.

Correspondence to ASIC

- 2.31. The address for providing ASIC with any document, including but not limited to any plan or report, which this undertaking requires to be provided to ASIC is:

**The Assistant Director
Compliance Financial Services
Australian Securities and Investments Commission
Level 13, 485 La Trobe Street
Melbourne VIC 3000**



Overview of reports and due dates

- 2.32. For the avoidance of doubt, the following is a schedule of the primary obligations arising under this Enforceable Undertaking and the dates on which those obligations are required to be fulfilled:

<i>Matter</i>	<i>Time period from the date the undertaking was accepted by ASIC</i>
Appointment of Independent Expert	Two weeks
Initial Report provided to ASIC	One month and two weeks
Remedial Action Plan (if required) provided to ASIC	Two months and two weeks
First Anniversary Report provided to ASIC	One year
First Subsequent Remedial Action Plan (if required) provided to ASIC	One year and one month
Second Anniversary Report provided to ASIC	Two years
Second Subsequent Remedial Action Plan (if required) provided to ASIC	Two years and one month
The Final Report provided to ASIC	Three years and one month
Report on implementation of recommendations in the Final Report	One month after expiry of recommended timeframe

3. ACKNOWLEDGEMENTS

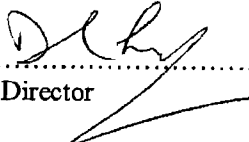
- 3.1. AIA acknowledges that ASIC:
- May issue a media release on execution of this Enforceable Undertaking referring to its terms and to the concerns of ASIC which led to its execution;
 - May from time to time publicly refer to this Enforceable Undertaking; and
 - Will make this Enforceable Undertaking available for public inspection.
- 3.2. AIA acknowledges that this Enforceable Undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this Enforceable Undertaking.
- 3.3. AIA acknowledges that ASIC's acceptance of an Enforceable Undertaking does not affect ASIC's power to investigate a contravention arising from future conduct, or pursue a criminal prosecution, or its power to lay charges or seek a pecuniary civil order.



- 3.4. AIA acknowledges that this Enforceable Undertaking has no operative force until accepted by ASIC.
- 3.5. In addition to any right or remedy ASIC may have available to it arising from a breach of this Enforceable Undertaking, ASIC reserves its right to exercise any its powers under Division 4 of Part 7.6 of the Act in relation to the AFSL of AIA in relation to any breach of this Enforceable Undertaking.

The Common Seal of **American International Assurance Company (Australia) Limited**)
 ABN 79 004 837 861 was affixed to this Enforceable)
 Undertaking on the 23rd day of January)
 2006 in the presence of:)

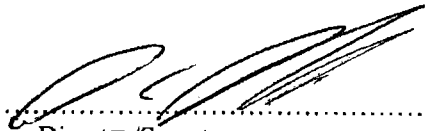




 Managing Director

David Whyte
 Managing Director

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 Print name

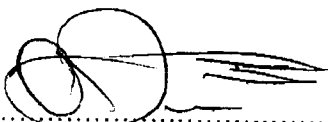


 Director/Secretary

Paul Korte
 General Counsel

.....
 Print name

Accepted by the **Australian Securities and Investments Commission** pursuant to the *ASIC Act* section 93AA by its duly authorised delegate:



ALLEN TURTON
 Deputy Executive Director, Enforcement
 Australian Securities and Investments Commission

Dated this 24th day of January 2006

Annexure A

TERMS OF ENGAGEMENT OF COMPLIANCE EXPERT

Background

1. Under the enforceable undertakings which American International Assurance Company (Australia) Limited ("AIA") made to the Australian Securities and Investments Commission ("ASIC") on ## **January 2006** ("**Enforceable Undertaking**"), AIA must appoint an independent compliance expert ("**Independent Expert**") to review, assess, make recommendations and report in writing to AIA and ASIC about AIA's compliance program ("**Compliance Program**") and compliance program documentation ("**Compliance Documentation**").
2. Under the Enforceable Undertaking, the compliance expert must be appointed by AIA before ## January 2006.
3. Under the Enforceable Undertaking, the compliance expert must be approved by ASIC.

Obligations

4. [**Insert name of Independent Expert**] having been approved by ASIC for the purposes of the Enforceable Undertaking, the Independent Expert will conduct the following tasks under the Enforceable Undertaking:
 - 4.1 conduct an initial review of the Compliance Program and Compliance Documentation. The initial review is to include such processes as considered appropriate by the Independent Expert;
 - 4.2 following the initial review referred to in paragraph 4.1 above, prepare a written report ("**Initial Report**") to be completed by [**insert date**] which:
 - 4.2.1 provides an assessment of the Compliance Program and Compliance Documentation of AIA and, in particular, identifies any deficiencies in the Compliance Program and/or Compliance Documentation;
 - 4.2.2 makes recommendations to remedy these deficiencies;
 - 4.2.3 specifies a reasonable time frame in which any identified deficiencies will be remedied; and
 - 4.2.4 complies with paragraph 7.
 - 4.3 before [**insert date**], conduct a first anniversary review of the Compliance Program and the implementation of any Remedial Action Plan entered into by AIA following the Initial Report. The first anniversary review is to include such processes as considered appropriate by the Independent Expert;
 - 4.4 following the first anniversary review referred to in paragraph 4.3 above, prepare a written report ("**First Anniversary Report**") to be completed by [**insert date**] which:
 - 4.4.1 provides an assessment of the Compliance Program and implementation of any Remedial Action Plan of AIA and, in particular, identifies any deficiencies in the Compliance Program, Compliance Documentation, compliance with paragraph 2.1 of the Enforceable Undertaking and/or implementation of any Remedial Action Plan;
 - 4.4.2 makes recommendations to remedy these deficiencies;
 - 4.4.3 specifies a reasonable time frame in which any identified deficiencies will be remedied; and



- 4.4.4 complies with paragraph 7.
- 4.5 by *[insert date]*, conduct a second anniversary review of the Compliance Program and the implementation of any Remedial Action Plan entered into by AIA following the Initial Report and the implementation of any First Subsequent Remedial Action Plan entered into following the First Anniversary Report. The second anniversary review is to include such processes as considered appropriate by the Independent Expert; and
- 4.6 following the second anniversary review referred to in paragraph 4.5 above, prepare a written report ("**Second Anniversary Report**") to be completed by *[insert date]* which:
- 4.6.1 provides an assessment of the Compliance Program and the implementation of any Remedial Action Plan and the implementation of any First Subsequent Remedial Action Plan and, in particular, identifies any deficiencies in the Compliance Program and the implementation of the Remedial Action Plan, compliance with paragraph 2.1 of the Enforceable Undertakings and implementation of the First Subsequent Remedial Action Plan;
- 4.6.2 makes recommendations to remedy these deficiencies;
- 4.6.3 specifies a reasonable time frame in which any identified deficiencies will be remedied; and
- 4.6.4 complies with paragraph 7.
- 4.7 following the second anniversary review referred to in paragraph 4.6 above, prepare a written report ("**Final Report**") to be completed by *[insert date]* which:
- 4.7.1 provides an assessment of the Compliance Program and the implementation of any Remedial Action Plan and the implementation of any Second Subsequent Remedial Action Plan and, in particular, identifies any deficiencies in the Compliance Program and the implementation of the Remedial Action Plan, compliance with paragraph 2.1 of the Enforceable Undertakings and implementation of the Second Subsequent Remedial Action Plan;
- 4.7.2 makes recommendations to remedy these deficiencies;
- 4.7.3 specifies a reasonable time frame in which any identified deficiencies will be remedied; and
- 4.7.4 complies with paragraph 7.
- 4.8 following the expiry of the timeframe recommended in the Final Report to remedy all deficiencies, prepare a written report to be completed within one month of the expiry of that timeframe provides an assessment of whether the recommendations to remedy any deficiencies identified in the Final Report have been implemented.
5. AIA will provide all reasonable assistance to the Independent Expert in fulfilling the obligations set out in paragraph 4.

Termination of the Agreement,

6. If at anytime, AIA and ASIC agree, that the Independent Expert is unavailable or unsuitable to conduct the remaining tasks required under paragraph 4, AIA will terminate this agreement by notice in writing to the Independent Expert. AIA must then appoint a replacement Independent Expert in accordance with the Enforceable Undertaking to complete the remaining tasks required under paragraph 4.

Reporting

7. Any report required to be written by the Independent Expert under this Agreement will:



- 7.1. be carried out in accordance with the Enforceable Undertaking. If there is any inconsistency between these terms and the Enforceable Undertaking, the Enforceable Undertaking shall prevail;
- 7.2. set out the steps the Independent Expert has taken to fulfil his or her tasks, including but not limited to:
 - 7.2.1. listing the personnel of AIA that have assisted the Independent Expert and the nature of that assistance;
 - 7.2.2. listing the personnel of the AIA that have been interviewed;
 - 7.2.3. listing the documents that have been reviewed;
- 7.3. set out the nature and extent of the testing of the procedures of AIA undertaken by the Independent Expert to complete the report;
- 7.4. set out any limitations or qualifications to the report;
- 7.5. list those documents or extracts of documents most relevant (in the view of the Independent Expert) in producing the report;
- 7.6. otherwise comply (to the extent applicable) with those paragraphs of the Federal Court of Australia Practice Direction entitled "Guidelines for Expert Witnesses in proceedings in the Federal Court of Australia" that fall under the sub-heading "The form of the expert evidence" in that Practice Direction; and
- 7.7. *[If applicable:]* set out any amendments made by AIA to the Compliance Program and Compliance Documentation of AIA since the last report (or, in the case of the Initial Report, since the Enforceable Undertaking was accepted) and the reasons for those amendments.

Independence

8. The Independent Expert warrants that:
 - 8.1. the Independent Expert, and the individuals who will assist the Independent Expert, are independent of AIA, and will at all material times be capable of exercising objective and impartial judgment;
 - 8.2. the Independent Expert's staff have not had a material business relationship with AIA within the period of three years before the date the Enforceable Undertaking is accepted by ASIC;
 - 8.3. the Independent Expert or the Independent Expert's staff have not previously been a director or officer of the AIA or an employee, consultant or contractor in a position to exert a direct and significant interest over the engagement; and
 - 8.4. the Independent Expert will notify the AIA and ASIC immediately if the Independent Expert or the Independent Expert's staff are no longer capable of exercising objective and impartial judgment in relation to this engagement. This includes, but is not limited to, circumstances where the Independent Expert or the Independent Expert's staff:
 - 8.4.1. begin to have a material business relationship with AIA;
 - 8.4.2. could directly or indirectly benefit from a financial interest in AIA (where "financial interest" refers to an interest in any equity or other security, debenture, loan or other debt instrument of AIA);
 - 8.4.3. promote, or may be perceived to promote, AIA's position or opinion to the point that objectivity and/or impartiality is/are compromised;
 - 8.4.4. begin to have a close relationship with AIA, its directors, officers or employees;

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- 8.4.5. may be deterred from acting objectively and/or impartially by the conduct of AIA, directors or officers of AIA or employees in a position to exert direct and significant interest over the engagement; or
- 8.4.6. become aware of past or current circumstances the existence of which places the Independent Expert in breach of any of the warranties contained in this Agreement.

