

MEDIATION AGREEMENT MADE AT SYDNEY ON THE 13TH DAY
OF AUGUST 2013.

PARTIES:

Plaintiff:

Ralph Doughty

Defendant:

The Salvation Army (New South Wales) Property Trust

(each a "Party" and together the "Parties") and

The Honourable Moreton Rolfe Q.C. as Mediator (the "Mediator")

Recitals.

- A. Disputes have arisen between the Parties ("Disputes"), which are briefly described in the Schedule.
- B. The Parties have requested the Mediator to assist them to resolve the Disputes, if possible, and the Mediator has agreed to do so, on the terms and conditions set out in this Agreement.

1. Appointment of the Mediator.

Appointment.

The Parties appoint the Mediator, and the Mediator accepts the appointment, to mediate the Disputes in accordance with the terms of this Agreement.

Fees and Expenses.

- (a) The Parties agree to pay the Mediator's fees at the rate of \$475 per hour (exclusive of GST) for all preliminary conferences and preparation, plus \$4750 per 8 hour day and \$475 per hour thereafter on the same day (exclusive of GST) for the Mediation plus any reasonable out of pocket expenses actually incurred, ~~and the Parties agree to pay the Mediator's fees and expenses either equally, or as the Court has ordered, or solely by one party or in such other way as the parties hereby agree:~~ *4/3 by the Defendant.*

M Rolfe
(Doughty)
JH

2. FUNCTIONS OF THE MEDIATOR

2.1 What The Mediator Will Do.

- (a) The Mediator will assist the Parties to explore options for and, if possible, achieve the expeditious resolution of the Disputes by agreement between them.
- (b) The Mediator makes no representation that any agreement between the Parties will resemble or equate with any result which might be achieved by negotiation or a contested trial of the Disputes or any part of them.

2.2 What The Mediator Will Not Do.

The Mediator will not make a decision for a Party or impose a solution on the Parties.

3. CONFLICTS OF INTEREST

3.1 Advance Disclosure.

The Mediator acknowledges that he has disclosed to the Parties to the best of his knowledge any prior dealings he has had with any of them and any interest he has in the Disputes, and any other matters which could reasonably be considered to be relevant to his capacity to act impartially.

3.2 Disclosure During Mediation.

If in the course of the Mediation the Mediator becomes aware of any circumstance that might reasonably be considered to affect the Mediator's capacity to act impartially, the Mediator will immediately inform the Parties of those circumstances. The Parties will then confer and, if they agree to do so, will continue the Mediation if the Mediator agrees.

4 CO-OPERATION

4.1 Good Faith.

The Parties must co-operate with the Mediator and each other during the Mediation.

4.2 Efficient Dispute Resolution.

Each Party must use its best endeavours to comply with the reasonable requests made by the Mediator to promote the efficient and expeditious resolution of the Disputes.

5 AUTHORITY AND REPRESENTATION

5.1 Parties Must Usually Attend.

Unless there is consent by the other Parties and the Mediator, a Party must be represented at the Mediation conference by a person with full knowledge of the relevant issues and authority to make agreements binding on it in settling the Disputes.

5.2 Advisers.

Each Party is entitled to employ legal representatives in order to be fully counseled in relation to his/her/its legal rights and obligations.

6 CONDUCT OF MEDIATION

6.1 Discretion Of The Mediator.

Subject to clause 11.1 the Mediation, including all preliminary steps, will be conducted in the manner the Mediator considers appropriate, having regard to the nature and circumstances of the Disputes, the agreed goal of an efficient and expeditious resolution of the Disputes, and the view of each Party as to the conduct of the Mediation.

6.2 Mediator May Give Directions.

Without limiting the Mediator's powers under clause 6.1, the Mediator may give directions about:

- (a) the exchange of experts' reports, the meeting of experts and the subsequent preparation of a joint experts' report with a view to identifying areas of agreement, narrowing the area of disagreement, and clarifying the reasons for disagreement;
- (b) the exchange of brief written outlines of the issues raised by the Disputes;
- (c) service on the Mediator of those reports and outlines and any other documents; and
- (d) preliminary conferences before the Mediation conference.

7 COMMUNICATION BETWEEN THE MEDIATOR AND A PARTY

7.1 Meetings And Communications As Appropriate.

The Mediator may meet as frequently as the Mediator deems appropriate with the Parties, either together or with a Party and his/her/its advisers alone. The Mediator may communicate with a Party or the Parties or their advisers or any of them orally and/ or in writing.

7.2 Documents.

Subject to clause 8.1, any document relied upon by a Party and provided to the Mediator will be served promptly on the other Party/Parties.

8 CONFIDENTIAL INFORMATION

8.1 Information Is Confidential.

Information, whether oral or in writing, disclosed to the Mediator by a Party or its advisers in the absence of the other Party/Parties and or his/her/its advisers will be confidential, but it may be disclosed by the Mediator to the other Party/Parties with the permission of the first Party.

8.2 Agreement About Use Of Confidential Information.

In relation to all information including documents disclosed to them during the Mediation, including the preliminary steps, the Parties and the Mediator agree that they will:

(a) keep that information confidential;

(b) not disclose any of that information, whether expressly or by implication, except, and subject to clause 8, to a Party or a representative of a Party participating in the Mediation, or if compelled by law to do so; and

(c) not use that information for a purpose other than the Mediation.

8.3 Disclosure.

If it becomes necessary to disclose any information or document to a third person, or expert, or if a Party is a corporation and its officers acquire the information in the course of mediation, then, before any disclosure to any of those persons, the Party responsible will obtain an undertaking from the person and from its own legal representatives, if any, in the same terms as clause 8.2.

8.4 No Defamation etc.

No statements or comments, whether oral or in writing, made or used by the Parties and/or their representatives or the Mediator in the course of or for the purpose of the Mediation, will be relied upon to found or maintain any action, suit or proceeding of any kind for defamation, libel, slander or any similar complaint, and this Agreement may be pleaded in bar to any such action, suit or proceeding and will be accepted by the Party bringing it as a complete defence entitling the Party or Mediator against whom or which such action, suit or proceeding is brought to summary judgment thereon and an order for indemnity costs.

9 PRIVILEGE

9.1 The Mediation.

For the purposes of any subsequent proceedings, the Mediation (including everything said and all documents prepared for the purpose of the Mediation) will be regarded as a completely confidential and without prejudice conference.

9.2 For The Purpose Of The Mediation.

The Parties and the Mediator agree that, subject to clause 13, all documents and statements produced, used or made for the purposes of the Mediation, not otherwise available or known or subject to other obligations of discovery or filed in a Court, will be privileged, and will not be disclosed in or relied on or be the subject of a subpoena to give evidence or to produce documents in any other dispute resolution process in respect of the Disputes.

9.3 General

The Parties and the Mediator agree that, subject to clause 13, the following will be privileged and will not be relied on or be the subject of a subpoena to give evidence or to produce documents in any other dispute resolution process in respect of the Disputes:

- (a) any settlement proposal, whether made by a Party or the Mediator;
- (b) any willingness of a Party to consider any such proposal;
- (c) any admission or concession made by a Party; and
- (d) any statement or document made by the Mediator.

10 SUBSEQUENT PROCEEDINGS

The Mediator will not accept appointment as an arbitrator or Court appointed referee in or act as a solicitor or barrister or provide legal advice to a Party to any dispute resolution process relating to the Disputes and no Party will take any action to cause the Mediator to breach this clause.

11 TERMINATION

11.1 Party: By Notice.

A Party may terminate the Mediation immediately by giving notice to each other Party and then to the Mediator.

11.2 Mediator: Termination After Consultation.

If, after consultation with the Parties, the Mediator forms the view that he will be unable to assist the Parties to achieve resolution of the Disputes or that the

continuation of the Mediation would harm or prejudice some or all of the Parties, he may immediately terminate his engagement as Mediator by giving written notice to the Parties of that termination, but the Mediation will be terminated only if a Party gives notice to that effect to each other Party. If notice is not given, the Parties will appoint a new mediator as soon as practicable.

11.3 Automatic Termination If Settlement.

The Mediation will be terminated automatically on execution of a settlement agreement in respect of the Disputes.

11.4 Clauses 8.1-14.2 Inclusive Not Affected.

Termination of the Mediation does not terminate the operation of clauses 8.1-14.2 inclusive.

12 SETTLEMENT

If settlement is reached at the Mediation conference, the terms of the settlement must be reduced to writing and signed by all Parties or their representatives, duly authorized so to do, before any of the participants leave the Mediation conference.

13 ENFORCEMENT

If one or more of the matters the subject of the Disputes is or are settled at the Mediation conference, any Party will be at liberty:

- (a) to enforce the terms of the settlement agreement by judicial proceedings; and
- (b) in those proceedings, to adduce evidence of or incidental to the settlement agreement without being in breach of any term of this Mediation Agreement.

14 EXCLUSION OF MEDIATOR'S LIABILITY AND INDEMNITY.

14.1 Mediator Not Liable.

Except in the case of fraud the Mediator is not liable for any damage suffered (directly or indirectly) by any Party arising in any way out of any act done or omitted to be done (including but not limited to acts negligently done or omitted to be done) by the Mediator in the performance of his obligations under this Agreement.

14.2 Parties Indemnify Mediator.

The parties jointly and severally release, discharge and indemnify the Mediator against all claims, demands, suits and proceedings, whether at law or in equity or otherwise arising, except in the case of fraud, in the performance or purported performance of his obligations under this Agreement.

Signed as an Agreement by or on behalf
of the Plaintiff by
in the presence of:

L. Douglas

Signature of Witness.

*Paul Lunn
Soberton*

Signed as an Agreement by or on behalf
of the Defendant by
in the presence of:

Duffy (DALZELL)

*Kristina
(Eastman)*

Signature of Witness.

[Signature]
(LATHLEAN)

Signed as an Agreement by the Honourable
Moreton Rolfe QC in the presence of:

[Signature]

Signature of Witness.

Ian Davis

CONFIDENTIALITY AGREEMENT.

As a condition of my being present or participating in this Mediation, I agree that I will, unless compelled by law or otherwise, preserve total confidentiality in relation to the course of proceedings within the Mediation and all exchanges within the Mediation that may come to my knowledge whether oral or in writing concerning the Disputes passing between any of the Parties and/or any of the Parties and the Mediator. This agreement does not restrict my freedom to disclose and discuss the course of proceedings and exchanges within and during the Mediation with the consent of the Party/Parties from whom or which I received the information, PROVIDED THAT any disclosures and discussions will also be received by the person, whether a party or otherwise on the same basis of confidentiality.

Dated: 13 August 2013

Name in Block Letters.

Signature.

Ian Davidson

Ian Davidson

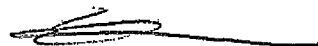
JOHN PALZEU



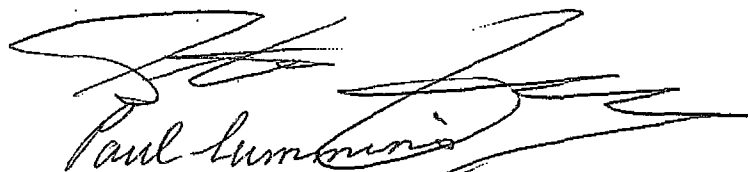
Kate Eastman



Elizabeth Lathlean



PETER GWARDZECKY



PAUL CUMMINS



RALPH DOUGHTY



J.M.N. Rolfe



SCHEDULE SETTING OUT THE GENERAL NATURE OF THE DISPUTES

The issues arising in **Ralph Doughty v Salvation Army (NSW) Property Trust**,
Court proceedings No. 162893 of 2013.