



Sport World Group Pty Ltd
ACN: 689 694 915

www.sportworld.com.au

APPLICATION FORM

CONVERTIBLE NOTES

Complete this Application Form to apply for Convertible Notes in Sport World Group Pty Ltd (ACN: 689 694 915). Do not use this form unless it is attached to the Master Convertible Note Agreement. You should read the Information Memorandum dated 22 October 2025 before completing this Application Form.

Complete this form using BLACK ink and print in CAPITAL LETTERS.

PART 1

*Minimum application is
AUD\$100,000 and thereafter
in multiples of AUD\$10,000.*

SUBSCRIPTION AMOUNT

SUBSCRIPTION AMOUNT:

AUD \$

PART 2

*Please enter details of the
Applicant for convertible notes.*

APPLICATION DETAILS

APPLICANT NAME(S):

APPLICANT TYPE:

ADDRESS:

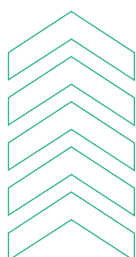
SUBURB:

STATE:

POST CODE

COUNTRY

TFN/ABN/EXEMPTION CODE



PART 3

If you do not qualify, please leave this section blank. The Company may still accept your subscription under the small-scale offerings exemption (section 708(1) of the Corporations Act).

INVESTOR STATUS DECLARATION

Please tick the box below if you qualify as a Sophisticated Investor. If you do not qualify, please leave this section blank.

☐

Sophisticated Investor

Please tick if you qualify as a Sophisticated Investor

I/we certify that I/we qualify as a sophisticated investor under section 708(8) of the Corporations Act 2001 (Cth) because one or more of the following applies:

- My/our gross income was at least \$250,000 in each of the last two financial years; OR
- My/our net assets are at least \$2.5 million (including any assets held by a spouse, de facto partner or relative under my/our control); OR
- I am/we are a professional investor (as defined in s 9 of the Corporations Act).

Please attach a certificate from a qualified accountant. Not required if Professional investor.

PART 4

Please provide primary contact person's contact information.

CONTACT DETAILS

FIRST NAME:

LAST NAME:

EMAIL ADDRESS:

PHONE:

PART 5

Please provide account details for interest on Convertible Notes to be paid to via electronic funds transfer.

INTEREST PAYMENTS

ACCOUNT NAME:

FINANCIAL INSTITUTION:

BSB:

ACCOUNT NUMBER:

PART 6

DECLARATIONS

By submitting this application form for convertible notes, I/we declare that I/we:

- Have received, read, and understood the Information Memorandum dated 22 October 2025 and the Master Convertible Note Agreement, and apply for the Convertible Notes on the basis of the information contained therein.

- Agree to subscribe for the number of Convertible Notes implied by the Subscription Amount specified in Part 1, subject to the terms and conditions set out in the Master Convertible Note Agreement, and agree to be bound by those terms as a Noteholder upon acceptance of this application by Sport World Group Pty Ltd.

- Acknowledge and accept that an investment in the Convertible Notes is speculative and involves a high degree of risk, including the potential loss of the entire Subscription Amount, and that no representations or guarantees have been made by the Company or its representatives regarding the future performance, returns, or value of the Convertible Notes or the Company, other than as expressly stated in the Information Memorandum and Master Convertible Note Agreement.

- Confirm that all information provided in this Application Form (including in relation to investor status in Part 3) is true, accurate, complete, and not misleading in any respect, and that I/we will promptly notify the Company of any changes to such information.

- Have not relied on any advice, representations, or warranties from the Company, its officers, agents, or advisors other than those expressly set out in the Information Memorandum and Master Convertible Note Agreement.

- Have the full legal capacity, power, and authority to execute this Application Form, to subscribe for the Convertible Notes, and to perform all obligations under the Master Convertible Note Agreement (and, if signing on behalf of a company, trust, super fund, or other entity, confirm that this execution is duly authorized in accordance with the entity's governing documents and applicable laws).

- Are subscribing for the Convertible Notes for my/our own account as principal (or, if acting as trustee, for the benefit of the trust) and not as nominee or agent for any undisclosed party, unless otherwise disclosed in writing to the Company.

- Agree to indemnify the Company against any loss or liability arising from any breach of these declarations or the provision of false or misleading information in this Application Form.

- Understand that this application is irrevocable and may not be withdrawn or modified except with the written consent of the Company or as required by law.

- Consent to the collection, use, and disclosure of my/our personal information as necessary for the purposes of processing this application, administering the Convertible Notes, and complying with applicable laws (including anti-money laundering and counter-terrorism financing laws such as the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)), and agree to provide any additional documentation requested by the Company for verification or regulatory compliance purposes.

SIGNATURE:

DATE: (DD/MM/YYYY)

NAME:

If a Company Officer or Trustee, you MUST specify your title:

Director Trustee

Other:

SIGNATURE:

DATE: (DD/MM/YYYY)

NAME:

If a Company Officer or Trustee, you MUST specify your title:

Director Trustee

Other:

Payment of Subscription Amount

The Company requires payment of the Subscription Amount:

- (a) Within five (5) business days of acceptance of this Application Form; or
- (b) by written call notice specifying a payment date at least 14 days in advance.

Bank account details and exact payment timing will be confirmed in the Company's written acceptance or call notice. Until payment is received in cleared funds, no Notes will be issued.

Completed Forms

Completed application forms should be sent to Sport World Group Pty Ltd via:

Email:

investors@sportworld.com.au

Mail:

PO Box 227
Sandringham VIC 3191



Master Convertible Note Agreement
Sport World Group Pty Ltd

PARTIES

Company: Sport World Group Pty Ltd (ACN 689 694 915) of Brighton Victoria, Australia (the **Company**).

Noteholder: Each person/entity who applies for Notes (as defined below) by completing and delivering an application form in the form approved by the Company from time to time (an "**Application Form**") and whose application is accepted by the Company (each a "**Noteholder**").

BACKGROUND

A. The Company wishes to raise capital by issuing unsecured convertible Notes on the terms set out in this Agreement.

B. Each Noteholder agrees to subscribe for such Notes by executing and delivering an Application Form to the Company, specifying (among other things) the subscription amount in Australian dollars.

C. Upon acceptance of an Application Form and receipt of the principal amount, the Company will issue the Notes to the Noteholder on the terms of this Agreement.

D. The Company may accept Application Forms and issue Notes from time to time in one or more closings until the aggregate principal amount of all issued Notes reaches a maximum of \$4,000,000 (or such earlier time as the Company determines in its discretion). The Company aims to raise a minimum aggregate principal amount of \$3,500,000 across all issuances, but may proceed with issuances even if this minimum is not met.

E. This Agreement sets out the terms on which the Notes are issued and held, and each Noteholder agrees to be bound by this Agreement upon the Company's acceptance of their Application Form.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

- "**Aggregate Amount**" means the total principal amount of all Notes issued under this Agreement, which shall be up to a maximum of \$4,000,000.
- "**Business Day**" means a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria, Australia.
- "**Closing**" means each occasion on which the Company issues Notes to one or more Noteholders pursuant to accepted Subscription Forms and receipt of the relevant principal amounts.
- "**Conversion Price**" has the meaning given in clause 4.5.
- "**Conversion Shares**" means fully paid ordinary shares in the capital of the Company issued upon conversion of Notes pursuant to clause 4.
- "**Discount Rate**" means 10%.
- "**EBITDA**" means earnings before interest, taxes, depreciation and amortisation.
- "**Force Majeure Event**" means an event such as fire, flood, earthquake, other natural disaster, war, pandemic, government restrictions or other force majeure event beyond the reasonable control of the Company that impacts normal operational trading activity by more than 50% for a period of at least 4 consecutive weeks.

- **"Fully Diluted Shares"** means the total number of fully diluted shares of the Company outstanding immediately prior to any conversions on the Maturity Date, including all outstanding ordinary shares, preferred shares (on an as-converted basis), options, warrants and other convertible securities (excluding the Notes themselves and any shares reserved for issuance under an Employee Stock Option Plan or Employee Share Scheme approved by the Board in accordance with Clause 4.10), but excluding the Notes themselves.
- **"Interest Rate"** means 9% per annum, calculated daily on the principal amount of the Notes on a simple interest basis (without compounding).
- **"Issue Date"** in respect of a Note means the date on which the Note is issued to the Noteholder, being the date the Company receives the principal amount for that Note in cleared funds.
- **"Maturity Date"** means 31 March 2029, subject to extension under clause 5.
- **"Notes"** means the unsecured convertible notes issued by the Company under this Agreement.
- **"Price per Note"** means \$1.00.
- **"Share Price"** has the meaning given in clause 4.4.
- **"Application Form"** has the meaning given in the Parties section.
- **"Qualified Financing Round"** means an equity financing round in which the Company raises at least \$2,000,000 in new capital at a pre-money valuation of at least \$8,000,000. Does not include debt or any separate convertible debt issuance.
- **"Use of Proceeds"** means the design and fit-out of the first sports centre as well as working capital, all related business operations and the security deposit or equivalent to secure a lease.
- **"Valuation"** has the meaning given in clause 4.2.
- **"Valuation Cap"** means \$10,000,000.

1.2 Interpretation

- Headings are for convenience only and do not affect interpretation.
- A reference to a clause is a reference to a clause of this Agreement.
- Words importing the singular include the plural (and vice versa).
- A reference to dollars or \$ is to Australian dollars.
- This Agreement is governed by the laws of Victoria, Australia, and the parties submit to the non-exclusive jurisdiction of its courts.

2. ISSUANCE OF NOTES

2.1 Subject to the terms of this Agreement, the Company agrees to issue, and each Noteholder agrees to subscribe for, the number of Notes specified in the Noteholder's accepted Application Form at the Price per Note.

2.2 The minimum subscription amount is \$100,000.00 and thereafter in multiples of \$10,000.00. The Company, at its sole discretion may accept smaller amounts.

2.3 The principal amount for the Notes subscribed for by a Noteholder must be paid in full in cleared funds to the Company's nominated bank account. Payment shall be due within five (5) business days following acceptance of the Application Form, or the Company may, at its sole discretion, specify a later date for payment by issuing a written call notice to the Noteholder (a "Call Date"), provided such notice is given at least 14 days prior to the Call Date. The Company retains sole discretion to determine the acceptability of any delayed payment, provided such payment is made in cleared funds and the Company has not revoked acceptance of the Application Form.

2.4 Upon receipt of the principal amount, the Company will issue the Notes to the Noteholder. The Company shall provide evidence of issuance (such as a Note certificate or register entry) within five (5) business days.

2.5 The Company may conduct multiple Closings from time to time, accepting Application Forms and issuing Notes until the maximum Aggregate Amount is reached or the Company elects to cease issuances. Each Closing shall be independent, and Notes issued at different Closings shall have the same Maturity Date but interest accruing from their respective Issue Dates.

2.6 The Company may, in its sole discretion and for any reason, including but not limited to failure to reach the minimum target Aggregate Amount of \$3,500,000 or other operational, regulatory, or strategic considerations (such as failure to secure council approval), elect not to proceed with the issuances. If the Company elects not to proceed, it shall return the principal amounts to the Noteholders. No interest shall accrue or be paid if the return is completed within 30 days of the relevant Issue Date; otherwise, interest shall accrue at the Interest Rate up until the date the principal amount is repaid, with no further interest accruing or being paid thereafter.

2.7 The proceeds from the issuance of the Notes shall be used solely for the Use of Proceeds.

3. INTEREST

3.1 Interest shall be calculated daily on a simple basis as the Interest Rate multiplied by the principal amount of each Note.

3.2 Interest does not compound or accrue to principal and shall be paid in cash separately from any conversion or repayment of principal.

3.3 Interest shall be paid monthly in arrears by electronic funds transfer to the Noteholder's nominated bank account on the first Business Day of each month.

4. CONVERSION

4.1 **Conversion Option:** At the sole option of each Noteholder, notified in writing to the Company by the close of business on the Maturity Date, the outstanding principal amount of their Note(s) may be converted into Conversion Shares on the Maturity Date pursuant to this clause 4. For the avoidance of doubt, interest is paid separately in cash and does not convert or accrue to principal.

4.2 **Valuation:** The valuation for purposes of conversion (the "**Valuation**") shall be equal to five (5) times the Company's normalised EBITDA for the 12 months ending closest to 31 January 2029, as determined in good faith by the Company's board of directors based on financial statements and reasonable normalisation adjustments. Reasonable normalisation adjustments are at the sole discretion of the board and must be documented and shared with Noteholders upon request. In the event of impacts from a Force Majeure Event, the Company may determine the Valuation based on a reasonable extrapolation of at least three (3) months' trading EBITDA from within 12 months of the 31 January 2029 into a 12-month figure.

4.3 **Valuation Cap:** The Valuation shall not exceed the Valuation Cap. If the calculated Valuation exceeds the Valuation Cap, the Valuation used for conversion shall be the Valuation Cap.

4.4 **Share Price:** The "**Share Price**" shall be calculated as (Valuation minus the total converting principal amount across all converting Notes) divided by the Fully Diluted Shares (excluding any shares reserved for the ESOP Pool under Clause 4.10). If the resulting value (Valuation minus total converting principal) is negative or would result in existing shareholders holding less than 20% of the post-conversion Fully Diluted Shares (excluding the ESOP Pool), the Share Price shall be adjusted such that existing shareholders retain at least 20% ownership post-conversion (after accounting for the ESOP Pool), subject to applicable law.

4.5. Conversion Price: The "**Conversion Price**" shall be equal to the Share Price multiplied by (1 minus the Discount Rate).

4.6 Conversion Method: Upon election to convert, the number of Conversion Shares issued to a Noteholder on the Conversion Date shall be equal to the principal amount of their converting Note(s) divided by the Conversion Price, rounded down to the nearest whole share.

4.7 If multiple Notes are converting simultaneously (as expected on the Conversion Date), the calculations shall be applied consistently across all converting principal, and Conversion Shares shall be allocated pro-rata based on each Noteholder's converting principal amount.

4.8. Example Conversion: For clarity, the following example illustrates the conversion process:

Assumptions:

- Normalised EBITDA for the 12 months ending closest to 31 January 2029: \$1,700,000.
- Valuation: $5 \times \$1,700,000 = \$8,500,000$ (less than the Valuation Cap of \$10,000,000, so \$8,500,000 is used).
- Total Converting Principal: \$3,500,000.
- Fully Diluted Shares: 1,000,000.
- Discount Rate: 10%.

Step 1: Calculate Share Price:

Implied pre-money valuation = $\$8,500,000 - \$3,500,000 = \$5,000,000$.

Share Price = $\$5,000,000 \div 1,000,000 = \5.00 per share.

Step 2: Calculate Conversion Price:

Conversion Price = $\$5.00 \times (1 - 0.10) = \4.50 per share.

Step 3: Calculate Total Conversion Shares:

Total Conversion Shares = $\$3,500,000 \div \$4.50 \approx 777,777.78$ rounded down to 777,777 shares.

Step 4: Calculate Post-Conversion Ownership:

Post-conversion Fully Diluted Shares = $1,000,000 + 777,777 = 1,777,777$.

Aggregate percentage ownership by converting Note Holders = $777,777 \div 1,777,777 \approx 43.75\%$.

4.9 The Company shall issue the Conversion Shares free from encumbrances and ranking equally with existing ordinary shares. The Noteholder agrees to execute any documents reasonably required to effect the conversion.

4.10 ESOP Pool

(a) The Company may establish an Employee Stock Option Plan (ESOP) to incentivise employees, directors, and consultants, provided it is approved by the Board and complies with applicable laws.

(b) The ESOP Pool shall consist of options or shares not exceeding, in aggregate, a value of \$300,000 calculated at the Conversion Price determined under this Agreement (or, in the case of conversion under clause 6, at the price per share paid by investors in the Qualified Financing Round). The ESOP Pool shall be created immediately following any conversion under Clause 4 or 6, and the dilution from the ESOP Pool shall be borne pro-rata by all shareholders (including holders of Conversion Shares) based on their relative ownership immediately post-conversion.

(c) The size of the ESOP Pool may only be increased with the prior written consent of Noteholders holding at least 75% of the aggregate principal amount of outstanding Notes (or, post-conversion, a majority of

shareholders). Any such increase shall be documented in board minutes and shared with Noteholders pursuant to Clause 15.

(d) For the avoidance of doubt, the ESOP Pool shall not be included in the Fully Diluted Shares for purposes of calculating the Share Price or Conversion Price under Clauses 4.4 and 4.5. The Company shall provide annual updates on ESOP grants and exercises to Noteholders within 120 days of the financial year-end.

5. MATURITY EXTENSION

5.1 In the event of a Force Majeure Event, the Company may extend the Maturity Date by up to 18 months by giving written notice to each Noteholder.

5.2 Upon such notice, each Noteholder may elect in writing within 14 days to either:

(a) accept the extension; or

(b) require repayment of their principal amount in full (without prejudice to accrued interest up to the repayment date).

5.3 The Company may defer repayment for opting-out Noteholders by up to 6 months if it would cause financial hardship, with interest continuing to be calculated and paid to the Noteholder(s) each month.

5.4 If a Noteholder does not respond in writing within 14 days, they are deemed to accept the extension.

6. EARLY CONVERSION OPTION ON QUALIFIED FINANCING ROUND

6.1 If, prior to the Maturity Date, the Company completes a Qualified Financing Round, the Company shall promptly notify all Noteholders in writing of the terms of such Qualified Financing Round.

6.2 Upon receipt of such notice, each Noteholder shall have the option, by providing written notice to the Company within 30 days, to convert the outstanding principal amount of their Note(s) into Conversion Shares. The conversion shall occur at the lower of: (i) the price per share in the Qualified Financing Round discounted by the Discount Rate, or (ii) the price per share derived from the Valuation Cap divided by the Fully Diluted Shares immediately prior to the Qualified Financing Round. Converting Noteholders shall receive the same class of shares as issued in the Qualified Financing Round.

6.3 If a Noteholder does not provide timely notice of election to convert, their Note(s) shall not convert and shall continue to accrue interest until the Maturity Date or earlier repayment pursuant to this Agreement. For the avoidance of doubt, interest shall be paid in cash as per Clause 3 and does not convert.

6.4 Conversions under this clause shall be effected simultaneously with the closing of the Qualified Financing, and the Company may require converting Noteholders to execute joinder agreements or other documents reasonably required to become shareholders.

7. REPAYMENT

7.1 Unless converted pursuant to clause 6, the outstanding principal amount of each Note shall be repaid in full within 120 days of the Maturity Date by electronic funds transfer to the Noteholder's nominated bank account.

8. EARLY REPAYMENT OPTION

8.1 At any time after 12 months from the Issue Date, the Company may, at its discretion, offer all Noteholders the option to redeem their outstanding Notes early (an "Early Redemption Offer"). The offer shall be made in writing to all Noteholders simultaneously and shall specify the proposed redemption

terms, including payment of the principal amount plus accrued interest to the proposed redemption date, plus up to a 5% premium on the principal at the Company's discretion.

8.2 Each Noteholder may elect to accept the Early Redemption Offer by providing written notice to the Company within 30 days of receiving the offer (the "Opt-In Period"). If a Noteholder does not respond within the Opt-In Period, they shall be deemed to have declined the offer.

8.3 Following the Opt-In Period, the Company's board of directors shall have sole discretion to determine whether the Early Redemption Offer is viable (based on factors such as the Company's financial position, the number of opting-in Noteholders, and operational needs) and may elect to proceed with redemption only for those Noteholders who opted in. The board's determination shall be made in good faith and notified to all Noteholders within 14 days after the Opt-In Period ends.

8.4 If the Company elects to proceed, redemption payments shall be made by electronic funds transfer to the opting-in Noteholders' nominated bank accounts within 30 days of the board's notice. Notes not redeemed shall continue to accrue interest and remain subject to the terms of this Agreement, including conversion rights under Clause 6.

8.5 For the avoidance of doubt, the Company is not obligated to proceed with any redemptions even if Noteholders opt in, and no penalties or additional interest shall apply if the offer is not pursued.

9. TRANSFER RESTRICTIONS

9.1 To protect the control and ownership structure of the Company, a Noteholder may not sell, transfer, assign, pledge or otherwise dispose of any Note (or any interest in it) without the prior written consent of the Company, which may be granted or withheld in the Company's absolute discretion.

9.2 Any purported transfer without such consent shall be void and of no effect.

9.3 The Company may require the proposed transferee to execute a deed of accession to this Agreement as a condition of consent.

9.4 The Company must respond to transfer requests within 14 days, and if denied, provide a reason to the Noteholder in writing. (e.g., "to maintain strategic control").

10. REPRESENTATIONS AND WARRANTIES

10.1 **By the Company:** The Company represents and warrants to each Noteholder that:

- (a) it is duly incorporated and validly existing under the laws of Australia;
- (b) it has full power and authority to enter into and perform this Agreement and issue the Notes;
- (c) the issuance of the Notes does not contravene any law or its constitution; and
- (d) upon conversion, the Conversion Shares will be validly issued.
- (e) the Company has no undisclosed material liabilities that would adversely affect the Use of Proceeds.

10.2 **By the Noteholder:** Each Noteholder represents and warrants to the Company that:

- (a) it has full power and authority to enter into this Agreement and subscribe for the Notes;
- (b) it is a sophisticated investor within the meaning of section 708 of the Corporations Act 2001 (Cth) or otherwise exempt under the small-scale offerings exemption (section 708(1) of the Corporations Act).
- (c) it has conducted its own due diligence and is subscribing based on its own assessment; and

(d) it is not subscribing with a view to resale in contravention of securities laws.

10.3 These representations and warranties are given as at the Issue Date for the relevant Notes and survive the issuance.

11. EVENTS OF DEFAULT

11.1 An "Event of Default" occurs if:

- (a) the Company fails to pay any amount due under this Agreement within 14 Business Days of due date;
- (b) the Company becomes insolvent, enters administration, liquidation or receivership; or
- (c) the Company breaches any material term of this Agreement and fails to remedy it within 60 days of notice.

11.2 Upon an Event of Default, a Noteholder may by notice to the Company accelerate their Note, requiring immediate repayment of principal plus accrued interest.

11.3 Noteholders holding at least 75% of the aggregate principal amount of outstanding Notes may direct remedies on behalf of all Noteholders.

12. COSTS

Each party shall bear its own costs and expenses in connection with the preparation, negotiation and performance of this Agreement and the issuance of the Notes, including any stamp duty, taxes or fees.

13. CONFIDENTIALITY AND NON-DISCLOSURE

Each Noteholder agrees to keep confidential all non-public information provided by the company (including financial statements and business plans) and not use it except for monitoring their investment, unless required by law.

14. PRIVACY OF NOTEHOLDERS

The Company agrees to keep confidential the identity, personal information and investment details of each Noteholder and not disclose such information to any third party, except:

- (i) as required by law, regulation or governmental authority (including for tax, securities or anti-money laundering compliance);
- (ii) to the Company's professional advisors (such as lawyers or accountants) bound by confidentiality obligations; or
- (iii) with the prior written consent of the relevant Noteholder.

For the avoidance of doubt, this clause does not prevent the Company from maintaining internal records or disclosing aggregated, anonymized data that does not identify individual Noteholders.

15. INFORMATION RIGHTS

The company shall provide annual financial statements to Noteholders within 120 days of financial year-end. In addition to annual financial statements, the Company shall provide Noteholders with annual updates on the ESOP, including total pool size, grants made, exercises, and any proposed changes to the ESOP Pool under Clause 4.10. No other information rights are granted unless agreed in writing.

16. SUBORDINATION

The Notes shall be subordinated to any future senior debt incurred by the company for operational purposes, provided such debt is approved by the board.

17. MISCELLANEOUS

17.1 Notices: Notices must be in writing and delivered by email or post to the address specified in the Subscription Form (for Noteholders) or the Company's registered office.

17.2 Entire Agreement: This Agreement constitutes the entire agreement between the parties and supersedes any prior understandings.

17.3 Amendment: This Agreement may be amended only by written agreement of the Company and Noteholders holding at least 75% of the aggregate principal amount of outstanding Notes. Notwithstanding the foregoing, any amendment to the ESOP Pool size or terms under Clause 4.10 shall require the written consent of Noteholders holding at least 75% of the aggregate principal amount of outstanding Notes (or post-conversion, a majority of shareholders).

17.4 Severability: If any provision is invalid or unenforceable, it shall be severed without affecting the remainder.

17.5 Counterparts: This Agreement may be executed in counterparts (including electronically), but as a master agreement, it is effective upon acceptance of each Subscription Form without further execution.

17.6 No Waiver: No waiver of any breach shall be effective unless in writing.

17.7 Assignment: The Company can assign this Agreement with board approval only.

17.8 Mediation: Any disputes arising under this Agreement shall be resolved through mediation in Melbourne, Victoria Australia before litigation, with costs borne by the losing party.