

FINANCIAL SERVICES GUIDE

1. Issue Date

23 February 2021

2. Purpose and Contents of this Financial Services Guide (“FSG”)

This FSG is designed to provide you with important information regarding our services to assist you in deciding whether or not to use our services, prior to providing you with a financial service, including the following:

- Who we are and how you can contact us;
- What services we are authorised to provide;
- How we are remunerated for these services or how we remunerate other persons in relation to the services provided;
- Any (potential) conflicts of interest we may have; and
- Our process for dealing with complaints against us.

If you would like further information, please ask us.

3. Name of Service Provider

The Service Provider is LLS Investment Management Pty Ltd ABN 79 628 631 854, AFSL 524167 (“LLSIM”).

4. Australian Financial Services Licence (“AFSL”) Authorisations and Services Provided

LLSIM holds an AFSL (Number 524167) and is authorised to provide general advice to retail clients in relation to interests in managed investment schemes, limited to litigation funding schemes.

LLSIM holds further authorisations in relation to the provision of litigation funding services and the operation of unregistered litigation funding schemes to wholesale clients.

The only services provided to retail clients by LLSIM are the provision of general advice to potential class action participants in a possible class action in relation to interests in a litigation funding scheme, conducted in conjunction with the client’s lawyer.

5. Contact Details

LLS Investment Management Pty Ltd
Level 25, Aurora Place,
88 Phillip Street,
Sydney NSW 2000
Tel: +61 2 9051-9991
Email: enquiries@litigationlending.com.au
Website: www.litigationlending.com.au

6. Nature of Advice Provided

We note that a litigation funding scheme is the arrangement where the claimants, solicitors and funder collaborate to pursue a class action.

As at 22 August 2020, a claimant’s right to participate in a litigation funding scheme is a financial product and participation in that arrangement involves a claimant holding an interest in the scheme. LLSIM’s financial services to retail clients are limited to the provision of general advice regarding their potential interest in a litigation funding scheme. The advice will be strictly limited to the nature of the litigation funding scheme, and intended funding arrangements for the class action, and will never take into account an individual’s personal objectives, circumstances or needs.

Therefore, you are required to ensure that you obtain separate advice regarding the suitability of this arrangement for your personal financial needs, objectives and circumstances, from a licensed professional.

While LLSIM believes the general advice and information we provide is accurate and reliable, neither LLSIM nor its directors, officers, employees, contractors or associates assume any responsibility for the accuracy and completeness or currency of that advice

and information, to the extent permitted by law.

7. Method of Providing Financial Services

All our services are provided online through our website www.litigationlending.com.au or as otherwise agreed from time to time.

8. Documentation

Retail clients (potential/actual class action participants) will receive a Product Disclosure Statement ("PDS") issued by the Responsible Entity who operates the litigation funding scheme relating to the relevant litigation funding scheme. This PDS will contain important information regarding the features, benefits, risks and fees applicable, and should be read carefully to enable you to make an informed decision prior to participating in the class action.

Class action participants will also receive a litigation funding agreement and a legal representation agreement as part of this process, detailing their rights and obligations.

9. Professional Indemnity Insurance

In compliance with s 912B of the *Corporations Act 2001* (Cth) and ASIC Regulatory Guide 126, we maintain professional indemnity insurance in connection with the financial products and services we provide. LLSIM will be indemnified by its insurer against civil liability it incurs in respect of a Claim arising from the performance of Professional Services.

Claim means any:

- (i). written demand for monetary or non-monetary relief, including injunctive relief;
- (ii). Civil proceeding, including any arbitration, mediation, conciliation or alternative dispute resolution proceeding;
- (iii). Criminal proceeding; or
- (iv). Administrative or regulatory proceeding,

First made against LLS and / or its Directors, Officers, or Employees (past, present, or future) and reported to the insurer during the policy period".

10. Our Record-Keeping Obligations

LLSIM seek to ensure that comprehensive and accurate records of all client transactions and advice provided, are properly maintained.

11. Who do we Act For?

LLSIM is responsible for the financial services provided to you under its Australian Financial Services Licence, and does not act on behalf of any other financial services licensee.

12. Remuneration, Commission and Benefits Expected to be Received by LLSIM for Provision of our Financial Services

As per above, the only service provided to retail clients by LLSIM is the provision of general advice in relation to interests in a litigation funding scheme. There is no fee charged by LLSIM to a retail client for such advice. Other related party entities to LLSIM will be entitled to receive a fee or commission for services to the litigation funding scheme where it is a managed investment scheme, which will be disclosed in the relevant Product Disclosure Statement. These include any commission for the provision of funding & or the reimbursement of any expenses paid such as insurance premiums, legal bills and expert advice together with the provision of advice in relation to interests in the scheme, dealing in interests in the scheme, providing administrative services in relation to interests in the scheme etc.

LLSIM receives management and performance fees from wholesale investors in relation to unregistered (wholesale) schemes operated as unit trusts, securities and partnerships together with reimbursement for agreed administrative costs.

Representatives of LLSIM receive salaries and discretionary bonuses, and their remuneration is not tied to the provision of services to retail clients in any way. There are no other

remuneration, commissions or benefits expected to be received. Clients may request further particulars if needed.

No fees, costs, salaries or bonuses are influenced by factors attributable to any advice provided, nor directly payable to staff by any financial returns or success rates arising out of the provision of financial services.

13. Disclosure of any Relevant Conflicts of Interest

The nature of the relationships between the parties involved in a litigation funding scheme has the potential to lead to a divergence of interests between the claimants and the interests of the funder and the lawyers because:

- The funder has an interest in minimising the legal and administrative costs associated with the funding arrangement and maximising their return;
- Lawyers have an interest in receiving fees and costs associated with the provision of legal services; and
- The claimants have an interest in minimising the legal and administrative costs associated with the claim, minimising the remuneration paid to the funder and maximising the amounts recovered from the defendant.

Conflicts of interest between the funder, lawyers and claimants may arise in a litigation funding scheme where:

- The lawyers act for both the funder and the claimants;
- There is a pre-existing legal or commercial relationship between the funder, lawyers and/or claimants; or
- The funder has control of, or has the ability to control, the conduct of the proceedings.

The divergence of interests between the funder, lawyers and claimants in a litigation scheme could affect:

- The recruitment of prospective claimants;
- The terms of any funding agreement;
- A claim where there are difficulties with the case of the representative party, but not with the cases of other claimants of the class; and
- Any decision to settle or discontinue the action.

LLSIM has in place the following measures which serve to mitigate potential conflicts of interest:

- Neither LLSIM nor its employees provide legal advice or legal services to claimants;
- Each Director of LLSIM provides an annual Declaration of Existing Interests which states any interests held by that Director (direct or indirect) in incorporated or unincorporated entities, including any directorships, committee memberships or positions of office;
- In every funding agreement, LLSIM contracts with the claimant as a principal;
- LLSIM does not engage the same lawyers to act for it in a particular matter as those that are engaged to act for the claimant, and LLSIM will not seek to influence the claimant's lawyers to cede control of the claim to LLSIM, or otherwise to act in breach of their professional duties;
- Any funds arising from a settlement or judgment are held on trust for scheme members in accordance with any applicable legal requirements;
- The funding agreement provides for dispute resolution in the event of any

actual conflict of interest arising between LLSIM and the claimant, being referral to a third-party Counsel;

- LLSIM will not enter into any agreements to provide funding for any claims against the company's appointed statutory auditor (or other professional services provider);
- LLSIM will not enter into any agreements to provide funding for any claims where the company's appointed statutory auditor is joined or likely to be joined; and
- Prior to accepting any litigation funding agreement, LLSIM will make appropriate enquiries to ensure that all parties involved in the claim or likely to be joined in the matter are appropriately identified and documented

14. Complaints

LLSIM has an internal complaint handling process in place to resolve any complaints or concerns you may have quickly and fairly. Any complaints or concerns should be addressed to the Chief Executive Officer at LLSIM via email at enquiries@litigationlending.com.au or via telephone on +61 2 9051-9991, who will respond to your complaint within 7 days and

seek to resolve your complaint within 30 days or such further period that may reasonably be required given the nature of the complaint.

If you are a retail client and are dissatisfied with the outcome, you will then have the right to lodge a complaint with the Australian Financial Complaints Authority (Tel: 1800 931 678 or email info@afca.org.au), the approved external dispute resolution scheme, of which LLSIM is a member.

15. Privacy

Your privacy is important to us and we are committed to compliance with the *Privacy Act 1988* (Cth) and the Australian Privacy Principles contained therein. We may disclose your personal information to external parties who act on our behalf in the operation of our business or in connection with the transactions to be undertaken. Such external parties are required and committed to protecting your privacy and where they are off-shore we take reasonable steps to ensure that to the maximum extent reasonably possible any information sent has the same level of privacy protection as we provide here in Australia. LLSIM will not otherwise disclose your personal information without your consent, except as authorised or required by privacy laws. Please view our full Privacy Policy on our website and contact us via the email provided if you have any concerns.