

FINANCIAL SERVICES GUIDE

1. Issue Date

6 October 2020

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

This FSG is designed to provide you with important information regarding 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;
- Any (potential) conflicts of interest we may have; and
- Our dispute resolution process.

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 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 relation

to a possible class action, 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.litlend.com.au

6. Nature of Advice Provided

As at 22 August 2020, a claimant’s right to participate in a class action is now categorised as a financial product. LLSIM’s services to retail clients are limited to the provision of general advice regarding their potential participation in a class action claim. The advice will be strictly limited to the nature of the class action claim, and intended funding arrangements, 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.

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 class action. 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, including any claims in relation to the conduct of our former representatives/employees.

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 a possible class action. 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 the provision of a class action offered under a managed investment scheme for a litigation funding scheme which will be disclosed in the Product Disclosure Statement for that class action.

LLSIM receives management and performance fees from wholesale investors in relation to the unregistered (wholesale) litigation funding 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.

13. Disclosure of any Relevant Conflicts of Interest

The nature of the relationships between the parties involved in a litigation funding arrangement 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 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 arrangement 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.

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

- Neither LLS nor its employees provide legal advice or legal services to claimants;
- Each Director of LLS 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, LLS contracts with the claimant as a principal;

- LLS 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 LLS will not seek to influence the claimant's lawyers to cede control of the claim to LLS, or otherwise to act in breach of their professional duties;
- Any funds arising from a settlement or judgment are paid into the trust account of the claimant's solicitor and distributed to LLS by that solicitor according to the terms of the funding agreement;
- The funding agreement provides for dispute resolution in the event of any actual conflict of interest arising between LLS and the claimant, being referral to a third-party Counsel;
- LLS will not enter into any agreements to provide funding for any claims against the company's appointed statutory auditor (or other professional services provider);
- LLS 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 contract, the Litigation Manager 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. Dispute Resolution

LLSIM has an internal dispute resolution 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, 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.