

Matthew Hall v Arnold Bloch Leibler

Federal Court of Australia

VID 1010 of 2019

SETTLEMENT DISTRIBUTION SCHEME

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BACKGROUND

- A. On 16 November 2021, the Applicant, the Respondent, and the Cross-Respondents executed a Deed of Settlement (**Settlement Deed**) to resolve the claims of the Applicant and Group members against Arnold Bloch Leibler (the **Respondent**) and all cross-claims in the proceeding (**Proposed Settlement**). The Proposed Settlement is subject to approval by the Court.
- B. The Proposed Settlement provides for the Respondent to pay a total settlement sum of A\$28,000,000, inclusive of costs and interest (the **Settlement Sum**).
- C. The Applicant is represented by Maurice Blackburn. The ABL Class Action has been funded by International Litigation Partners No15 Pte Ltd (the **Funder**), and part of Maurice Blackburn's fees (40%) have been borne by Maurice Blackburn on a conditional basis.
- D. This Settlement Distribution Scheme establishes a procedure for distributing the Settlement Sum to be paid by the Respondent pursuant to the Proposed Settlement, and is operative from the date of the Approval Order.
- E. On 7 December 2021, the Court made orders approving the form and method of distribution of a Notice of Proposed Settlement, as contained in Schedule A to this Settlement Distribution Scheme. On 10 December 2021, the Notice was distributed in accordance with those orders.

1. DEFINITIONS

ABL Class Action means the Federal Court of Australia proceeding VID 1010 of 2019.

Administration Costs means the Court-approved actual or estimated legal costs and disbursements incurred by the Administrator, calculated in accordance with the rates contained at Confidential Schedule C of this Settlement Distribution Scheme, in connection with the administration of this Settlement Distribution Scheme, post the Approval Order.

Administrator means Maurice Blackburn, or such other person as appointed by the Court, as the Court-appointed administrator responsible for implementing this Settlement Distribution Scheme. Prior to the appointment of the Administrator, Maurice Blackburn will execute the functions of the Administrator under this Settlement Distribution Scheme in accordance with this Settlement Distribution Scheme and subject to Court approval.

Administrator Staff means the persons delegated by the Administrator to perform the functions necessary or convenient for the efficient implementation of this Settlement Distribution Scheme, and includes the Administrator in respect of those administrator staff.

Applicant means Matthew Hall (in his personal capacity and as trustee of the Hall Family Trust).

Applicant's Legal Costs and Disbursements means a sum, as approved by the Court, representing the Applicant's reasonable legal costs and disbursements on a solicitor and own client basis (calculated in accordance with the Applicant's retainer of Maurice Blackburn) incurred on his own behalf and on behalf of all or any Group Members in the ABL Class Action (including costs associated with obtaining approval of the Proposed Settlement and the preparation and administration of this Settlement Distribution Scheme up until and including the making of the Approval Order).

Applicant's Reimbursement Payment means an amount approved by the Court by way of compensation for time and expenditure reasonably incurred by the Applicant in the interests of prosecuting the ABL Class Action on own behalf and on behalf of, and for the benefit of, all Group Members in the ABL Class Action.

Approval Date means the date on which the Approval Order is made.

Approval Order means the orders made by the Court approving the Proposed Settlement as recorded in the Settlement Deed and this Settlement Distribution Scheme in the ABL Class Action.

Assessment (or Assessed Amount) means the value of a Group Member's claim calculated in accordance with the Loss Assessment Formula.

Assessment Notice means the notice, in a form to be determined by the Administrator, required by cl 4.3 of this Settlement Distribution Scheme to be sent to each Registered Group Member setting out the Assessment of the value of that Group Member's claim (and, where the context permits, includes any Amended Assessment Notice under cl 4.4).

Brown means Wayne Brown.

Claim Data means the following information for each Registered Group Member: name, address, email address, telephone number, HIN or SRN (if provided), and Trade Data.

Claim Period means between 30 March 2015 and 25 November 2015 (inclusive) being the claim period specified in the Amended Statement of Claim filed in the ABL Class Action on 26 July 2021.

Claims Database means a database constructed by or on behalf of Maurice Blackburn to contain the Claim Data for each Registered Group Member.

Correction Deadline means the deadline to respond to a Trade Check Notice in accordance with cl 3.3.

Court means the Federal Court of Australia.

Cross-Respondents means, collectively, SGH, Grech and Brown.

Distribution means a payment made to a Registered Group Member in accordance with cl 6.

Final Distribution Amount means an amount calculated in accordance with cl 6.3.

Final Settlement Approval means the end of the period specified in cl 3.1(a) of the Settlement Deed, being the date before which the Administrator must not deal in any way with the monies comprising the Settlement Sum.

Funder means International Litigation Partners No15 Pte Ltd.

Funder's Commission means an amount approved by the Court by way of remuneration to the Funder for it having funded the ABL Class Action on behalf of the Applicant and all Group Members.

Grech means Andrew Alexander Grech.

Group Member means all persons who:

- (a) entered into a contract to acquire an interest in ordinary SGH Shares on or after 30 March 2015 and before 25 November 2015; and
- (b) suffered loss or damage by, or which resulted from, the conduct of the Respondent as alleged in the Applicant's Amended Statement of Claim filed in the ABL Class Action; and
- (c) were not any of the following during any part of the Relevant Period, and are not as of [date]:
 - (i) a related party of SGH;
 - (ii) a related body corporate of SGH;
 - (iii) an associated entity of SGH;
 - (iv) an officer or a close associate of SGH; or
 - (v) a judge or the Chief Justice of the Federal Court of Australia or a Justice or the Chief Justice of the High Court of Australia; or
 - (vi) an officer or employee of, or other legal practitioner engaged by, Maurice Blackburn in relation to this proceeding; and
- (d) did not opt-out of the ABL Class Action before the deadline of 8 September 2021 (or is not one of the persons listed in Schedule 1 to the Settlement Deed in respect of whom the Court makes an order permitting them to opt-out after that deadline).

Independent Counsel means a barrister of the Victorian Bar having at least 5 years post admission experience nominated by the Administrator, who is empowered by this Settlement Distribution Scheme to make a Review Determination.

Interest means interest earned on the monies held in the Settlement Distribution Fund.

Loss Assessment Formula means the formula by which Registered Group Members' claims are calculated as contained in Confidential Schedule B to this Settlement Distribution Scheme.

Maurice Blackburn means Maurice Blackburn Lawyers, the Applicant's solicitors in the ABL Class Action.

Proposed Settlement means the proposed settlement entered into on 16 November 2021 between the Applicant, the Respondent, the Cross-Respondents, Maurice Blackburn and the Funder to resolve the claims of the Applicant and Group Members in the ABL Class Action, as recorded in the Settlement Deed.

Registered Group Member means a Group Member who:

- (a) has registered their claim with Maurice Blackburn before the deadline of 17 January 2022;
- (b) were otherwise deemed to have registered before that deadline by reason of having:
 - (i) executed a retainer with Maurice Blackburn and a funding agreement with the Funder; or
- (c) are otherwise permitted by the Court to receive a Distribution.

Remaining Balance means the amount remaining in the Settlement Distribution Fund, following the cancellation by the Administrator of part or all of the Distributions to those Registered Group Members whose payments have been rejected or cheques remain un-presented for a period of 60 days.

Remittance Notice means the notice, in a form to be determined by the Administrator, to be sent to each Registered Group Member who has received a Distribution, setting out the following information:

- (a) the component of a Registered Group Member's Distribution, which for Australian income taxation purposes, represents a Distribution from the Settlement Distribution Fund;
- (b) the component of a Registered Group Member's Distribution, which for Australian income taxation purposes, represents a distribution from the interest earned on the Settlement Sum; and
- (c) for Registered Group Members who are located outside of Australia, or who have provided banking details for a bank account located outside of Australia, details of any amounts withheld from the interest component noted at (b) above.

Residual Settlement Sum means the amount of the Settlement Sum, together with interest, remaining after deduction of the amounts listed at cl 6.1 (and any other applicable deductions, including (but not limited to) tax liabilities and applicable bank fees and charges).

Respondent or **ABL** means Arnold Bloch Leibler.

Review Determination means a written determination of Independent Counsel providing notice to the Registered Group Member and the Administrator of the calculation and the result of a Review under cll 5.4 and 5.5.

Review Request means the procedure outlined in cl 5.

Settlement Deed means the settlement deed between the Applicant, the Respondent, the Cross-Respondents, Maurice Blackburn, and the Funder dated 16 November 2021 and any variation thereto in accordance with its terms.

Settlement Distribution Fund means the amount of the Settlement Sum, together with any interest, held in an interest-bearing account opened by Maurice Blackburn with an authorised deposit-taking institution (ADI).

Settlement Distribution Scheme means the terms of this settlement distribution scheme as approved by the Court, including Schedules.

Settlement Sum means the sum of A\$28,000,000.

SGH means Slater & Gordon Limited.

SGH Class Action means *Hall v Slater & Gordon Ltd* Federal Court Proceeding VID 1213 of 2016.

SGH Class Action Settlement means the settlement of the SGH Class Action approved by the Court on 14 December 2017.

SGH Class Action Settlement Distribution means a distribution paid to a Group Member pursuant to the SGH Class Action Settlement.

SGH Shares means fully paid ordinary shares in Slater & Gordon Limited.

Successful Review means a review conducted in accordance with cl 5 that results in a Review Determination in favour of the Registered Group Member's Review Request.

Trade Check Notice means a notice sent by the Administrator to a Registered Group Member, setting out the name of the Registered Group Member, HIN or SRN (where available) and the Trade Data held in the Claims Database for that Registered Group Member.

Trade Data means:

- (a) the name of the Registered Group Member;

- (b) the number of SGH shares held by each Registered Group Member as at the start of the Claim Period;
- (c) for each acquisition of SGH shares during the Claim Period, the date of acquisition and quantity of shares acquired; and
- (d) for each sale of SGH shares during the Claim Period, the date of sale and quantity of shares sold.

2. SETTLEMENT ADMINISTRATOR

2.1. This Settlement Distribution Scheme shall be administered and applied by the Administrator.

2.2. The Administrator will, subject to and in accordance with terms of the Settlement Deed, this Settlement Distribution Scheme, and any applicable statutory requirements, hold the money standing from time to time in the Settlement Distribution Fund on trust for:

- (a) Registered Group Members; and
- (b) the Administrator, to the extent of their entitlement to receive Administration Costs in accordance with the terms of this Settlement Distribution Scheme;

until the Settlement Distribution Fund is distributed; and distribute the Settlement Distribution Fund as expeditiously as possible and, in any event, the first attempted distribution referred to in clause 6.6 below is to be made within six months after the making of the Approval Order (or such other date as may be ordered by the Court).

2.3. The Administrator, in discharging any function or exercising any discretion conferred by this Settlement Distribution Scheme, shall administer the Settlement Distribution Scheme fairly according to its terms, as a duty owed to the Court in priority to any obligation owed to the Applicant or any individual Registered Group Member.

2.4. Notwithstanding anything elsewhere contained in this Settlement Distribution Scheme, the Administrator may at any time and in its sole discretion correct any error, slip or omission occurring during its administration of the Settlement Distribution Scheme.

2.5. Where a Registered Group Member is a Group Member by virtue of a trustee, investment manager, custodian, responsible entity or agent acting on their behalf, the Administrator may rely on any information, instruction or declaration provided by that trustee, investment manager, custodian, responsible entity or agent as if it had been provided by the Registered Group Member themselves.

- 2.6. The Administrator and the Administrator Staff, in discharging any function or exercising any power or discretion conferred by this Settlement Distribution Scheme, shall not be liable for any loss to Group Members arising by reason of any mistake or omission made in good faith or of any other matter or thing except wilful and individual fraud and wrongdoing on the part of the Administrator or the Administrator Staff who are sought to be made liable.

3. CONFIRMATION OF CLAIM DATA

- 3.1. At all times, the Administrator must use reasonable endeavours to ensure the accuracy of the Claims Database, including, to the extent necessary, updating the Claims Database for any amended or corrected Trade Data provided under this clause, requesting further information or documents from a Registered Group Member or requesting further information or documents from third parties.
- 3.2. For Registered Group Members who previously received an SGH Class Action Settlement Distribution, the Administrator may rely on the trade data verification process conducted by the "Settlement Administrator" for the purposes of making that distribution. For Registered Group Members who did not receive an SGH Class Action Settlement Distribution, the Administrator will distribute a Trade Check Notice as soon as practicable after the Approval Date.
- 3.3. If, within 21 days after the date of distribution of Trade Check Notices to Registered Group Members (as applicable), a Registered Group Member does not, in response to a Trade Check Notice, notify the Administrator that the Trade Data held for that Registered Group Member is incorrect or incomplete or requires amendment, the Administrator may rely upon the Trade Data for that Registered Group Member contained in the Trade Check Notice as true and correct for the purposes of this Settlement Distribution Scheme.
- 3.4. Where, within the period stipulated at cl 3.3 above, a Registered Group Member notifies the Administrator that the Trade Data listed in a Trade Check Notice is incorrect or incomplete and requires amendment, the Administrator may, subject to cl 3.1, request the Registered Group Member to provide such information or documentation as is necessary to verify the amendment and may make changes to the Claims Database if so satisfied.
- 3.5. After the conclusion of the period set out at cl 3.3 above, no amendments to a Registered Group Member's Trade Data may be made, unless necessary as a result of an error, slip or omission on the part of the Administrator or as the result of a Successful Review.

- 3.6. Notwithstanding any other clause in this Settlement Distribution Scheme, if in the opinion of the Administrator, at any stage a Registered Group Member's Claim Data contains insufficient information or does not otherwise substantiate a Registered Group Member's claim, the Administrator may, by written notice, require the Registered Group Member to provide and verify by a statutory declaration or other means that the Administrator deems appropriate and within a time that the Administrator deems reasonable, such further information as the Administrator may require.
- 3.7. For the avoidance of doubt, if:
- (a) following a request made to a Registered Group Member by the Administrator pursuant to cl 3.6; or
 - (b) after the Administrator's reasonable attempts to contact a Registered Group Member to make a request pursuant to cl 3.6,

that Registered Group Member's Claim Data continues to contain insufficient information or does not otherwise substantiate the Registered Group Member's claim, such as to render the Administrator unable to provide an Assessment Notice to that Registered Group Member, the Registered Group Member shall forfeit any right to receive a distribution from the Settlement Distribution Fund.

4. ASSESSMENT NOTICE

- 4.1. As soon as practicable after completion of the steps set out in cl 3, the Administrator shall undertake an Assessment for each Registered Group Member under this Settlement Distribution Scheme by applying the Loss Assessment Formula, based on the Trade Data contained in the Claims Database in relation to each Registered Group Member.
- 4.2. As soon as practicable after the calculation of the Assessment for each Registered Group Member under cl 4.1, the Administrator shall review and confirm that the Loss Assessment Formula has been correctly applied.
- 4.3. Once the Administrator is satisfied that the Loss Assessment Formula has been correctly applied, the Administrator shall deliver to each Registered Group Member an Assessment Notice, containing:
- (a) the Claim Data relating to that Registered Group Member;
 - (b) the Assessment of that Registered Group Member's claim calculated in accordance with cl 4.1;

- (c) the Administrator's reasonable estimate of the Registered Group Member's expected Distribution under the Settlement Distribution Scheme (having regard to the amounts to be deducted from the Settlement Distribution Fund listed at cl 6.1);
 - (d) the terms of cll 4.4 to 4.6 below;
 - (e) the availability and terms of the Review procedure in cl 5 below;
 - (f) any other information that the Administrator considers would assist Registered Group Members in determining whether to seek a Review; and
 - (g) where the Registered Group Member's Assessment is greater than zero (0), details of any actions required of the Registered Group Member to provide sufficient payment details to the Administrator to enable the Administrator to make payment of that Registered Group Member's Distribution in accordance with cl 6.
- 4.4. If, within 28 days of the date of the Assessment Notice, a Registered Group Member notifies the Administrator of any error, slip or omission in the Assessment Notice not related to that Registered Group Member's Trade Data, the Administrator may, in its absolute discretion, correct the Claims Database and send to that Registered Group Member an Amended Assessment Notice.
- 4.5. For the avoidance of doubt, consistent with cl 3.5, a Registered Group Member cannot make or request changes to their Trade Data following receipt of an Assessment Notice.
- 4.6. The accuracy of an Assessment Notice shall be deemed to be accepted by a Registered Group Member, unless the Registered Group Member, within 28 days of the date of the Assessment Notice, delivers to the Administrator a written request for a Review (**Review Request**) together with copies of all documents on which the Registered Group Member relies for the purposes of the Review, including any statement of reasons for seeking the Review.
- 5. REVIEW**
- 5.1. Consistent with cl 4.6, all Review Requests must be in writing and be sent to the Administrator, together with any supporting documentation.
- 5.2. Upon receipt of a Review Request, the Administrator shall review the request and copies of documents on which the Registered Group Member relies for the purposes of the Review and:
- (a) if satisfied that the Review Request discloses an error, slip or omission by the Administrator or any other administrative or clerical error, correct the notice to which the request relates; or

- (b) in all other cases, refer the Review Request to the Independent Counsel.
- 5.3. If a Review Request is referred to the Independent Counsel, the Independent Counsel may by written notice direct the Registered Group Member to submit such further documentation in support of the Review as the Independent Counsel may consider appropriate. Such documentation must be submitted within 14 days of the date of any such written notice, failing which the Review Request shall be deemed never to have been made and the accuracy of the Assessment Notice shall be deemed to be accepted by the Registered Group Member.
- 5.4. The Independent Counsel shall, within 14 days after:
- (a) the receipt by the Administrator of the Review Request; or
 - (b) receipt by the Independent Counsel of documentation provided in response to a written direction under cl 5.3,
- whichever is the later:
- (c) make an Assessment of the Registered Group Member's claim in accordance with the methodology prescribed in cl 4.1; and
 - (d) give written notice of the result of the Review to the Registered Group Member and the Administrator (**Review Determination**).
- 5.5. A Review Determination is final and binding, save that, prior to the expiry of 7 days after notice is given of the Review Determination in accordance with cl 5.4, the Registered Group Member has liberty to apply to the Court only on a question of law arising from the Review Determination.
- 5.6. A Registered Group Member requesting a Review shall pay the costs of the Review calculated at \$800, exclusive of GST, for the first two hours' attendance by the Independent Counsel (or any part thereof) and \$450 per hour, exclusive of GST, for each subsequent hour (or any part thereof).
- 5.7. The Independent Counsel may, by written notice, require a Registered Group Member to pay to the Administrator an amount the Independent Counsel reasonably estimates will represent the cost of the Review, which will be held by the Administrator on trust for the purposes of paying the costs of the Review upon presentation by the Independent Counsel of a tax invoice. If this amount is not provided as required within 10 days of the date that the written notice requiring payment into trust was sent to the Registered Group Member requesting the Review, the Independent Counsel shall issue a Review Determination confirming the Registered Group Member's Assessment Notice, noting that no payment has been made into trust as required. In the event that an amount is

paid into trust and, after payment of the costs of the Review, there is a surplus remaining in trust, that surplus shall be returned to the Registered Group Member.

- 5.8. If no further documentation is requested by the Independent Counsel under cl 5.3 in respect of a Registered Group Member's request for Review, and that Registered Group Member's request results in a Successful Review, the Registered Group Member will be reimbursed from the Settlement Distribution Fund for any costs of the Successful Review paid by the Registered Group Member in accordance with cl 5.6. The reimbursed costs of the Successful Review will be deemed to be Administration Costs.
- 5.9. If any costs of a Review (other than a Successful Review for which the Registered Group Member is entitled to reimbursement under cl 5.8) have not been paid by a Registered Group Member before any distribution to that Registered Group Member, the Administrator shall deduct those costs from any sum which otherwise would be distributed to the Registered Group Member who sought the Review in priority to all other entitlements. That Registered Group Member shall remain liable for any costs not recovered by a deduction pursuant to this clause and the Administrator, in administering the Settlement Distribution Scheme, may apply to the Court for an order requiring the Registered Group Member to pay those costs.

6. DISTRIBUTION

- 6.1. Prior to any distribution from the Settlement Distribution Fund to Registered Group Members, the Settlement Sum shall be treated as a common fund and the Administrator will make the following payments from the Settlement Distribution Fund:
- (a) an amount to the Applicant for the Applicant's Reimbursement Payment;
 - (b) an amount to the Applicant for the Applicant's Legal Costs and Disbursements;
 - (c) an amount to the Administrator for Administration Costs incurred by the Administrator. Any additional amounts of Administration Costs expected to be incurred in the future by the Administrator, above the amount specified in the Approval Order, will be reserved by the Administrator for future payment once incurred and approved by the Court and will not be included in any Distribution to be effected pursuant to cl 6.2; and
 - (d) an amount to the Funder for the Funder's Commission.
- 6.2. Once any Reviews in accordance with cl 5 are completed and the payments referred to in cl 6.1 are made, the Administrator will use the Loss Assessment Formula to calculate the Final Distribution Amount payable to each Registered Group Member from the

amount remaining in the Settlement Distribution Fund (being the Residual Settlement Sum).

- 6.3. The Residual Settlement Sum shall be distributed to individual Registered Group Members in the proportion which the final Assessed Amount bears to the aggregate Assessed Amount for all Registered Group Members (being a pro rata distribution). Each individual Registered Group Member's distribution calculated in accordance with this clause constitutes the Registered Group Member's Final Distribution Amount.
- 6.4. For the avoidance of doubt, no payments shall be made pursuant to cl 6.1, and no Final Distribution Amounts shall be paid to Registered Group Members, until after Final Settlement Approval.
- 6.5. The Distribution of Final Distribution Amounts to Registered Group Members will be attempted by electronic funds transfer, except where:
 - (a) a Registered Group Member demonstrates to the Administrator's satisfaction that distribution by electronic funds transfer is impracticable for that Registered Group Member; or
 - (b) the Administrator, in its absolute discretion, considers that another method would be more conducive to effecting a timely distribution to any Registered Group Member or group of Registered Group Members.
- 6.6. Following the first attempted distribution of Final Distribution Amounts by electronic funds transfer, any further Distributions may, at the discretion of the Administrator, be made by issuing cheques.
- 6.7. As soon as practicable after Distribution to Registered Group Members, the Administrator shall send a Remittance Notice to each Registered Group Member who has received a Distribution.
- 6.8. For the avoidance of doubt, the Administrator is not obliged to (but may, in its absolute discretion) make further inquiries, after payment of the Distribution to each Registered Group Member, of:
 - (a) those Registered Group Members whose electronic funds transfer payment under cl 6.5 above was unable to be processed due to incorrect account information provided by the Registered Group Member; and/or
 - (b) those Registered Group Members who were sent a cheque for their Distribution but have not presented that cheque for payment,

and the costs of any such inquiries and any additional costs associated with further attempts at payment may be deducted from the Distribution of the Registered Group Member in respect of whom those costs were incurred.

- 6.9. If, after distribution of the Final Distribution Amounts referred to in cl 6.4 to 6.6, there remain any payments or cheques that have been rejected or remain un-presented for a period of 60 days, then:
- (a) the Distribution shall be deemed to have been made, such that Registered Group Members shall have no claim against the Administrator or the Settlement Distribution Fund; and
 - (b) the Administrator shall cancel the payment or the cheque and distribute any Remaining Balance in the Settlement Distribution Fund as follows:
 - i. by paying an amount to the Administrator for any additional Administration Costs incurred by the Administrator, above the amount in the Approval Order, since the payment made in cl 6.1(c); and
 - ii. if the Remaining Balance results in an individual pro rata distribution payment to all eligible Registered Group Members of less than or equal to \$50.00 – by paying the residual funds to the Public Interest Advocacy Centre; or
 - iii. if the Remaining Balance results in an individual pro rata distribution payment to any eligible Registered Group Members exceeding \$50.00 – by distributing the residual pro rata amount to Registered Group Members whose Final Distribution Amounts were successfully paid or processed, provided however that any further individual distributions that would be less than \$50.00 shall instead be aggregated and paid to the Public Interest Advocacy Centre;
 - iv. any payments or cheques issued to eligible Registered Group Members under this clause that are then rejected or remain un-presented for a further 45 days shall be cancelled and paid to the Public Interest Advocacy Centre.

7. APPLICATION OF INTEREST

- 7.1. Interest may be applied, in the first instance, to payment of Administration Costs.
- 7.2. Any additional Administration Costs incurred by the Administrator, above the amount in the Approval Order, shall be paid to the Administrator out of the Settlement Distribution Fund before any final distribution of the Settlement Distribution Fund.

- 7.3. Any Interest which is not otherwise required for the payment of Administration Costs will form part of the Settlement Distribution Fund and be available for distribution to Registered Group Members.
- 7.4. The Administrator may at any time convert the Settlement Distribution Fund to a non-interest earning account if it determines that the cost of administering the taxation implications of further interest being earned on the Settlement Distribution Fund will be disproportionate to the further interest expected to be earned.

8. TAXATION

- 8.1. The Administrator is required to comply with the taxation obligations of any trust created for the benefit of Registered Group Members in the course of the settlement administration and may seek expert advice to enable this. Any tax that the Administrator may be required to pay in respect of an individual Registered Group Member may be deducted from that Registered Group Member's entitlement to the Settlement Distribution Fund. Any taxation obligations payable in respect of any trust(s) created by the establishment of the Settlement Distribution Fund will be deducted from the Settlement Distribution Fund.

9. IMMUNITY FROM CLAIMS

- 9.1. The completion of Distributions made pursuant to cl 6 shall satisfy any and all rights, claims or entitlements of all Group Members in or arising out of the ABL Class Action.
- 9.2. The Administrator will have no liability to any Registered Group Member who does not receive a Distribution or receives a Distribution in an incorrect amount arising from:
- (a) the provision of incorrect or otherwise insufficient Trade Data by the Registered Group Member, or persons acting on their behalf;
 - (b) a failure of the Registered Group Member, or persons acting on their behalf, to correct their Trade Data recorded on the Claims Database in accordance with the Settlement Distribution Scheme;
 - (c) incorrect or otherwise insufficient bank account information provided by the Registered Group Member or persons acting on their behalf;
 - (d) fraudulent conduct of a party other than the Administrator;
 - (e) an electronic funds transfer using the bank account information provided by the Registered Group Member, or persons acting on their behalf;

- (f) a Registered Group Member's failure to receive a communication described in the Settlement Distribution Scheme or who, for any other reason, failed to submit documentation to the Administrator or the Court within a time limit set under the Settlement Distribution Scheme; and/or
- (g) any error or omission by the Administrator.

10. SUPERVISION BY THE COURT

- 10.1. The Administrator may refer any issues arising in relation to this Settlement Distribution Scheme or the administration of this Settlement Distribution Scheme to the Court for determination.
- 10.2. On the application of the Administrator, or of its own motion, the Court may vary or amend the terms of this Settlement Distribution Scheme.
- 10.3. Any costs incurred by the Administrator in any such reference to the Court, or in any application made by the Administrator, shall be deemed to be Administration Costs, unless the Court otherwise orders.
- 10.4. At the hearing of the application for the Approval Order the Applicant will apply to the Court for orders:
 - (a) dismissing the Proceeding with no order as to costs as between the parties;
 - (b) vacating all orders as to costs previously made in the Proceeding; and
 - (c) such ancillary orders as are necessary to give effect to the Settlement,with such orders to take effect from the date on which the final Distribution from the Settlement Distribution Fund is confirmed by the Administrator to the Court.
- 10.5. The Respondent and the Cross-Respondents will apply to the Court for orders:
 - (a) dismissing all Cross-Claims in the Proceeding with no order as to costs as between the parties; and
 - (b) vacating all orders as to costs previously made with respect to those Cross-Claims,with such orders to take effect from the date on which the final Distribution from the Settlement Distribution Fund is confirmed by the Administrator to the Court.

11. NOTICES

- 11.1. Any notice or communication to be given pursuant to this Settlement Distribution Scheme, sent by the Administrator, shall be deemed given and received for all purposes associated with this Settlement Distribution Scheme if it is:

- (a) addressed to the person to whom it is given; and
- (b) either:
 - i. sent by email to that person's email address as nominated by or on behalf of the Registered Group Member and recorded on the Claims Database and no email "undelivered" reply is received by the sender; or
 - ii. sent by pre-paid mail, to that person's postal address as nominated by or on behalf of the Registered Group Member and recorded on the Claims Database and the notice is not returned to sender.

11.2. Any notice or communication that complies with this clause will be deemed to be given and received:

- (a) if it was sent by email, at the time it was sent;
- (b) if it was sent by mail to an addressee in Australia, three clear business days after being sent; or
- (c) if it was sent by mail to an addressee overseas, five clear business days after being sent.

11.3. Where a Registered Group Member is not a natural person and one person has been nominated as the designated contact in respect of multiple Registered Group Members, it is sufficient for the purpose of giving notice or communications that any of the provisions of cl 11 are complied with in relation to that nominated person.

11.4. The Administrator is required to accept changes to address details provided and verified by Registered Group Members up until the point of Distribution.

11.5. The Administrator's contact details are as follows unless and until the Administrator notifies the sender otherwise:

By mail: ABL Class Action (Settlement Administration Team)
 Maurice Blackburn
 Level 21, 380 La Trobe Street
 MELBOURNE VIC 3000

By email: ABL@mauriceblackburn.com.au

12. TIME

12.1. The time for doing any act or thing under this Settlement Distribution Scheme may be extended by the Administrator in its absolute discretion.

12.2. The time for doing any act or thing under this Settlement Distribution Scheme may be extended by order of the Court.

12.3. Within twenty (20) business days of the completion of the administration of this Settlement Distribution Scheme the Administrator shall inform the Court and the parties in writing that this has occurred.

SCHEDULE A –NOTICE OF PROPOSED SETTLEMENT

FEDERAL COURT OF AUSTRALIA

ABL CLASS ACTION

Hall v Arnold Bloch Leibler (a firm)

(VID 1010 of 2019)

PLEASE READ THIS NOTICE CAREFULLY

NOTICE OF PROPOSED SETTLEMENT OF ABL CLASS ACTION

This notice is provided pursuant to orders made by the Federal Court of Australia to inform you about (a) the right to participate in a proposed settlement of a class action and (b) the right to object to the proposed settlement.

This notice contains important information about the proposed settlement of a class action brought on behalf of persons who (with some limited exceptions) acquired an interest in fully paid ordinary shares in Slater & Gordon Limited (including entitlements to new fully paid ordinary shares in Slater & Gordon to be issued as part of the Entitlement Offer as defined in paragraph 3 below) during the period between 30 March 2015 and 25 November 2015.

You should read this notice carefully, as your legal rights may be affected by the proposed settlement.

What is the class action about?

1. A representative proceeding (also known as a “class action”) has been commenced in the Federal Court of Australia against Arnold Bloch Leibler (a firm) (**ABL**) on behalf of all persons who (save for some limited exceptions):
 - a. acquired an interest in fully paid ordinary shares in Slater & Gordon Limited (**SGH**) (including entitlements to new fully paid ordinary shares in SGH to be issued as part of the Entitlement Offer as defined in paragraph 3 below) during the period between 30 March 2015 and 25 November 2015; and
 - b. suffered loss or damage by, or which resulted from, the conduct of ABL alleged in the class action,

(ABL Class Action).
2. ABL is the respondent to the class action.
3. The ABL Class Action arises from the acquisition by SGH of the UK-based Professional Services Division (**PSD**) from Quindell Plc and the A\$890 million capital raising (**Entitlement Offer**) conducted by SGH for the purposes of the equity financing component of the purchase price. ABL’s role was as the Australian legal advisers to SGH in relation to the Entitlement Offer. The balance of the purchase price of approximately A\$1.25 billion was financed by SGH with additional borrowings from SGH’s banks.
4. The PSD acquisition was the subject matter of a previous class action against SGH – *Hall v Slater & Gordon Ltd* Federal Court of Australia Proceeding No. VID1213 of 2016 (**SGH Class Action**), which was settled in December 2017 alongside SGH’s

restructuring and the transfer to SGH's lenders of all of SGH's UK assets and 95% of the share capital of the remaining company, which was necessitated by SGH's financial position.

5. A related class action against SGH's auditors – Pitcher Partners (**Pitchers**) and Ernst & Young LLP (**EYUK**) – remains on foot (**Pitchers Class Action**), with the trial having commenced on 9 November 2021 (*Hall v Pitcher Partners (a firm)* Federal Court of Australia Proceeding No. VID 918 of 2018).

The proposed settlement and court approval

6. The parties to the ABL Class Action have agreed to a proposed settlement of the class action, where ABL will pay (without admission of liability) a total of **\$28,000,000** (inclusive of costs and interest) in full and final settlement of the claims of the Applicant and group members in the class action (**settlement**). The proposed settlement has been reached with no admission of liability by ABL.
7. The settlement must first be approved by the Federal Court as being fair and reasonable before it is binding on group members. If approved, after deduction of certain amounts in respect of the legal and funding costs associated with bringing the class action, the balance of that amount will be distributed to **eligible group members**. **Details of the proposed deductions** are contained on the website of Maurice Blackburn (see the end of this Notice), and you are encouraged to read that information.

Participation in the proposed settlement

8. Group members who are **eligible** to participate in the settlement of the ABL Class Action are those who are **registered** with Maurice Blackburn by no later than 17 January 2022.
9. **Registered Group Members:** If you have previously registered with Maurice Blackburn in relation to the SGH Class Action, you are already registered in the ABL Class Action and do not need to register again. If you have previously registered for the ABL Class Action you do not need to register again. If you have previously registered with Maurice Blackburn for the Pitchers Class Action, and you fall within the group definition set out above in paragraph 1 above, you are already registered for the ABL Class Action and do not need to register again.
10. The purpose of this notice is to advise group members of the proposed settlement of the ABL Class Action, and how it may affect their rights. Further detailed information is contained on the website of Maurice Blackburn (see the end of this Notice), and you are encouraged to read that information.
11. The proposed settlement of the ABL Class Action, and the steps (if any) which group members may wish to take in response to this notice, will differ depending on their particular circumstances as summarised below:
 - a. **Registered Group Members:** Group members who have previously registered with Maurice Blackburn to participate in the SGH Class Action or the ABL Class Action need not do anything in response to this notice (unless they wish to **object to the proposed settlement**, in which case they may submit a 'Notice of Objection to Proposed Settlement' in accordance with the instructions on Maurice Blackburn's website).

Registered group members will be entitled to participate in the proposed settlement of the class action, and to receive a monetary distribution from the settlement sum, in the event that the proposed settlement is approved by the Court (and provided they otherwise qualify). **Registered group members do not need to re-register.** If you are unsure of your registration status, you should contact Maurice Blackburn at ABL@mauriceblackburn.com.au.

- b. **Unregistered Group Members:** Group members who have **not** previously registered with Maurice Blackburn in the SGH Class Action or the ABL Class Action may do **three** things:
- **Option A: Register** to participate in the proposed settlement of the ABL Class Action by 17 January 2022 (in which case, you may be entitled to receive a distribution from the proposed settlement of the class action, in the event that it is approved by the Court, and provided you otherwise qualify). To register to participate in the proposed settlement of the ABL Class Action, you should go to <https://www.mauriceblackburn.com.au/class-actions/current-class-actions/ABL-class-action/> or contact Maurice Blackburn on 1800 572 151
 - **Option B: Do nothing** (in which case, if the proposed settlement of the ABL Class Action is approved by the Court, you will not be entitled to receive a distribution from the settlement sum). You will, however, still be bound by the settlement and claims you may have against ABL will be extinguished.
 - **Option C:** Group members may (in addition to Option A or Option B) **object** to the proposed settlement of the ABL Class Action. If you want to object to the settlement, but still participate in the settlement in the event that your objection is overruled and the settlement is approved, you should follow both Option A and Option C together. If you wish to object to the proposed settlement, you must complete a Notice of Objection to Proposed Settlement by 17 January 2022.

There are different consequences for you depending on which option you choose. Further details in relation to each of the options, including the consequences and steps required, are set out on Maurice Blackburn's website (<https://www.mauriceblackburn.com.au/class-actions/current-class-actions/ABL-class-action/>).

- c. **Former Group Members:** Group members who submitted an opt out notice prior to the Court-imposed deadline 8 September 2021 do not need to do anything in response to this notice. By choosing to opt out of the ABL Class Action, you are no longer a group member in the class action and will not be affected by the class action or the proposed settlement of the class action.

More Information

As stated above, further information is available on Maurice Blackburn's website (<https://www.mauriceblackburn.com.au/class-actions/current-class-actions/ABL-class-action/>), under the following headings:

- **Why is the following information important?**
- **What is a class action?**

- **What is the ABL Class Action?**
- **Are you a Group Member in the ABL Class Action?**
- **Are Group Members liable for legal costs?**
- **The Proposed Settlement and Proposed Deductions**
- **The Settlement Approval Process**
- **What do Group Members need to do?**
 - **Registered Group Members**
 - **Unregistered Group Members**
 - **Former Group Members**
- **Relevant documents**
- **What if you have further questions?**