

## Notice to Group Members

No. NSD 2244 of 2013  
Federal Court of Australia  
District Registry: New South Wales  
Division: General

### **Inabu Pty Ltd (ACN 003 657 654) as trustee for the Alidas Superannuation Fund**

Applicant

### **Leighton Holdings Limited (ACN 004 482 982)**

Respondent

## **LEIGHTON SHAREHOLDER CLASS ACTION**

### **NOTICE OF PROPOSED SETTLEMENT AND OPT-OUT RIGHTS**

1. On 30 October 2013, a representative proceeding or “class action” was commenced in the Federal Court of Australia against Leighton Holdings Limited (**Leighton**) by Inabu Pty Ltd (**Applicant**) on behalf of Group Members who purchased shares in Leighton between 16 August 2010 and 11 April 2011 (**Inabu v Leighton Class Action**). If you purchased shares in Leighton during the period 16 August 2010 to 11 April 2011 **you should read this Notice carefully as it will affect your legal rights.**
2. The Federal Court has ordered that this Notice be published for the information of persons who might be members of the class on whose behalf the action is brought and may be affected by the action. You have been identified as a potential Group Member. If there is anything in the Notice that you do not understand or if you have any questions, you **should not** contact the Federal Court and should seek independent legal advice or contact Maurice Blackburn.
3. An in-principle settlement has been reached in the Inabu v Leighton Class Action for the benefit of the Applicant and Group Members. **You may be entitled to participate in the proposed settlement if you purchased shares in Leighton during the period 16 August 2010 to 11 April 2011 (Relevant Period).**
4. On 15 August 2014 the Court will be asked to approve the proposed settlement of the class action. You are entitled to attend the hearing. Your options are to:
  - a. claim compensation by participating in the settlement – see paragraphs 18 and 19;
  - b. oppose the settlement – see paragraphs 20 and 21;
  - c. opt out of the proceeding – see paragraphs 22-26; or
  - d. do nothing – see paragraphs 27-28.

Each of these options is explained below in paragraphs 18 to 28. **If you do nothing you will lose your rights to claim compensation.** Please carefully consider the information in paragraphs 27-28 if you are considering the option of doing nothing.

#### **A. SUMMARY OF THE CLASS ACTION**

5. The Inabu v Leighton Class Action relates to Leighton’s 11 April 2011 ASX announcement of a \$1.148 billion write-down and the share price decline which followed that announcement.
6. The Inabu v Leighton Class Action alleges that during the Relevant Period Leighton failed to adequately disclose that its 2011 financial year profit forecasts were likely to be substantially impacted by difficulties with its Al-Habtoor joint venture and Brisbane Airport Link and

Victorian Desalination Plant construction projects in breach of its continuous disclosure obligations under the ASX Listing Rules and *Corporations Act 2001*. It is also alleged that Leighton engaged in misleading or deceptive conduct in relation to those matters. (This class action does not allege the non-disclosure by Leighton of foreign corruption in its international operations which is the subject of a separate class action, unrelated to this claim.)

7. The Inabu v Leighton Class Action alleges that as a consequence of Leighton's conduct the trading price of Leighton shares on the ASX was artificially inflated during the Relevant Period and that persons who purchased Leighton shares during this period suffered loss and damage. It is alleged that Leighton is liable to pay damages to the Applicant and Group Members as a result of those matters.
8. Leighton denies the allegations and is defending the claims.
9. Full details of the allegations made by the Applicant are set out in the Statement of Claim which may be inspected on the Maurice Blackburn website at <http://www.mauriceblackburn.com.au/areas-of-practice/class-actions/current-class-actions/leighton-class-action.aspx> and at each District Registry of the Federal Court of Australia, and on its website.

### **C. PROPOSED SETTLEMENT OF THE CLASS ACTION**

10. The parties to the class action have agreed on terms for the settlement of the class action. Under the terms of the proposed settlement, Leighton will pay a settlement amount of \$69.45 million to the Applicant and Group Members to settle the class action inclusive of costs, estimated to be \$3.9 million. Under the proposed settlement, in exchange for receiving the settlement amount, the Applicant and the Group Members will not have the ability to bring a further claim in respect of the losses alleged in the Inabu v Leighton Class Action.
11. Group Members are those people who purchased shares in Leighton during the period from 16 August 2010 to 11 April 2011 inclusive and who have suffered a loss by reason of the matters pleaded in the Statement of Claim.
12. The compensation paid to each Group Member under the proposed settlement will depend on factors such as the number of shares purchased and sold by that Group Member during the Relevant Period, the timing of that Group Member's purchases, the number of Group Members who participate in the settlement, the size of their holdings and the overall losses of all Group Members who participate in the settlement. Group Members' compensation will be determined by the application of a complicated Loss Assessment Formula.
13. Under the terms of the settlement, Leighton has an option to withdraw from the settlement if the result of the opt-out process materially affects the class covered by the settlement. Conditions to the settlement becoming effective include that Leighton does not exercise this option to withdraw from the settlement and that the Court assesses that the settlement is a fair and reasonable compromise of the claims and approves the terms of settlement. If the proposed settlement is not approved by the Court the Inabu v Leighton Class Action will continue.
14. The process by which the settlement amount is proposed to be distributed will be outlined in a Settlement Distribution Scheme. The method of calculating the amount each Group Member who participates in the settlement (if approved) will receive will be outlined in a Loss Assessment Formula document. Both of these documents must be approved by the Court and both documents may be provided to Group Members on request. A confidentiality undertaking must be signed by those Group Members wishing to see the Loss Assessment Formula document.

15. Many Group Members have previously entered into a retainer agreement with Maurice Blackburn and a funding agreement with a litigation funder, International Litigation Funding Partners Pte Ltd (**ILFP**). The funding agreement provides that ILFP fund the Inabu v Leighton Class Action and if the Inabu v Leighton Class Action is successfully resolved that the funded Group Members then pay commission and costs to ILFP.
16. The Loss Assessment Formula will include a funding equalisation formula, the effect of which will be to ensure that both funded and unfunded Group Members receive the same rate of return in the proposed settlement.

#### **D. WHAT GROUP MEMBERS MUST DO**

17. If you consider that you are or may be a Group Member in the Inabu v Leighton Class Action you should choose one of the following options:

##### **Option A – If you wish to claim compensation from Leighton**

###### Group Members who are NOT already clients of Maurice Blackburn

18. If you wish to make a claim for any losses that you might have suffered in relation to the events described in Section A of this Notice, and you are not already a client of Maurice Blackburn in the Inabu v Leighton Class Action, you must by 4.00pm on 18 July 2014 complete and submit the “Group Member Registration Form” on the Maurice Blackburn website, which is accessible at <https://register.mauriceblackburn.com.au/leighton>, and then complete and return the required share trading documents to Maurice Blackburn by no later than 4.00pm on 1 August 2014. See Schedule A for further information regarding the Group Member Registration Process including the action you should take if you are unable to register electronically. Note: there are deadlines for completing necessary steps for claiming compensation. If you miss these deadlines you will lose your right to make a claim in this settlement.

###### Group Members who ARE already clients of Maurice Blackburn

19. If you are a client of Maurice Blackburn in the Inabu v Leighton Class Action you should already have received a Notice of Leighton Trading Data, listing the information Maurice Blackburn holds for you. If you wish to make a claim for any losses suffered in relation to the events described in Section A of this Notice you must ensure that the share trading data listed in the Notice of Leighton Trading Data is accurate and complete and inform us by 4.00pm on 18 July 2014 if the data we hold is not accurate or complete. If you believe that you are a client of Maurice Blackburn but have not received a Notice of Leighton Trade Data you **must** contact Maurice Blackburn prior to 4.00pm on 18 July 2014.

##### **Option B – If you wish to oppose the settlement**

20. If you do not believe the terms of the proposed settlement should be approved, you are entitled to ask the Court not to approve the settlement. If you wish to take that step you must:
  - a. send a written notice to Maurice Blackburn (at the address below) informing them that you wish to oppose the settlement by 1 August 2014; and
  - b. attend (or send a representative to) the hearing at 10:15am on 15 August 2014, when the Federal Court will consider whether to approve the settlement.

You or your representative will need to be in a position on 15 August 2014 to explain to the Court why you consider that the settlement should not be approved. You should also be in a position to inform the Court whether you wish to participate in the settlement or whether you wish to seek the leave of the Court to opt out of the proceeding if you are not successful in opposing the settlement.

21. If you think you might wish to oppose the proposed settlement of the class action, you should obtain independent legal advice immediately.

### **Option C – If you wish to opt out of the proceeding**

22. The Applicant in a class action does not need to seek the consent of group members to commence a class action on their behalf. However, group members can cease to be group members by opting out of the class action. Your legal rights may be affected by a decision whether or not to remain a group member.
23. If you opt out of the proceeding and the settlement is approved, you will not receive any compensation in the proposed settlement. If you opt out of the proceeding and the proposed settlement is not approved, you will not be entitled to share in the benefit of any order, judgment or subsequent settlement of the class action.
24. Commonly, group members will only opt out of a proceeding if they intend to pursue their own claim against the respondent at their own expense within the time limit applicable to their claim.
25. You should obtain independent legal advice before opting out of the claim.
26. If you wish to opt out of the proceeding you must submit an opt-out form to the Sydney registry of the Federal Court of Australia by 4.00pm 18 July 2014 otherwise it will not be effective. A copy of the opt-out form is available at Maurice Blackburn's website at <http://www.mauriceblackburn.com.au/areas-of-practice/class-actions/current-class-actions/leighton-class-action.aspx>.

### **Option D - If you do nothing**

27. **If you do nothing and the settlement is approved, you will not receive compensation, you will be bound by the settlement and you will not be able to claim compensation from Leighton in the future in relation to the circumstances giving rise to the Inabu v Leighton Class Action.**
28. If you do nothing and the settlement is not approved then you will remain a Group Member and the Applicant will continue to bring the proceeding on your behalf up to the point where the Court determines those questions that are common to the claims of the Applicant and the Group Members. In that case, you will be bound by the outcome of the Inabu v Leighton Class Action. If the class action is successful, you will be entitled to share in the benefit of any order, judgment or settlement in favour of the Applicant and Group Members. (In some cases you may have to satisfy certain conditions before your entitlement arises.) If the action is unsuccessful or is not as successful as you might have wished, you will not be able to sue on the same claim in any other proceedings.

### **E. LEGAL COSTS**

29. You will not become liable for any legal costs by registering your claim for compensation, doing nothing or opting out. In applying for approval of the proposed settlement, the Applicant intends to ask the Court to make an order that some of the settlement amount, and interest accrued on the settlement amount, be used to pay the legal costs incurred in running the class action and in administering the settlement.
30. If the settlement is not approved Group Members will not then become liable for any legal costs simply by remaining a Group Member for the determination of those questions that are common to the claims of the Applicant and the Group Members however if at a later date compensation becomes payable to you the Applicant might ask the Court to make an order

that some of that compensation be used to pay the legal costs incurred in the running of the class action.

**F. QUESTIONS**

31. Please consider the above matters carefully. If there is anything of which you are unsure regarding this Notice, you should contact Maurice Blackburn by sending an email to [LeightonClassAction@MauriceBlackburn.com.au](mailto:LeightonClassAction@MauriceBlackburn.com.au). You should not delay making your decision.

## **SCHEDULE A**

### **INFORMATION REGARDING GROUP MEMBER REGISTRATION PROCESS**

To register as a Group Member and to claim compensation in the proposed settlement, please visit <https://register.mauriceblackburn.com.au/leighton> and complete the registration forms and accompanying documents.

Registration at this site requires you to enter details of the Leighton shares that you purchased and sold during the Relevant Period, following the prompts on the screen.

Within three business days of you submitting the online form, an unexecuted Statutory Declaration will be sent to you by email.

You or an authorised person must execute the Statutory Declaration before a witness who is authorised to witness Statutory Declarations and return it to Maurice Blackburn so that it is received by Maurice Blackburn by 4.00pm on 1 August 2014.

You can either send a scan of the Statutory Declaration to:  
[LeightonClassAction@MauriceBlackburn.com.au](mailto:LeightonClassAction@MauriceBlackburn.com.au) or send the hard copy to:

Inabu v Leighton Class Action Registration  
Maurice Blackburn  
PO Box A266  
Sydney South NSW 1235

Under the terms of the Settlement Distribution Scheme Statutory Declarations may only be accepted and processed by Maurice Blackburn if they are complete and have been executed by persons with authority to sign on behalf of the Group Member and witnessed by persons with authority to witness the signing of a Statutory Declaration.

If you do not have access to a computer or are otherwise unable to register as a Group Member electronically please telephone Maurice Blackburn on +61 2 8277 2607 and ask to speak with a member of the Leighton class action team.