

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 mauriceblackburn.com.au/ABL, 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 (mauriceblackburn.com.au/ABL).

- 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 (mauriceblackburn.com.au/ABL), 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?