



31 October 2018

Dear Shareholder,

On behalf of the Directors of Litigation Capital Management Limited (**LCM**), I am pleased to invite you to attend the 2018 Annual General Meeting (**AGM**) of LCM. Enclosed is the Notice of Meeting setting out the business of the AGM.

LCM's AGM will be held on Friday 30 November 2018 commencing at 12 noon (Sydney time) at the offices of Piper Alderman Lawyers, Level 23, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000.

If you are attending the AGM, please bring your Proxy Form with you to facilitate a faster registration. If you are unable to attend the AGM, I encourage you to complete and return the enclosed Proxy Form no later than 12 noon (Sydney time) on Wednesday 28 November 2018 in one of the ways specified in the Notice of Meeting and Proxy Form.

I also encourage you to read the enclosed Notice of Meeting (including the Explanatory Memorandum) and the Proxy Form and consider directing your proxy how to vote in each resolution by marking either the "for" box, the "against" box or the "abstain" box on the Proxy Form.

Subject to the abstentions noted in the Explanatory Memorandum, the Directors of LCM unanimously recommend that Shareholders vote in favour of all resolutions.

Thank you for your support of LCM and I look forward to your attendance and the opportunity to meet with you.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'D King', is written over a light blue circular stamp.

Dr David King
Chairman

**LITIGATION CAPITAL MANAGEMENT LIMITED
ACN 608 667 509**

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (**AGM** or **Meeting**) of Shareholders of Litigation Capital Management Limited (**LCM** or **Company**) will be held:

Date: Friday 30 November 2018
Time: 12 noon (Sydney Time)
Venue: Piper Alderman Lawyers
Level 23, Governor Macquarie Tower
1 Farrer Place, Sydney NSW 2000

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum, Entitlement to Attend and Vote section and Proxy Form are part of this Notice of Meeting.

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2018.

The Annual Report which contains the Financial Report for the year ended 30 June 2018 is available on the website (<http://www.lcmfinance.com/shareholders/>).

B. QUESTIONS AND COMMENTS

Following consideration of the Reports, the Chairman will give Shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Independent Auditor's Report;
- c. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of relevant written questions submitted by Shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the Meeting.

C. ITEMS FOR APPROVAL

Resolution 1. Remuneration Report

To consider and, if thought fit, to pass the following as an advisory resolution of the Company:

“That, the Company’s Remuneration Report for the financial year ended 30 June 2018, set out in the Directors’ Report, is adopted.”

The Remuneration Report is set out in the 2018 Annual Report (available at <http://www.lcmfinance.com/shareholders/>). Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth) (the **Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

A vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2018 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b. the vote is cast by the chair of the meeting and the appointment of the chair as proxy:
 - i. does not specify the way the proxy is to vote on the resolution; and
 - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the Act.

Resolution 2. Re-election of Director – Mr Steven McLean

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That Mr Steven McLean, who retires in accordance with clause 51.1(c) of the Company’s Constitution and being eligible for re-election, is re-elected as a Director of the Company.”

Resolution 3. Election of Director – Mr Stephen Conrad

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That Mr Stephen Conrad is elected as a Director of the Company.”

Resolution 4. Approval of subscription for Shares by, and issue of Shares to, Mr Patrick Moloney

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That pursuant to and in accordance with ASX Listing Rule 10.11 and for all other purposes Shareholders approve the subscription by Patrick Moloney (or his nominees) for 555,556 fully paid ordinary shares at \$0.90 per share and issue of those shares to Patrick Moloney (or his nominees), on

the terms and conditions set out in the Explanatory Memorandum which forms part of the Notice of Meeting.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by Patrick Moloney or his nominees or their respective associates.

However, the Company need not disregard a vote cast on Resolution 4 if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5. Approval of subscription for Shares by, and issue of Shares to, Mr Stephen Conrad

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That pursuant to and in accordance with ASX Listing Rule 10.11 and for all other purposes, subject to approval of resolution 3, Shareholders approve the subscription by Stephen Conrad (or his nominees) for 277,778 fully paid ordinary shares at \$0.90 per share and issue of those shares to Stephen Conrad (or his nominees), on the terms and conditions set out in the Explanatory Memorandum which forms part of the Notice of Meeting.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by Stephen Conrad or his nominees or their respective associates.

However, the Company need not disregard a vote cast on Resolution 5 if:

- c. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- d. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6. Approval of issue of Shares to Mr Stephen Conrad under Loan Share Plan

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That pursuant to and in accordance with ASX Listing Rule 10.14 and for all other purposes, subject to approval of Resolution 3, the Company be authorised to issue 100,000 shares to Stephen Conrad (or his nominees) under the Company’s Loan Share Plan, on the terms and conditions set out in the Explanatory Memorandum which forms part of the Notice of Meeting.”

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 6 by David King, Steven McLean, Patrick Moloney and Stephen Conrad and any of their respective associates.

However, the Company need not disregard a vote cast on Resolution 6 if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or

- b. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, pursuant to the Act, the Company's key management personnel and their closely related parties are not permitted to cast a vote as proxy for another person who is permitted to vote, unless:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

To consider and, if thought fit, pass the following as a special resolution of the Company:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum which forms part of the Notice of Meeting.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 7 by, or on behalf of, a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) if this Resolution is passed, and any associates of such persons. As at the date of this Notice of Meeting, there are no potential allottees to whom shares may be issued under this resolution. On that basis, no Shareholders are currently excluded from voting.

However, the Company need not disregard a vote cast on Resolution 7 if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 8. Approval of issue of AIM Placement Shares

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That pursuant to and in accordance with ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of fully paid ordinary shares up to a maximum amount of GBP 70 million (“Maximum Amount”), on the terms and conditions set out in the Explanatory Memorandum which forms part of the Notice of Meeting.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 8 by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) if this resolution is passed, and any associates of such persons. As at the date of this Notice of Meeting, there are no potential allottees to whom shares may be issued under this resolution. On that basis, no Shareholders are currently excluded from voting.

However, the Company need not disregard a vote cast on Resolution 8 if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or

- b. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 9. Amendment to Constitution

To consider and, if thought fit, pass the following as a special resolution of the Company:

“That for the purposes of section 136(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the Company to amend its existing Constitution in the form tabled at the Meeting and initialled by the Chairman for identification purposes and as described in the Explanatory Memorandum which forms part of the Notice of Meeting, with effect on and from an admission to AIM of the Company’s share capital.”

Resolution 10. Disapplication of Pre-Emptive Rights (under amended Constitution)

To consider and, if thought fit, pass the following as a special resolution of the Company:

“That, if Resolution 9 is approved, the Directors be authorised pursuant to Rule 6.3 of the Constitution (as amended under Resolution 9) to:

(i) generally allot and issue shares for cash, as if Rule 6.1 did not apply to any such allotment, up to the Maximum Amount provided that this authority shall expire on admission to AIM; and

(ii) allot and issue shares for cash as if Rule 6.1 did not apply to any such allotment, provided that this authority:

(A) will not exceed 10% of the Company's issued share capital during any period of twelve months, to be determined as follows:

(x) no more than 5% of the Company's issued share capital during any period of twelve months, whether or not in connection with an acquisition or specified capital investment; and

(y) no more than an additional 5% of the Company's issued share capital during any period of twelve months, provided that the Company intends to only use the proceeds from such issue in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue; and

(B) shall expire at the date that is 15 calendar months after the date that this Resolution is passed.”

BY ORDER OF THE BOARD



**Anna Sandham
Company Secretary
31 October 2018**

ENTITLEMENT TO ATTEND AND VOTE

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7.00pm (Sydney time) on Wednesday 28 November 2018 will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Appointment of Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act 2001 (Cth) (the **Act**) to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 12 noon (Sydney time) on Wednesday 28 November 2018 (48 hours before AGM). Proxies must be received before that time by one of the following methods:

By post:	Litigation Capital Management C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
By facsimile:	02 9287 0309 (within Australia) +61 2 9287 0309 (from outside Australia)
By delivery in person:	Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138
Online:	www.linkmarketservices.com.au

To be valid, a proxy form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Power of Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 12 noon (Sydney time) on Wednesday 28 November 2018, being 48 hours before the AGM.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

IMPORTANT: If you appoint the Chair of the Meeting as your proxy, or the Chair becomes your proxy by default, and you do not direct your proxy how to vote on resolution 1 (remuneration report), resolution 4 (issue of shares to Patrick Moloney), resolution 5 (issue of shares to Stephen Conrad) or resolution 6 (issue of shares to Stephen Conrad under the Loan Share Plan), then by submitting the proxy form you will be expressly authorising the Chair to exercise your proxy on the resolution, even though the resolution is connected, directly or indirectly, with the remuneration of the KMP.

SHAREHOLDER QUESTIONS

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please email any questions to the Company Secretary, Anna Sandham (sandham@companymatters.com.au).

To allow time to collate questions and prepare answers, please submit any questions by 12 noon (Sydney time) on Friday 23 November 2018. Questions will be collated and, during the AGM, the Chair will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to Shareholders.

ENCLOSURES

Enclosed are the following documents:

- a proxy form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Litigation Capital Management's share registry's website at www.linkmarketservices.com.au to ensure the timely and cost effective receipt of your proxy;
- a reply paid envelope for you to return the proxy form; and
- a third party opinion prepared by Ernst & Young in respect of certain Australian and UK tax implications for Shareholders as a result of the proposed delisting of the Company from the ASX, and the AIM Admission (as defined below).

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company (**Shareholders**) in relation to the business to be conducted at the Company's AGM to be held at 12 noon (Sydney time) on Friday 30 November 2018.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend Shareholders vote in favour of all Resolutions. The Chairman of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Resolution 1, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

Resolution 2, relating to re-election of Steven McLean, is an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

Resolution 3, relating to election of Stephen Conrad, is an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

Resolutions 4 and 5, relating to the subscription for Shares by, and issue of Shares to, Patrick Moloney and Stephen Conrad (respectively), are each an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

Resolution 6, relating to the issue of loan Shares to Stephen Conrad, is an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

Resolution 7, relating to additional placement capacity, is to be voted on as a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

Resolution 8, relating to the issue of AIM Placement Shares (as defined below), is an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

Resolution 9, relating to amendment to the Company's Constitution, is to be voted on as a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

Resolution 10, relating to disapplication of pre-emptive rights under the Company's amended Constitution, is to be voted on as a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

Resolution 1: Remuneration Report

Section 250R(2) of the Corporations Act 2001 (Cth) (the **Act**) requires that the section of the Directors' Report dealing with the remuneration of directors and key management personnel (**KMP**) of the Company (**Remuneration Report**) be put to the vote of Shareholders for adoption by way of a non-binding vote.

Broadly, the Remuneration Report details the remuneration policy for the Company and:

- explains the structure of and rationale behind the Company's remuneration practices and the link between the remuneration of executives and the Company's performance;
- sets out remuneration details for each Director and for each executive with authority and responsibility for directing the affairs of the Company; and
- discusses the relationship between the policy and Company performance.

Shareholders can view the full Remuneration Report in the Annual Report which is available on the LCM website at <http://www.lcmfinance.com/shareholders/>.

Following consideration of the Remuneration Report, the Chair of the Meeting will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote. The vote on this resolution is advisory only and does not bind the Directors or the Company. However the Board will take the outcome of the vote into account in setting remuneration policy for future years.

The Directors abstain, in the interests of good governance, from making a recommendation in relation to Resolution 1.

Resolution 2. Re-Election of Director – Mr Steven McLean

Steven was appointed as a Director of LCM on 9 November 2015 and is currently considered to be an independent non-executive director.

Steven has an investment banking background, with over 18 years' experience, commencing with Ernst & Young Corporate Finance before moving to J.P. Morgan both in Australia and Europe. Steven has led equity transactions which have raised in excess of A\$50bn for corporates across various countries including Australia, USA, UK, Switzerland, Finland, Holland, Austria, France, Russia, Singapore and Bermuda.

In addition to his role with LCM, Steven is currently the Head of Corporate Finance at FinEx, Chairman of ASX listed ReNu Energy Ltd and holds numerous private company board positions. Steven is a graduate of the University of Sydney with a Bachelor of Economics.

Resolution 2 is an ordinary resolution.

The Directors, with Steven McLean abstaining, unanimously recommend Shareholders vote in favour of Resolution 2.

Resolution 3. Election of Director – Mr Stephen Conrad

Background

Stephen has spent 25 years in financial markets, structured and corporate finance working for global banks in Singapore, Hong Kong and Sydney. He has specialised in risk management and governance across a wide variety of industry sectors. Now residing in Sydney, Stephen is an independent advisor with recent assignments including advising J.P. Morgan Asset Management Alternatives business, chairing a mortgage finance company, advising a large waste management company on their energy from waste project, and advising the Company.

During his banking career, Stephen spent 12 years at Citi, initially in Sydney then Singapore, where he was responsible for teams covering sales and structuring to both corporate and institutional clients. He previously ran debt capital markets products (hybrid capital origination, securitisation, tax, leasing and derivatives teams). Stephen was a member of the Australian global markets management committee, a supervisor for Citi's ASX business & a director of various local Citi entities. He was also a member of the portfolio risk committee.

Before joining Citigroup, Stephen was Managing Director and Head of Zurich Capital Markets Hong Kong Limited with regional responsibility for Asia (ex-Japan). The business targeted structured finance and investment solutions with a strong presence in alternative investments. Other financial markets experience was gained at Bankers Trust (acquired by Macquarie Bank Limited), having responsibility for the structured trading & derivatives team.

Upon obtaining an undergraduate degree Stephen started with Westpac Banking Corporation in 1989 on the Money Market and FX desks.

He holds a Master of Applied Finance from Macquarie University, Bachelor of Economics from The University of Newcastle, has completed a graduate diploma in Applied Finance & Investment from the Securities Institute of Australia. Stephen has also completed securities licensing exams for Australia, Hong Kong and Singapore. He has detailed regulatory knowledge from sitting on various bank affiliated boards and has established and supervised a managed investment scheme for Citi with a major Australian bank. He is also a member and graduate of the Australian Institute of Company Directors having undertaken and completed the Company Directors course.

Additional information

Resolution 3 is an ordinary resolution.

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

Resolutions 4 and 5. Approval of subscription for Shares by, and issue of Shares to, Mr Patrick Moloney and Mr Stephen Conrad

Background

On Wednesday 31 October 2018, the Company announced that it had undertaken a placement of Shares to raise \$10 million (exclusive of costs) (**Placement**).

Under the Placement, an aggregate of 11,111,112 fully paid ordinary shares (**Shares**) at an issue price of \$0.90 per Share are expected to be issued on Monday 5 November 2018 to institutional investors who are sophisticated or professional investors, and who are not related parties of the Company, utilising the Company's existing 15% placement capacity under ASX Listing Rule 7.1 and part of its existing 10% placement capacity under ASX Listing Rule 7.1A (**Placement Shares**).

In conjunction with the Placement:

- a. an additional 555,556 Shares are proposed to be subscribed for by, and issued to, Patrick Moloney, a Director of the Company, at the same issue price as the Placement Shares, subject to the receipt of prior Shareholder approval (**Director Placement Shares**); and
- b. an additional 277,778 Shares are proposed to be subscribed for by, and issued to, Stephen Conrad, a proposed Director of the Company, at the same issue price as the Placement Shares, subject to the receipt of prior Shareholder approval (**Proposed Director Placement Shares**).

ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Patrick Moloney is a Director of the Company and therefore a related party of the Company. Stephen Conrad is a proposed Director of the Company (the subject of Resolution 3) and is therefore taken to be a related party of the Company.

Resolution 4 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of the Director Placement Shares to Patrick Moloney (or his nominees).

Resolution 5 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of the Proposed Director Placement Shares to Stephen Conrad (or his nominees).

If approval is given for Resolution 4 or Resolution 5 under ASX Listing Rule 10.11, Shareholder approval is not required under ASX Listing Rule 7.1. This means that the issue of the Director

Placement Shares (subject to Resolution 4 being approved) or the Proposed Director Placement Shares (subject to Resolution 5 being approved) will not reduce the Company's existing placement capacity under ASX Listing Rule 7.1 or existing additional placement capacity under ASX Listing Rule 7.1A.

Specific information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the Director Placement Shares to Patrick Moloney (or his nominees) and the issue of the Proposed Director Placement Shares to Stephen Conrad (or his nominees):

- a. The Director Placement Shares are proposed to be issued to Patrick Moloney (or his nominees). The Proposed Director Placement Shares are proposed to be issued to Stephen Conrad (or his nominees).
- b. The maximum number of Director Placement Shares to be issued to Patrick Moloney (or his nominees) is 555,556. The maximum number of Proposed Director Placement Shares to be issued to Stephen Conrad (or his nominees) is 277,778;
- c. The Company intends to issue the Director Placement Shares and the Proposed Director Placement Shares as soon as practicable after the date of the Meeting (expected to be on Monday 3 December 2018) and in any event, no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- d. Patrick Moloney is a Director of the Company. Stephen Conrad is a proposed Director of the Company (the subject of Resolution 3).
- e. The issue price of the Director Placement Shares and Proposed Director Placement Shares will be \$0.90 per Share.
- f. The Director Placement Shares and the Proposed Director Placement Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- g. The Company intends to use the funds raised from the issue of the Director Placement Shares and the Proposed Director Placement Shares to fund its general working capital requirements, including costs associated with the proposed AIM Admission (as defined below) and to fund conditional Litigation Projects.
- h. A voting exclusion statement is included in the Notice of Meeting.

Additional information - Resolution 4

Resolution 4 is an ordinary resolution.

The Directors, with Patrick Moloney abstaining, unanimously recommend that Shareholders vote in favour of Resolution 4.

Additional information - Resolution 5

Resolution 5 is an ordinary resolution. Resolution 5 is conditional on the approval of Resolution 3. Consequently, if Resolution 3 is not approved, Resolution 5 will not be approved.

The Directors believe that, as a Shareholder, Stephen Conrad's interests will be better aligned with those of the Company.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

Resolution 6. Approval of issue of Shares to Mr Stephen Conrad under Loan Share Plan

Remuneration Policy

The performance of the Company depends partly upon the quality of its executives. Their compensation structure is designed to strike an appropriate balance between fixed and variable remuneration, rewarding capability and experience and providing recognition for contribution to the Company's overall goals and objectives.

In deciding the remuneration and incentives of Mr Stephen Conrad, the Board considered that there should be an appropriate mix of remuneration comprising cash and securities to link his remuneration to the financial performance of the Company and in recognition of past and continuing services provided by him to the Company relating to capital and strategy.

Equity-based incentives consistent with the Company's remuneration policy better align the performance of Mr Stephen Conrad with the Company's financial performance. The Board also believes that an equity-based remuneration component helps it to attract and retain the best executives.

The Directors consider the remuneration policy to be a sensible and well-balanced policy which allows them to adjust the remuneration mix appropriately to the Company's changing circumstances.

ASX Listing Rule requirements

ASX Listing Rule 10.14 provides that a listed company must not permit a director to acquire securities under an employee incentive scheme without shareholder approval. Accordingly, approval is sought under ASX Listing Rule 10.14 for the proposed grant of 100,000 Shares to Mr Stephen Conrad under the Company's Loan Share Plan.

If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

Corporations Act requirements

Shareholder approval under Chapter 2E of the Act (related party benefits) is not required because the issue of Shares is considered to be reasonable remuneration and falls within the exception to the requirement for shareholder approval.

Grant of Shares under Loan Share Plan

If approved, the Shares under the Loan Share Plan will be comprised of two tranches:

Tranche	Number of Shares
Tranche 1	50,000
Tranche 2	50,000
Total	100,000

Date of grant

If approved, the total number of Shares under the Loan Share Plan are expected to be granted to Mr Stephen Conrad on or around Monday 3 December 2018 (**Grant Date**), but in any event will be granted within 12 months after the date of the Meeting.

Issue Price

The issue price for each Share under the Loan Share Plan will be the volume weighted average price (**VWAP**) of the Company's Shares over the 5 trading days ending on the date immediately prior to the Grant Date.

Vesting Conditions

Each tranche of Shares under the Loan Share Plan will vest if the relevant Vesting Conditions set out below are met:

Tranche	Vesting Conditions
Tranche 1	(a) Mr Stephen Conrad has been continuously employed by the Company from the Grant Date to the date that is 24 months after the Grant Date and has continuously been employed by the Group over that period; and (b) the VWAP of the Company's Shares over any 5 trading day period is at least \$1.50 per Share (or such equivalent price if a capital reconstruction occurs in relation to the Company) (Target Price Condition).
Tranche 2	(a) Mr Stephen Conrad has been continuously employed by the Company from the Grant Date to the date that is 36 months after the Grant Date and has continuously been employed by the Group over that period; and (b) the Target Price Condition has been met.

Shares under the Loan Share Plan will also vest if a change of control event occurs and the Board exercises its discretion to deem that Vesting Conditions set out above have been satisfied.

Information required by ASX Listing Rule 10.15

Maximum number of Shares that may be acquired	100,000 Shares
Issue Price	The VWAP of the Company's Shares over the 5 trading days ending on the date immediately prior to the date of grant.
Names of persons referred to in ASX Listing Rule 10.14 who received securities under the scheme since the last approval, number of securities received and acquisition price for each security	2,000,000 Shares issued to Patrick Moloney (Director) on 4 December 2017, on the terms approved at the Company's Annual General Meeting on 16 November 2017. The issue price was \$0.5965, being the VWAP of the Company's Shares over the 5 trading days ending on the date immediately prior to the date of grant.
Names of all persons referred to in ASX Listing Rule 10.14 entitled to participate in the scheme	Directors - David King, Patrick Moloney, Steve McLean, Stephen Conrad (subject to approval of Resolution 3) Note - although each Director is entitled to participate, approval is sought under this Resolution for the issue of Shares to Mr Stephen Conrad only.
Terms of loan in relation to the grant of Shares	<ul style="list-style-type: none"> The Company will provide Mr Stephen Conrad with a limited recourse loan to fund the acquisition of the Shares under the Loan Share Plan (Loan). The total amount of the Loan will be calculated in accordance with the following formula: <i>Loan Amount = Issue Price x Shares</i> The Loan is immediately repayable on a number of circumstances occurring, including on termination of employment. The Loan has a maturity date of 10 years after the date of the Loan. The Loan may be voluntarily repaid in whole or in part before the maturity date. Subject to certain exceptions, no Shares may be sold whilst there is a loan balance in respect of those Shares.

Date by which Shares will be issued	Expected to be Monday 3 December 2018, but in any event, within 12 months after the date of approval.
Voting exclusion statement	A voting exclusion applies to this Resolution - please refer to the notes to Resolution 6. The Chairman of the Meeting intends to, and is expressly authorised to, vote all undirected proxy forms in favour of Resolution 6.

Additional information

Resolution 6 is an ordinary resolution. Resolution 6 is conditional on the approval of Resolution 3. Consequently, if Resolution 3 is not approved, Resolution 6 will not be approved.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

Resolution 7. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables mid to small cap listed companies to seek shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue 12 months before the issue date or date of agreement to issue by way of placement over a 12 month period (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

A company is eligible to seek shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- a. it has a market capitalisation of \$300 million or less; and
- b. it is not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the AGM.

Accordingly, Resolution 7 is seeking approval of Shareholders by special resolution for the issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine, on the terms as described in this Explanatory Memorandum.

At the date of the Meeting, the Company is expected to have on issue 64,337,002¹ fully paid ordinary shares and a capacity to issue:

- a. no equity securities under ASX Listing Rule 7.1; and
- b. 6,433,700 equity securities under ASX Listing Rule 7.1A (if Resolution 7 were approved).

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

The effect of Resolution 7 will be to allow the Directors to issue equity securities under ASX Listing Rule 7.1A during a 10% placement period, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Information required by ASX Listing Rule 7.3A

¹ This includes 8,391,783 Placement Shares which the Company has agreed to issue pursuant to the Placement as announced on Wednesday 31 October 2018 which are expected to be issued on Monday 5 November 2018 but excludes 2,719,329 Placement Shares which the Company has agreed to issue under ASX Listing Rule 7.1A or the shares proposed to be issued to Patrick Moloney or Stephen Conrad.

For the purposes of ASX Listing Rule 7.3A, the following information is provided:

- The minimum price at which the equity securities will be issued will be no less than 75% of the volume weighted average price for ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:
 - a. the date on which the price at which the securities are to be issued is agreed; or
 - b. if the securities are not issued within 5 trading days of the date in paragraph a, the date on which the securities are issued.
- If Resolution 7 is approved by Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing Shareholders face the risk of economic and voting dilution as a result of the issue of securities which are the subject of this Resolution, to the extent that such securities are issued, including:
 - a. the market price of equity securities in that class may be significantly lower on the issue date than on the date on which this approval is being sought; and
 - b. the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the equity securities.

- The following table gives examples of the potential dilution of existing Shareholders on the basis of the current market price of shares and the current number of ordinary securities for variable “A”, calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of the Notice.

The table also shows:

- a. two examples where variable “A” has increased by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- b. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Number of shares on issue ²	Dilution			
	Issue price (per share)	\$0.485 50% decrease in Issue Price	\$0.970 Issue Price	\$1.94 100% increase in Issue Price
55,945,219 (current)	Shares issued	5,594,522	5,594,522	5,594,522
	Funds raised	\$2,713,343	\$5,426,686	\$10,853,372
83,917,829 (50% increase)	Shares issued	8,391,783	8,391,783	8,391,783
	Funds raised	\$4,070,015	\$8,140,029	\$16,280,059

² Variable “A” in Listing Rule 7.1A.2

111,890,438 (100% increase)	Shares issued	11,189,044	11,189,044	11,189,044
	Funds raised	\$5,426,686	\$10,853,372	\$21,706,745

- The table has been prepared on the following assumptions:
 - a. the Company issues the maximum number of equity securities available under the 10% Placement Facility in ASX Listing Rule 7.1A;
 - b. no unlisted Options or Partly Paid Shares (including any Options or Partly Paid Shares issued under the 10% placement facility) are exercised before the date of issue of ordinary shares under ASX Listing Rule 7.1A
 - c. the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
 - d. the table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility, based on that shareholder's holding at the date of the AGM;
 - e. the table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
 - f. the table does not show the effect of the Placement Shares which the Company has agreed to issue pursuant to the Placement as announced on Wednesday 31 October 2018 which are expected to be issued on Monday 5 November 2018 or the shares proposed to be issued to Patrick Moloney or Stephen Conrad;
 - g. the issue of equity securities under the 10% Placement Facility consists only of shares; and
 - h. the issue price is \$0.97 per share, being the closing price of the shares on ASX on 26 October 2018.

- Shareholder approval of this Resolution is valid, and securities will only be issued, from the date of the annual general meeting at which approval is obtained and expires on the earlier to occur of:
 - a. The date that is 12 months after the date of the annual general meeting at which the approval is obtained (i.e. by 30 November 2019); or
 - b. The date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

- The Company may seek to issue the equity securities for the following purposes:
 - a. cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued development of the Company's current assets and/or general working capital; or
 - b. non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

- The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities.

- The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of allottees of equity securities that may be issued (subject to shareholder approval of Resolution 7) have not been determined as at the date of this Notice but may include existing Shareholders and/or parties who are not currently Shareholders and are not related parties or associates of the Company.

Any potential allottees will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- a. the methods of raising funds available to the Company (including but not limited to, rights issue or other issues in which existing security holders can participate), while balancing interest from potential allottees with the interests of existing Shareholders;
- b. the effect of the issue of equity securities on the control of the Company and balancing the interests of existing Shareholders. Allocation will be subject to takeover thresholds;
- c. the financial situation and solvency of the Company and its need for working capital at any given time; and
- d. advice from corporate, financial and broking advisors (if applicable).

Previous Approval under ASX Listing Rule 7.1A

- The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its 2017 Annual General Meeting held on 16 November 2017.
- In the twelve months preceding the date of the proposed 2018 Annual General Meeting, the Company has issued 13,523,084 fully paid ordinary shares and nil unquoted options (a total of 13,523,084 equity securities) which represents 25.3% of the total number of equity securities on issue at the commencement of the 12 month period (being 16 November 2017), details of which are as follows:
 - a total of 2,000,000 fully paid ordinary shares issued to the Managing Director, Mr Patrick Moloney on 4 December 2017. The issue of these Shares was approved by Shareholders at the Company's 2017 Annual General Meeting. The specific disclosure required under ASX Listing Rule 7.3A.6 is also included in the table below;
 - a total of 411,972 fully paid ordinary shares was issued to senior LCM staff in August 2018. The specific disclosure required under ASX Listing Rule 7.3A.6 is also included in the table below; and
 - a total of 11,111,112 fully paid ordinary shares issued pursuant to the Placement as announced on Wednesday 31 October 2018. These Shares are expected to be issued on Monday 5 November 2018. The issue of these Shares will be made without Shareholder approval utilising the Company's existing placement capacity under ASX Listing Rule 7.1 and existing additional placement capacity under ASX Listing Rule 7.1A. The specific disclosure required under ASX Listing Rule 7.3A.6 is also included in the table below.

Date of Issue	4 December 2017	31 August 2018	5 November 2018
Number issued	2,000,000	411,972	11,111,112
Class of equity securities	Fully paid ordinary shares	Fully paid ordinary shares	Fully paid ordinary shares
Names of persons to whom equity securities were issued or the basis on which those persons were determined	Mr Patrick Moloney, Managing Director	Senior staff	Institutional investors who are also sophisticated or professional investors, ³ and who are not related parties of the Company.
Issue price and discount to market price (if any)	Nil	Nil	Issue price of \$0.90, which represents a

³ As those terms are defined in subsections 708(8) and 708(11) of the Corporations Act 2001 (Cth).

			7.2% discount to the market price ⁴
Total cash consideration	Not applicable	Not applicable	\$10 million
Use of cash consideration	Not applicable	Not applicable	General working capital purposes, including costs associated with the proposed AIM Admission (as defined below) and to fund conditional Litigation Projects.
Non-cash consideration	Not applicable	Not applicable	Not applicable

- A Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting. Potential allottees under the 10% Placement Facility (should it be approved) have not been identified as at the date of this Notice, but may include existing Shareholders and/or parties who are not currently Shareholders and are not related parties or associates of the Company.

Resolution 7 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

The Directors unanimously recommend Shareholders vote in favour of Resolution 7.

Resolution 8. Approval of issue of AIM Placement Shares

Background

On Monday, 29 October 2018, the Company announced its intention to pursue an admission of the Company to AIM, a market operated by the London Stock Exchange plc (**AIM Admission**). The AIM Admission will be undertaken in conjunction with a de-listing of the Company from ASX (and the AIM Admission will be a condition of that de-listing).

The Board considers that the AIM Admission will provide the Company with the best opportunity to:

- (i) raise new funds through accessing new equity capital markets and broadening its Shareholder base;
- (ii) position the Company as a growth company on a growth platform;
- (iii) locate the Company in proximity to other listed litigation funding companies; and
- (iv) provide access to a much larger market for financing legal claims.

To assist Shareholders to decide how to vote on this Resolution (and Resolutions 9 and 10), LCM has obtained a third party opinion in respect of certain Australian and UK tax implications for the shareholders of LCM as a result of the proposed de-listing of LCM from the ASX, and the AIM Admission. A copy of that third party opinion is enclosed with this Notice of Meeting and is also available from LCM on request.

⁴ The market price is based on the closing price on the last trading day before the Placement was announced, being Friday 26 October 2018 (the closing price on that day was \$0.97).

LCM proposes to undertake a capital raising in connection with the AIM Admission, to fund existing conditionally contracted projects and to enable deployment of capital into new pipeline opportunities, and for general corporate purposes.

The Company seeks approval from Shareholders for the issuance of Shares in connection with such capital raising by way of a placement of Shares (**AIM Placement Shares**) up to a maximum amount of GBP 70 million (**AIM Maximum Amount**).

The participants in the AIM Placement are intended to be institutional investors who are also sophisticated or professional investors in the United Kingdom, Singapore, Australia and any other jurisdictions which the Board may determine in its discretion.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not (subject to specified exceptions) issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Resolution 8 seeks Shareholder approval for the issue of the AIM Placement Shares.

The effect of Resolution 8 will be to allow the Company to retain the flexibility to issue equity securities in the future up to the amount of its placement capacity under ASX Listing Rule 7.1 and existing additional placement capacity under ASX Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

Specific information required by ASX Listing Rule 7.3

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders in relation to the issue of the AIM Placement Shares:

- a. The maximum number of AIM Placement Shares to be issued pursuant to a capital raising in connection with the AIM Admission is that number which, when multiplied by the issue price, equals the AIM Maximum Amount.
- b. The Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of Shares will occur on the same date, being the date of AIM Admission.
- c. The issue price of the Shares will not be less than 80% of the volume weighted average price for Shares calculated over the five days on which sales in the Shares are recorded before the date of the Company's AIM Admission.
- d. The AIM Placement Shares will be issued to institutional investors who are also sophisticated or professional investors in the United Kingdom, Singapore, Australia and any other jurisdictions which the Board may determine in its discretion, and who are not related parties of the Company.
- e. The AIM Placement Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- f. The Company intends to use the funds raised by the issue of the AIM Placement Shares to fund near term growth opportunities, and for general corporate purposes.
- g. The AIM Placement Shares will be issued on or around the date of the AIM Admission.
- h. A voting exclusion statement is included in the Notice of Meeting.

Additional information

Resolution 8 is an ordinary resolution.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

Resolution 9. Amendment to Constitution

Background

A company may modify or repeal its constitution or a provision of its constitution by a special resolution of shareholders.

Resolution 9 is a special resolution which will enable the Company to amend its existing Constitution, with effect on and from the date of an AIM Admission.

The Directors have proposed the amended constitution (**Proposed Constitution**) as they believe the Proposed Constitution contains provisions which are suitable for an AIM Admission.

Many of the proposed changes in the Proposed Constitution are administrative or minor in nature, including but not limited to references to the rules which would apply to the Company following an AIM Admission. The Directors believe these amendments are not material nor will they have a significant impact on Shareholders. It is not practicable to list all of the changes in the Proposed Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website (<https://www.lcmfinance.com/>) or at the office of the Company. A copy of the Proposed Constitution can be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

A copy of the Proposed Constitution will be available at the Meeting. It will be marked by the Chairman at the Meeting in order to identify it as the Proposed Constitution for consideration and approval by Shareholders.

Summary of material proposed changes

a. Pre-emption rights

The Proposed Constitution contains certain pre-emption rights which would have the effect that the Company cannot issue equity securities (subject to certain limited exceptions such as an issue under an employee share or option scheme) unless:

- the equity securities are offered first to all Shareholders on a pre-emptive basis; or
- Shareholders have given prior authority to the Board via a "Disapplication Resolution" (being a special resolution) to issue equity securities for cash up to a specified number, with such authority expiring no later than 15 calendar months after the date of the Disapplication Resolution.

This threshold is consistent with market practice in the United Kingdom for small to mid cap companies admitted to AIM.

b. Notification of interests in shares provisions

The Company is seeking to have its Shares admitted to trading on AIM.

A consequence of an AIM Admission is that Shareholders will be obliged to comply (where necessary) with the notification and disclosure requirements set out in Chapter 5 of the Disclosure Guidance and Transparency Rules published by the Financial Conduct Authority (**DTR**) as if the Company were a public company incorporated in, and whose principal place of business was in, the United Kingdom.

The notification requirements operate in a similar manner to the substantial shareholder notice provisions of the Act. The primary difference is the minimum threshold is 3% under the DTR compared to 5% under the Act.

A person in default of a disclosure notice issued by the Company may be served with a direction notice that the shares in relation to which the default occurred (**Default Shares**) will not be entitled to vote at a meeting of Shareholders and payment on those Default Shares (e.g. dividends, return of capital) may be suspended and no transfer will be registered except an approved transfer (e.g. transfers pursuant to an acceptance of a takeover offer, on a recognised investment exchange or otherwise approved by the Board).

c. Compulsory retirement of Directors

The existing Constitution contains provisions requiring the compulsory retirement of Directors (other than the Managing Director) after a specified period of time. These retiring Directors are eligible for re-election.

The Proposed Constitution provides for the compulsory retirement of Directors on an annual basis. These retiring Directors are eligible for re-election. These amendments are consistent with the requirements under corporate governance practice in the United Kingdom.

d. Remuneration of non-executive directors

Under the Proposed Constitution, the maximum remuneration that the Company may collectively pay to non-executive directors will be \$400,000 per annum. This is an increase from the current maximum amount of \$200,000 per annum under the existing Constitution. The Board considers that this change is desirable to ensure the Company can continue to attract and retain high quality non-executive directors following an AIM admission.

e. Other amendments relating to AIM

As the Company is seeking to have its Shares admitted to trading on AIM, the Proposed Constitution contains provisions to ensure compliance with the AIM Rules and the settlement rules of CREST (being the electronic settlement system in the United Kingdom operated by Euroclear UK & Ireland Limited, which enables Shareholders to hold Shares in uncertificated form and transfer Shares electronically).

Additional information

Resolution 9 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

If Resolution 9 is approved, the Proposed Constitution will take effect on and from the date of the Company's AIM Admission and a copy of the Proposed Constitution will be lodged with ASIC.

The Directors unanimously recommend Shareholders vote in favour of Resolution 9.

Resolution 10. Disapplication of Pre-Emptive Rights (under amended Constitution)

Background

If Resolution 9 is approved and the Proposed Constitution is approved by Shareholders, then Rule 6.1 of the Company's Constitution (as amended) will contain certain pre-emptive rights which require the Company to make an offer of shares to Shareholders pro rata to their existing holdings before the Company may issue shares to another person. Rule 6.3 of the Company's Constitution (as amended) then sets out the process for a disapplication resolution under which the Company may resolve by special resolution that the Directors be authorised to issue a maximum number of shares for cash as if the pre-emptive rights in Rule 6.1 did not apply (a **Disapplication Resolution**).

Accordingly, Resolution 10 seeks Shareholder approval under Rule 6.3 of the Company's Constitution (as amended) to authorise the Directors to:

- (a) issue shares under a placing on AIM up to the Maximum Amount, at the time of its admission to AIM, as if the pre-emptive rights under Rule 6.1 did not apply; and
- (b) following the admission to AIM, issue up to 10% of the Company's issued share capital without first offering them to all Shareholders of the Company on a pro rata basis, provided the conditions set out in this Resolution are met.

An authority given under:

- (a) limb (i) of Resolution 10 will expire on admission to AIM; and
- (b) limb (ii) of Resolution 10 will expire at the date that is 15 calendar months after the date that this Resolution is passed or revocation of the authority by the Company.

Additional information

Resolution 10 will only have operation if Resolution 9 is approved and the Proposed Constitution is approved by Shareholders.

Resolution 10 is proposed as a special resolution in accordance with Rule 6.3. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

The Directors unanimously recommend Shareholders vote in favour of Resolution 10.

Litigation Capital Management Limited
Level 12, Chifley Tower
2 Chifley Square,
Sydney NSW 2000

29 October 2018

Dear Sir/Madam

Third party opinion: Australian and UK tax implications of LCM Limited de-listing from the ASX and admission to trading on AIM

Pursuant to an engagement agreement between Ernst & Young and LCM Operations Pty Ltd dated 22 October 2018, you have asked us to provide a third party opinion in respect of certain Australian and UK tax implications for the shareholders of Litigation Capital Management Limited ("**LCM Limited**") as a result of the proposed de-listing of LCM from the ASX, and the admission of LCM to AIM, a market of the London Stock Exchange ("**Change in Listing**").

We have set out at Appendix C our summarised comments that we understand will be included in a Notice of General Meeting (or equivalent) to be distributed to the shareholders of LCM. Our comments are based on the background information and assumptions set out in Appendix B. We have received a signed representation letter (attached as Appendix A) confirming the accuracy of the information contained at Appendix B. If any of the background information or assumptions are incomplete or incorrect, it is important that you inform us, as this could affect the outcome of the income tax advice we have provided.

In respect of our Australian tax comments, our comments are confined to the Australian income tax, Goods and Services Tax ("**GST**"), and stamp duty implications of the Change in Listing. In respect of our United Kingdom ("**UK**") tax comments, our comments are confined to the UK corporations tax, withholding tax, and stamp duty and stamp duty reserve tax implications of the Change in Listing.

Our analysis of the Australian tax matters set out in this opinion is based on taxation legislation, case law, Australian Taxation Office ("**ATO**"), HMRC and any relevant State and Territory Revenue Authorities' publicly available guidance as at the date of this advice. You should be aware that the ultimate interpretation of the taxation law rests with the Australian courts, and that the law, and the way the ATO (or other relevant Revenue Authorities) administers the law, may change over time. Unless specifically requested by you, we are not obliged to and do not accept any responsibility to update our income tax advice for any such change.

If you have any queries in respect of the above, please do not hesitate to contact Steve Whittington on 02 9248 5472 or me on 02 9248 4797.

Yours sincerely



James Tomlinson
Partner, Financial Services Taxation



Sydney | Melbourne | Brisbane

29 October 2018

James Tomlinson
Ernst & Young
200 George Street
SYDNEY NSW 2000

Dear James

LCM Operations Pty Ltd – Letter of Representation

We have been provided a copy of and have reviewed your comments for inclusion in the Notice of General Meeting, including the background facts and assumptions on which those comments are based (the “**Report**”).

We have reviewed the factual accuracy of the information set out in the Report, including the background facts and assumptions, and hereby confirm that the assumptions and factual information as recited in the Report are correct and that there are no material facts which have been omitted from your Report.

By this letter of representation, we confirm that, after having made diligent enquiries, we are not aware of any material misstatements of fact or any other information that should be disclosed in your Report.

Furthermore, we acknowledge and agree that we shall indemnify and hold harmless Ernst & Young and its partners, employees, officers and agents from and against all costs (including legal costs on a solicitor/client basis), loss, damage and liability arising from or relating to or in any way connected with any misstatement or omission in any material or information supplied by us or our advisers.

Yours faithfully
Litigation Capital Management Limited



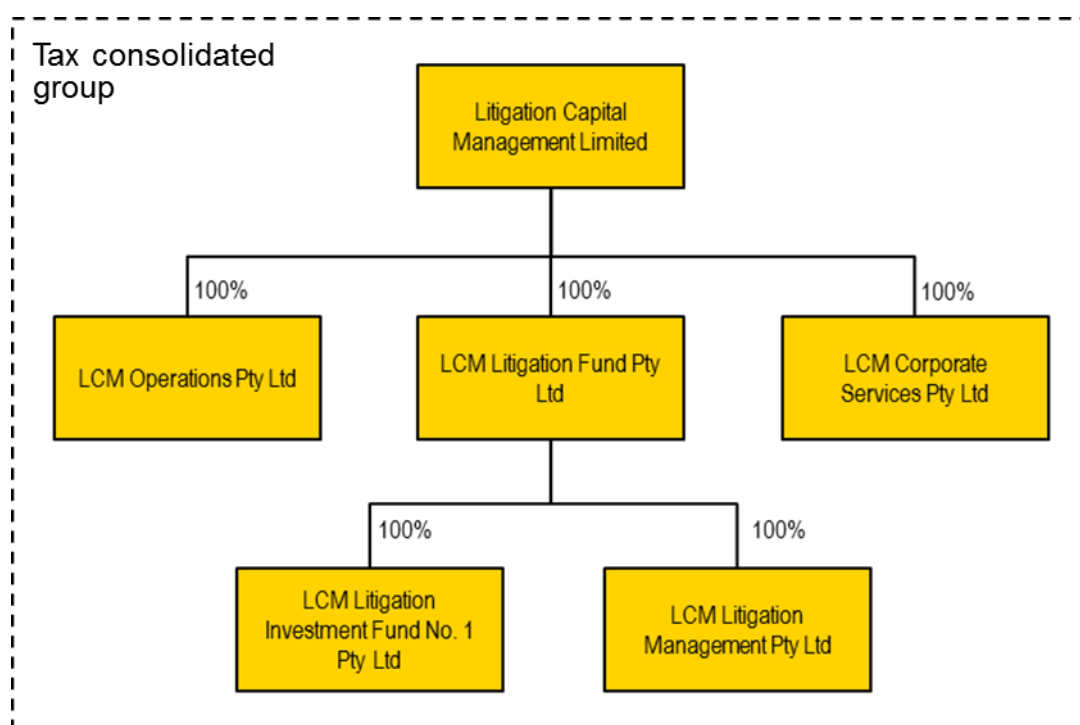
Patrick Moloney
Chief Executive Officer

Background facts and assumptions

Our understanding of the background facts is summarised as follows:

General overview

- ▶ LCM Limited is a litigation financier that is listed on the ASX. LCM Limited operates its business through a series of wholly-owned subsidiaries, including entities that provide the litigation finance and entities that conduct other operating activities such as employment or contracting of litigation finance professionals.
- ▶ LCM Limited is an Australian tax resident company. LCM Limited has formed a tax consolidated group with its wholly-owned subsidiaries (the “**LCM Limited TCG**”). The current corporate structure is as follows:



- ▶ We also understand that LCM Limited is currently in the process of expanding internationally, including operations in the UK and Singapore. In respect of the current status of the UK expansion, we understand that an Australian tax resident subsidiary of LCM Limited has entered into a lease over premises in the UK, and intends to hire a number of UK employees. It is likely, in the future, that the assets and liabilities that have a connection with activities in the UK would be transferred to newly established UK tax resident (and incorporated) subsidiaries.

Current capital structure

- ▶ LCM Limited has issued equity in the following classes:
 - ▶ **Fully Paid Ordinary Shares** – entitling holders to voting rights and participation in dividends and other company proceeds in proportion to their relevant shareholding percentage. We

understand that the total number of listed ordinary shares is 55,945,219 (based on the ASX announcement dated 3 September 2018). Based on the share register, the ordinary shares are legally held by over 300 non-associated persons. We note that some of the listed ordinary shares (2,411,972) have been issued as part of an employee share scheme (the “Loan Share Plan”), the details of which are set out below. The ordinary shares issued as part of the Loan Share Plan are held by three employees (being Patrick Moloney (2,000,000), Susanna Taylor (274,648) and Polina Kolomoitseva (137,324).

- ▶ **Partly Paid Ordinary Shares** – being unlisted ordinary shares entitling the holder to participate in dividends and other company proceeds in proportion to their relative shareholding percentage, but not carrying rights to participate in new issues of ordinary shares until they are fully paid. The total partly paid ordinary shares on issue was 2,866,050 (based on the Financial Statements for the year ended 30 June 2018), and are held indirectly by two individuals, being Patrick Moloney (who holds 1,433,022) and Patrick Coope (who holds 1,433,028).

- ▶ The advice in this letter relates to the holders of Fully Paid Ordinary Shares.

Loan Share Plan

- ▶ The Loan Share Plan is a scheme under which eligible senior executives are provided a limited recourse interest free loan from LCM Limited in order to acquire fully paid listed ordinary shares in LCM Limited (“**loan shares**”). Some of the key features of the Loan Share Plan are described below:
 - ▶ Loan shares are issued at grant date in the employee’s name. Loan shares are currently listed on the ASX.
 - ▶ Loan shares will vest once specified vesting conditions have been met (e.g., reaching minimum employee tenure requirements and the LCM Limited share price reaching a specified hurdle).
 - ▶ Until vested, loan shares are subject to restrictions on their sale and may be compulsorily divested if vesting conditions are not met.
 - ▶ For so long as there is an outstanding loan balance, the after-tax value of cash distributions (including dividends) received by a person who has entered into the Loan Share Plan will be applied towards the repayment of loan principal.

- ▶ Tax advice has been sought by LCM Limited in respect of the tax treatment of the Loan Share Plan from Pricewaterhouse Coopers. That advice indicates that the Loan Share Plan is likely to qualify as an Employee Share Scheme (or ESS) interest, although there should be no reporting requirements under the ESS interest provisions.

Options

- ▶ LCM Limited has unlisted options on issue, under an Employee Share Option Scheme. Under this scheme, options over LCM Limited ordinary shares have been issued to LCM Limited’s directors who may choose to exercise those options once they have vested. The current outstanding options were issued in two bundles, as follows:

- ▶ **Bundle 1** – comprising a total of 3,190,116 options, convertible into fully paid ordinary shares in LCM Limited with an exercise price of \$0.47. The options initially issued to Patrick Moloney (265,843) and Patrick Coope (265,843) were issued as an option over fully paid ordinary shares in LCM Litigation Fund Pty Ltd. As part of the IPO process (i.e., the initial listing on the ASX), the 265,843 options were converted into 1,595,058 options in respect of fully paid ordinary shares in LCM Limited, such that each of Patrick Moloney and Patrick Coope now each hold 1,595,058 options. The Bundle 1 options are exercisable on or before 1 December 2018.
- ▶ Based on the anticipated timing of de-listing from the ASX and the Change in Listing, we understand that the options will either have been exercised or have lapsed. Based on the fact that the Bundle 1 options are currently in the money, we have assumed that they will be exercised, such that the holders of the Bundle 1 options will hold additional fully paid ordinary shares at the time of admission to AIM.
- ▶ **Bundle 2** – comprising a total of 1,500,000 options, convertible into fully paid ordinary shares in LCM Limited with an exercise price of \$1.00. The options were issued to David King (600,000) and Patrick Moloney (900,000). The options are exercisable from 1 November 2018 to 1 November 2021, following which they will expire. We have assumed that the Bundle 2 options will not be exercised prior to the Change in Listing.
- ▶ In respect of the Bundle 2 options, we understand that the unlisted options will remain unlisted and therefore will not be subject to the AIM listing steps set out below.

Steps to implement de-listing from ASX and admission to trading on AIM

- ▶ We understand that the relevant steps are anticipated to be as follows:
 - ▶ A Notice of Meeting for the Annual General Meeting will be dispatched to shareholders on 31 October 2018. The Notice for Meeting will include notice of proposed amendments that will be made to the Constitution of LCM Limited in preparation for admission to AIM. The key changes to the Constitution are expected to be:
 - ▶ Updates to the Definitions contained in the Constitution.
 - ▶ Updates to clauses that are specific to ASX listing and are not applicable in a UK context. Examples include specific provisions relating to CHESSE statements and certain small holdings.
 - ▶ Updates to provide existing shareholders rights of pre-emption over the allotment of new ordinary shares.
 - ▶ Updates to include provisions specifically addressing directors' conflicts of interest.
 - ▶ Updates to provide for termination of a director on that director being declared bankrupt.
 - ▶ The Annual General Meeting is expected to be held on 30 November 2018, at which amendments to the Constitution will be considered for shareholder approval.

- ▶ Application will be made for admission to trading on AIM. In connection with the admission, an Admission Document would be published, following which LCM Limited would be admitted to trading on AIM and would delist from the ASX, on a yet to be confirmed date.
- ▶ A further update on timetable will be made in due course.
- ▶ Under UK law, international shares cannot be handled directly in CREST (the electronic settlement system used to settle securities), so Depositary Interests (“**DIs**”) were created to allow trades in some international shares to be settled in the same way.
- ▶ In respect of the Change in Listing, we understand that shareholders will have the choice to continue to hold their ordinary shares in LCM Limited directly in a materialised form, or to arrange for their ordinary shares to be transferred to and held by a depositary in exchange for a DI.
- ▶ In respect of the DIs, one of the features associated with the arrangement is that the underlying beneficial ownership of the shares remains unchanged (i.e., the holder of the DIs is absolutely entitled to the underlying shares, including in respect of voting (exercised by providing voting directions to the depositary) and income from the shares including in respect of the receipt of dividends).

Our summary above is based on the following documents:

- ▶ The LCM Limited Share Register;
- ▶ A letter prepared by Baker McKenzie on LCM Limited’s behalf to the ASX dated 4 October 2018.

Assumptions

We have made the following assumptions in preparing our tax advice:

- ▶ LCM Limited and all wholly-owned subsidiaries are presently centrally managed and controlled in Australia and nowhere else. Following the implementation of the Change in Listing, we have assumed that there will be no immediate change to the corporate governance of LCM Limited and its wholly-owned subsidiaries, including that the current directors of LCM Limited (or a majority of the directors) and its wholly-owned subsidiaries will continue to reside in Australia, and board meetings will take place in and be chaired from Australia. In the future, it is possible that the Chair of the LCM Limited Board may reside outside of Australia.
- ▶ All of the shareholders in LCM Limited do not hold their ordinary shares on revenue account or as trading stock.
- ▶ In respect of any shareholders who are subject to or have made an irrevocable election for the Taxation of Financial Arrangements (“**TOFA**”) provisions (contained in Division 230 of the Income Tax Assessment Act 1997) to apply to them, we have assumed that the TOFA provisions do not apply to gains or losses in respect of the ordinary shares in LCM Limited.
- ▶ The tax losses of the LCM Limited tax consolidated group are group losses, and are not transferred tax losses that became losses of LCM Limited (as the head company) on formation of the tax consolidated group.
- ▶ The depositary is in the legal form of a company.

- ▶ The only Australian landholdings held by the LCM group are comprised of a leasehold interest located in New South Wales, where the market value of the lease (inclusive of the value of any fixtures attached to the lease) is less than A\$2 million.
- ▶ As at the date of this letter, LCM Limited does not carry on a trade in the UK through a permanent establishment and there is no activity performed in the UK by any person in connection with supplies made by LCM Limited in the course of a trade. We note, for completeness, that a subsidiary of LCM Limited may have a permanent establishment in the UK. If this may change in the future, we would recommend that you receive tax advice in respect of the implications associated with that change.
- ▶ As at the date of this letter, LCM Limited does not carry on a UK property business or have any other interests in UK land or in income from UK land. If this may change in the future, we would recommend that you receive tax advice in respect of the implications associated with that change.
- ▶ As at the date of this letter, the LCM ordinary shares are not maintained on a UK share register or paired with UK shares. If this may change in the future, we would recommend that you receive tax advice in respect of the implications associated with that change.

Comments for inclusion in the letter to shareholders

The summary below relates to the impact to LCM and its Australian shareholders who hold their ordinary shares on capital account as a result of the proposed de-listing of LCM from the ASX, and admitting LCM Limited's share capital to trading on the AIM market operated by the London Stock Exchange. We strongly recommend that all shareholders, including Australian tax resident shareholders who hold the ordinary shares in LCM Limited on capital account, seek taxation advice in respect of the tax implications of the Change in Listing.

For the avoidance of doubt, the tax comments below do not apply to any shareholder who holds their ordinary shares in LCM Limited on revenue account, as trading stock, or who have made elections under the Taxation of Financial Arrangements provisions (contained in Division 230 of the *Income Tax Assessment Act 1997*) that apply to gains or losses arising in respect of ordinary shares. We would strongly recommend such taxpayers seek taxation advice in respect of the tax implications of the Change in Listing – including, in particular, the implications of converting your ordinary shares in LCM Limited into DIs.

The comments are based on taxation legislation, case law, ATO and HMRC and any relevant State and Territory Revenue Authorities' publicly available guidance as at the date of this advice. You should be aware that the ultimate interpretation of the taxation law rests with the Australian courts, and that the law, and the way the ATO (or other relevant Revenue Authorities) administers the law, may change over time which could therefore impact the comments below.

Australian Tax Implications

Tax Residence

- ▶ The Change in Listing should not result in LCM Limited being considered a tax resident of the UK. LCM Limited should remain an Australian tax resident company and the head company of the LCM Limited tax consolidated group. Accordingly, LCM Limited should continue to be subject to Australian income tax on its taxable income at the prevailing corporate income tax rate in Australia.

CGT Consequences

- ▶ Shareholders wishing to trade their ordinary shares on AIM may convert their ordinary shares into DIs. For those shareholders who hold their ordinary shares in LCM Limited on capital account, the capital gains tax (“**CGT**”) implications of this conversion turn on whether the shareholders remain “absolutely entitled” to the ordinary shares they have a beneficial interest in under the depository facility.
- ▶ Where shareholders do remain absolutely entitled to the ordinary shares and hold their ordinary shares on capital account, the conversion of the ordinary shares into DIs should not give rise to a CGT event. Any subsequent disposal of the ordinary shares (including by disposing of the DIs) should be treated as a disposal of the ordinary shares for CGT purposes.
- ▶ Where shareholders do not remain absolutely entitled to the ordinary shares, then the conversion of the ordinary shares into DIs should give rise to a CGT event. The market value of the DIs

received should constitute the capital proceeds arising from the CGT event, such that a capital gain should arise if the market value of the DIs is greater than the tax cost base of the ordinary shares in LCM Limited. A capital loss should arise if the market value of the DIs is less than the tax cost base of the ordinary shares in LCM Limited.

- ▶ We note that the concept of “absolute entitlement” is not defined in tax legislation and has been the subject of great debate given its complexity and lack of clear meaning and guidance. The Board of Taxation noted in its report entitled *Review of the Tax Treatment of Bare Trusts and Similar Arrangements* (June 2017) that there is uncertainty in respect of the meaning of “absolutely entitled” as used within the CGT provisions and called for the introduction of new legislation to clarify the treatment of bare trusts.
- ▶ Notwithstanding this uncertainty, we note that the Commissioner of Taxation has considered similar DI arrangements, and has concluded that under the terms of the DIs, the shareholders remain absolutely entitled to the underlying ordinary shares.¹ Accordingly, based on the information provided to date in respect of the Change in Listing and the recent Class Ruling, we expect that the Commissioner of Taxation would adopt a similar position to that set out in that Class Ruling, such that shareholders who receive DIs remain absolutely entitled to the ordinary shares in LCM Limited and therefore a CGT taxing event should not arise for shareholders converting their ordinary shares into DIs.
- ▶ For completeness, those shareholders who do not convert their LCM Limited ordinary shares into DIs should not have a CGT taxing event.

Impact on LCM Limited’s Tax Attributes

- ▶ We do not consider that the Change in Listing should, of itself, impact LCM Limited’s tax attributes, including LCM Limited’s capacity to utilise its carried forward tax losses, or its ability to utilise its franking balance on the basis we expect the Commissioner of Taxation to treat the shareholders as continuing to be absolutely entitled to the LCM Limited ordinary shares via the DIs (as discussed above).

Dividends

- ▶ We do not expect that the Change in Listing should impact the tax treatment of dividends paid to Australian tax resident shareholders on the basis that the shareholders continue to be “absolutely entitled” to the income. Where LCM Limited pays an unfranked dividend to Australian tax resident shareholders, those tax residents should be required to include the unfranked dividend in their assessable income.
- ▶ Where LCM Limited pays a franked dividend to Australian tax resident shareholders, those tax residents should be required to include the dividend in their assessable income. The assessability of any franking credits, and the entitlement to claim a tax offset, will be dependent on each shareholder’s own particular circumstances.

¹ Refer, for example, to *Class Ruling 2017/10: Income tax: Thinksmart Limited - delisting from ASX and shares converted into Depositary Interests* (“Class Ruling”).

GST and Stamp Duty

- ▶ No adverse GST or Australian stamp duty implications should arise to shareholders as a result of the Change in Listing.

UK Tax Implications

Tax Residence and Permanent Establishment

- ▶ The Change in Listing should not result in LCM Limited being treated as a tax resident of the UK, as trading through a permanent establishment in the UK, nor being treated as trading through a deemed permanent establishment in the UK for the purposes of the UK Diverted Profits Tax.

Corporation Tax

- ▶ LCM Limited should not be subject to UK corporation tax or UK diverted profits tax. Any UK income tax should be limited to UK income tax on any UK sourced income received by LCM Limited, subject to any relevant limitation under the UK/Australia Double Tax Agreement.

Dividends

- ▶ Payments of dividends by LCM Limited should not be subject to deduction in respect of UK income tax nor subject to UK withholding tax.

Stamp Duty and Stamp Duty Reserve Tax

- ▶ When the ordinary shares in LCM Limited are delisted from the ASX and the DIs are created over the ordinary shares in LCM Limited, no liability to UK stamp duty reserve tax or stamp duty should arise on the basis that there is no transfer of beneficial ownership and no consideration is given.
- ▶ On the basis that the DIs are admitted to trading on AIM and are not listed on ASX (or any other stock exchange recognised under section 841 ICTA 1988) at the time of trading, the interests created should be “chargeable securities” for stamp duty reserve tax purposes. However, provided that the DIs are only admitted to trading on AIM (and no other stock market), they should be exempt from both stamp duty reserve tax and stamp duty under the growth market exemption.



EXPERIENCE COUNTS

ACN 608 667 509

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Litigation Capital Management Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **12 noon (Sydney time) on Wednesday, 28 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a shareholder(s) of Litigation Capital Management Limited (Company) and entitled to attend and vote hereby:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **12 noon (Sydney time) on Friday, 30 November 2018 at Piper Alderman Lawyers, Level 23, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 4, 5 and 6: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4, 5 and 6, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Mr Steven McLean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Disapplication of pre-emptive rights (under amended Constitution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – Mr Stephen Conrad	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of subscription for Shares by, and issue of Shares to, Mr Patrick Moloney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval of subscription for Shares by, and issue of Shares to, Mr Stephen Conrad	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval of issue of Shares to Mr Stephen Conrad under Loan Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval of issue of AIM Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

LCA PRX1801D

