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CASL Governance Ltd
CASL Management Pty Limited
CASL Funder Pty Limited

CONFLICTS MANAGEMENT POLICY

CASL GOVERNANCE LTD

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1. INTRODUCTION

1.1. Background

- (a) Australian financial services licence (**AFS licence**) holders are required to have in place adequate arrangements for management of conflicts of interests (section 912A(1)(aa) of the *Corporations Act 2001* (Cth) (**Corporations Act**)).
- (b) ASIC's Regulatory Guide 181 *Licensing: Managing conflicts of interest* (**RG 181**) sets out ASIC's expectations for AFS licence holders for compliance with the obligation to have adequate conflicts management arrangements.
- (c) A business providing financial services to insolvency litigation funding schemes and/or litigation arrangements is exempt from the requirements that would otherwise apply under Chapter 7 of the Corporations Act, but must maintain, for the duration of the scheme or arrangement, adequate practices for identifying and managing any conflicts of interest that may arise.
- (d) ASIC's Regulatory Guide 248 *Litigation schemes and proof of debt schemes: Managing conflicts of interest* (**RG 248**) sets out ASIC's litigation funding-related requirements for management of conflicts of interest.
- (e) This Conflicts Management Policy (the **Policy**) Policy has been created with guidance from, amongst other sources, the Corporations Act, RG 181 and RG 248.

1.2. Purpose and Application

- (a) This document sets out the Policy of:
 - (i) CASL Governance Ltd (**CASL Governance**);
 - (ii) CASL Management Pty Limited (**CASL Management**);
 - (iii) CASL Funding Pty Limited (**CASL Funder**); and
 - (iv) any other present or future related corporate entities.
(collectively **CASL** and each a **CASL Entity**).
- (b) This Policy applies to all of CASL's cases, including those under which:
 - (i) a CASL Entity provides financial services to litigation funding schemes, insolvency litigation funding schemes or litigation funding arrangements, including:
 - funding services for the claim (**Claims Funding**); and/or
 - related management services for the claim (**Claims Management**); and/or
 - in respect of litigation funding schemes, CASL Governance as responsible entity (**Responsible Entity Services**);
 - (ii) a CASL entity provides other financial and/or administrative services for CASL clients (**Other Services**).
- (c) The definitions of an insolvency litigation funding scheme and a litigation funding arrangement are outlined in reg 5C.11.01 of the *Corporations Amendment Regulations 2001* (**Regulations**).

The definition of a litigation funding scheme is outlined in reg 7.1.04N(3) of the Regulations.

- (d) This Policy stipulates the principles, practices and procedures to be followed by the employees, contractors, consultants and directors of CASL in relation to identifying and managing any conflicts of interest that may arise.
- (e) This Policy sets out the procedures adopted by CASL to:
 - (i) identify any conflicts of interest in relation to the provision of actual or potential Claims Funding, Claims Management, Responsible Entity Services or Other Services;
 - (ii) manage those conflicts, including through addressing them in the relevant LMFA or other agreement with its clients;
 - (iii) monitor, review and update this Policy; and
 - (iv) record all conflicts identified by CASL and the steps taken to manage them.
- (f) CASL will continue to implement best practice in relation to conflicts management and ensure that they and their staff fully comply with the Policy at all times.
- (g) Any breaches of this Policy must be reported to the Compliance Officer and CEO.

1.3. Adoption and Review

(a) Adoption

- (i) This Conflicts Management Policy came into effect on 1 September 2020 and was last updated with effect from 4 February 2021.

(b) Review

- (i) CASL will continuously review its current and future business operations to identify and assess any actual, emerging or potential conflicts of interest.
- (ii) This Conflicts Management Policy is to be reviewed by the Compliance Officer at least every 12 months. A report of the review, together with the recommendation, if any, of the Compliance Officer, must be tabled at the next Board meeting held after the report is completed.
- (iii) The Compliance Officer may, in consultation with the Chief Executive Officer, review and recommend amendments to the Policy from time to time to take account of particular conflicts identified in accordance with this Policy or otherwise.

2. WHAT IS A “CONFLICT OF INTEREST”?

2.1. Definition of Conflict of Interest

- (a) The nature of the relationships between the parties involved in funded litigation has the potential to lead to a divergence of interests between the claimants and the interests of the funder, the manager and the lawyers, and in respect of litigation funding schemes, the responsible entity. For example, this divergence of interests may arise as:

- (i) the funder has an interest in minimising the legal and administrative costs associated with the scheme and maximising their financial return;
 - (ii) lawyers have an interest in receiving fees and costs associated with the provision of legal services; and
 - (iii) the claimants have an interest in minimising the legal and administrative costs associated with the claim, minimising the remuneration paid to the funder and manager and maximising the amounts recovered from the defendant.
- (b) The divergence of interests may result in conflicts between the interests of the funder, manager, lawyers and the claimants, and in respect of litigation funding schemes, the responsible entity. These conflicts can be actual or potential, and present or future.
- (c) Conflicts of interest between the funder, manager, lawyers, claimants and/or responsible manager may arise in funded litigation where:
- (i) the lawyers act for both the funder and the claimants;
 - (ii) there is a pre-existing legal or commercial relationship between the funder, manager, lawyers, claimants, defendants or responsible entity;
 - (iii) the funder has control of, or has the ability to control through its contractual rights, the conduct of the proceedings; and/or
 - (iv) any of the responsible entity, funder or manager are entitled to provide instructions to the lawyer in connection with the carriage of the legal proceedings.
- (d) The divergence of interests between the funder, manager, lawyers, claimants and/or responsible manager in funded litigation could affect:
- (i) the recruitment of prospective claimants;
 - (ii) the terms of any funding agreement;
 - (iii) a claim where there are difficulties with the case of the representative party, but not with the cases of other claimants of the class; and
 - (iv) any decision to settle or discontinue the action.

3. RESPONSIBILITIES OF CASL PERSONNEL

- (a) Delegations and responsibilities are to positions and not to individuals.
- (b) All individual positions nominated are responsible for understanding the responsibilities assigned to them and are obligated to execute their responsibilities as outlined within this Policy.

3.1. Investment Managers

- (a) Investment Managers (**IMs**) includes any role designated as Investment Manager, Claim Manager, Litigation Manager, or variations on these with the same or similar role or responsibilities.

- (b) All IMs shall:
- (i) read and become familiar with the Policy;
 - (ii) adhere to the Policy at all times and integrate the Policy in their day-to-day duties;
 - (iii) in respect of actual or prospective funded litigation managed by each IM:
 - ensure that disclosure is made to all actual or prospective funded claimants in accordance with Section 4.3 with this Policy;
 - ensure that the litigation management and funding agreement (**LMFA**) relating to the funded litigation comply with Section 4.5 this Policy;
 - identify and assess any divergent interests between CASL Entities, the funded claimants, any external funder, and the lawyers that gives rise to conflicts which have not already been disclosed to the funded claimants;
 - identify any relationships between CASL Entities, any external funder, any of the lawyers and any funded claimant that require disclosure under Section 4.7 this Policy;
 - advise the Compliance Officer immediately of any conflicts or relationships which have not been disclosed to the funded claimants or any other non-compliance with this Policy of which the IM is aware;
 - assist the CEO in determining and implementing an appropriate response to those conflicts and work with the funded claimants and the lawyers to resolve the conflicts having regard to the principles and procedures set out in this Policy; and
 - provide feedback to the Compliance Officer on the operation of this Policy and assist the Compliance Officer, where requested, in any review or implementation of this Policy.

3.2. The Chief Executive Officer and Compliance Officer

- (a) The Compliance Officer is responsible for monitoring and managing the Policy.
- (b) The CEO is responsible for implementing the Policy.

4. PROCEDURES

4A. Funded Litigation

4.1. Protecting the Interest of Claimants in Funded Litigation

- (a) In this section, the term “**funder**” applies as relevant to the CASL Funder and/or external funder for the funded litigation.
- (b) Whenever a conflict of interest is identified between any CASL Entity, any external funder, lawyers and a funded claimant’s interests in relation to funded litigation and/or related claim management, CASL shall ensure that the claimant’s interests are adequately protected.
- (c) In particular, there may be common directors between the respective CASL Entities, which raises the potential for a conflict of interest and/or duty of and to claimants and each of the CASL Entities. This potential conflict is addressed on the overriding principle that CASL Entities

will act in the claimant's interests.

- (d) In order to minimise the potential for conflicts to arise and to protect funded claimants' interests, CASL ensure that in all funded litigation:
- (i) neither CASL nor its employees (including contractors or consultants) provide legal advice or legal services to claimants;
 - (ii) the disclosed interests of relevant director(s) and officer(s) of CASL Entities are explicitly reviewed to identify any potential divergent interests with the claimant. Any potential divergent interests identified will be discussed with the CEO and an appropriate response determined;
 - (iii) the funded claimant(s) receive sufficient and timely information on any actual or potential conflict;
 - (iv) all funded claimants are to be represented by lawyers (this is to apply to all litigation from the date the funder(s) commences funding);
 - (v) CASL Entities do not hold any material ownership interest in the lawyers;
 - (vi) CASL does not engage the same lawyers to act for it in any respective claim related matter as those that are engaged to act for the claimant, and CASL will not seek to influence the claimant's lawyers to cede control of the claim to CASL, or otherwise to act in breach of their professional duties;
 - (vii) the lawyers' professional and fiduciary duties owed to the funded claimants shall be stated in the LMFA to take precedence over any duties or obligations the lawyers may owe to CASL;
 - (viii) the relevant IM with responsibility for the funded litigation shall identify and assess any conflicts which have not previously been disclosed to the funded claimants or addressed in the LMFA, and shall report all such conflicts to the Compliance Officer and shall implement an appropriate response in relation to any such conflict as agreed with the CEO;
 - (ix) CASL shall provide transparent, fair and independent dispute resolution procedures available to all funded claimants to use as necessary;
 - (x) in the event a conflict arises which cannot be resolved by mutual agreement between, as relevant, CASL Entities, the external funder(s), the funded claimant(s) and the lawyers, the funded claimants shall be informed of their right to utilise the dispute resolution procedures;
 - (xi) in the event there is a pre-existing relationship between CASL and any Representative in any funded class action litigation (in accordance with Section 4.7 of this Policy), such that the Representative cannot fairly represent the interests of the group members, CASL will take all reasonable steps to ensure that the funders will find and fund a new Representative who can so represent the group members' interests and who is appointed in the place of the existing Representative;
 - (xii) CASL will not fund or manage any litigation against an existing funded claimant that may materially detrimentally affect the interests of the funded claimant in relation to their claims unless the funded claimant gives him, her or its informed consent in writing that CASL may do so.

- (xiii) any funds arising from a settlement or judgment are paid into the trust account of the claimant's solicitor or, for litigation funding schemes, the appointed custodian (subject to any court order) and distributed to CASL according to the terms of the LMFA;
 - (xiv) CASL will not enter into any agreements to provide funding for any claims against the company's appointed statutory external auditor or AFS licence compliance auditor (or other professional services provider) unless CASL has commenced steps to replace that auditor;
 - (xv) CASL will not enter into any agreements to provide funding for any claims where the company's appointed statutory external auditor or AFS licence compliance auditor is joined or likely to be joined unless CASL has commenced steps to replace that auditor; and
 - (xvi) Prior to entering into any agreement to provide funding for any claim, the IM will make appropriate enquiries to ensure that all parties involved in the claim or likely to be joined in the claim are appropriately identified and documented so that, should CASL's auditor be named, CASL is properly and fully informed to apply the provisions set out in clauses 4.1(d)(xiv) and 4.1(d)(xv).
- (e) CASL shall, in accordance with section 4.1(d)(ix) above, provide the following dispute resolution procedures in relation to all funded litigation:
- (i) in the LMFA: a provision that if a CASL Entity and/or the external funder(s) (if relevant) wishes to settle the claims but the funded claimant, or the Representative for class action litigation, does not wish to do so or vice versa, then if the dispute cannot be resolved between the parties it is to be referred to the most senior counsel retained by the lawyers (or, if no counsel has been retained, one appointed by the lawyers with the agreement of CASL and the external funder(s) (if relevant) and the funded claimant or, failing this, the President of the New South Wales Bar Association for counsel's binding determination;
 - (ii) in the LMFA: in respect of any other dispute in relation to or arising out of the LMFA (including any dispute in relation to any conflict), CASL, the funder(s) and the funded claimant will, if the dispute cannot be resolved between the parties:
 - first be submitted to the Australian Financial Complaints Authority where appropriate;
 - then submit the dispute, if it cannot be resolved, to a mediation administered by the Australian Disputes Centre; and
 - then if it cannot be resolved by mediation, submit the dispute to binding arbitration conducted by Australian Disputes Centre.
- (f) CASL may amend, supplement or replace any of the above dispute resolution procedures from time to time whilst embracing the principles of a structured and transparent dispute resolution process.

4.2. Procedures for Managing Situations in Which Interests May Conflict

- (a) The IM will monitor for conflicts on an ongoing basis.
- (b) At the time CASL identifies a potential claim for funding, the IM will undertake an initial conflict check. A confirmation of the check will be maintained on the claim file which may be in digital form. Any potential divergent interests or conflicts identified will be reported to and discussed with the CEO and Compliance Officer to determine whether CASL may proceed to investigate

the claim.

- (c) At the time CASL determines that it will provide an offer of Claims Funding or Claims Management to a claimant, the IM will review the claimant's claim and will seek to identify any additional or new interests CASL has that may be divergent to those of the claimant.
- (d) The IM will scrutinize the relevant CASL Director's and Officer's interest registers, and where necessary make enquiry of the relevant director(s) and executive(s) of CASL Entities, prior to provision of Claims Funding or Claims Management, to identify any potential divergent interests between the director(s), officer(s) and the claimant.
- (e) Any potential divergent interests identified will be reported to and discussed with the CEO and Compliance Officer to determine an appropriate response and whether CASL may proceed with the offer.
- (f) The Compliance Officer will document those divergent interests in its Register of Actual or Potential Conflicts of Interest (**Conflicts Register**), and the key agreed outcomes.
- (g) The IM will conduct a quarterly review of each funded claim, with a view to assessing whether a conflict of interest has arisen, or is likely to arise, between CASL's interests and those of a claimant or claimant(s). The review will be documented in the Conflicts Register.
- (h) The IM will report and discuss any conflicts of interest that are identified as part of ongoing monitoring or quarterly review with the CEO and the Compliance Officer, and summarise the agreed key outcomes for the Conflicts Register.
- (i) If the CEO or Compliance Officer considers it necessary, the claim giving rise to the conflict will be referred to the relevant CASL Board and the agreed key outcomes will be summarized in the Conflicts Register.
- (j) The CEO will review the Conflicts Register on a quarterly basis and sign-off that all potential and existing conflicts of interest identified through this Policy have been appropriately addressed and documented.
- (k) Following each quarterly review of the Conflicts Register by the CEO, a statement will be issued to the Board confirming that the review has been completed and the regulation requirements have been met or otherwise.

4.3. Procedures for Disclosure of Conflicts of Interest

General

- (a) Timely identification and disclosure to claimants of actual or potential conflicts (**disclosure**) is a central requirement of this Policy.
- (b) Disclosure may take place in a number of ways and at different times in the course of funded litigation as set out below.
- (c) No disclosure will be made by CASL which contains any misleading or deceptive information.

When is Disclosure to be made?

- (d) If prior to entering a LMFA, CASL has identified that a potential conflict exists, CASL will notify the claimant, via the claimant's lawyers where appropriate, of those potential conflicts and the proposal for managing those conflicts should those potential conflicts arise. The notification

date and a copy of the notification will be filed in the Conflicts Register as well as the claim file.

- (e) If prior to entering a LMFA, CASL has identified that an actual conflict exists, CASL will notify the claimant, via the claimant's lawyers where appropriate, of those conflicts, together with a proposal for managing those conflicts of interest.
- (f) If, during the course of funded litigation, CASL determines that a conflict of interest has arisen, or is likely to arise, between CASL's interests and those of a claimant or claimants, CASL will notify the claimant(s), via their lawyer where appropriate, of the conflict it has identified, and will provide the claimant with a proposal to manage the conflict as follows:
 - (i) in the first instance, CASL will recommend to the claimant(s) they seek independent legal advice in relation to the conflict.
 - (ii) if the conflict cannot be resolved between the parties after CASL has notified the conflict to the claimant(s), CASL's dispute resolution procedure.
- (g) In respect of 4.3(e) and 4.3(f) above, the date the notification and proposal are provided to the claimant will be documented in the Conflicts Register, along with a copy of that notification, the proposal and any subsequent response. The agreed processes (if any) for managing that conflict will also be documented in the Conflicts Register, and procedures will be put in place to adhere to that agreement.

Format of Disclosure

- (h) Disclosure may be made to each prospective funded claimant or funded claimant by letter, email or via a hypertext link to CASL's website and may be made to the public generally through advertising in print or electronic media, by brochures or via CASL's website.
- (i) Disclosures to existing or prospective funded claimants about actual or potential conflicts of interest in relation to funded litigation shall:
 - (i) in most cases be in writing, unless oral disclosure has been approved by the CEO;
 - (ii) be timely, prominent and specific and be provided to the most relevant party or parties;
 - (iii) contain sufficient specific details for claimants to understand the potential impact of the divergent interests on the funded litigation and make an informed decision about how the conflict of interest may affect the service being provided to them;
 - (iv) disclose any relevant relationships between CASL or the funder(s) and the lawyers or any funded claimant and their associated persons and disclose any relevant interests in accordance with Section 4.7;
 - (v) comply with all other relevant sections of this Policy; and
 - (vi) be approved in writing by the CEO in relation to conflict issues prior to publication; and
 - (vii) oral disclosures (in relation to actual or potential conflicts issues in funded litigation) by CASL shall, as far as is reasonably practical, be in accordance with written speaking notes approved in writing by the CEO. This is the least preferred method of disclosure of a conflict and written disclosure should be adopted wherever possible.

When is Disclosure not Required?

- (j) Disclosure of an actual or potential conflict shall not be made where, in the reasonable opinion of the CEO, the source of the conflict is confidential and it would not be in the interests of the funded claimant(s) to disclose that conflict. The CEO shall fully document his or her decision and retain this document as part of the Conflict Register.

Preparation of Disclosure Documents

- (k) The IM with responsibility for the funded litigation shall prepare all written disclosure documents or speaking notes, which will be subject to approval by the CEO.
- (l) Disclosure documents for litigation funding schemes shall be subject to further review and approval in accordance with the scheme's due diligence program and other scheme-specific procedures.

4.4. Procedures for the Recruitment of Prospective Funded Claimants

- (a) The following procedures and principles shall apply to all disclosures in relation to the recruitment of prospective funded claimants to any funded litigation:
 - (i) all disclosures shall comply with Section 4.3 (as relevant) of this Policy;
 - (ii) all disclosures shall comply with applicable legislation and regulatory requirements in the marketing of litigation funding schemes (such as the anti hawking legislation), including any advertising or promotional material which may be published to prospective funded claimants or the public as a whole.
- (b) Disclosures in relation to the recruitment of prospective funded claimants to any funded litigation schemes shall be in accordance with the scheme's constitution, due diligence program, PDS and other scheme-specific procedures as relevant.

4.5. Reviewing the Terms of Litigation Management and Funding Agreements

- (a) All LMFAs relating to any funded litigation are to comply with this Policy and the Laws of New South Wales (or the relevant State jurisdiction as agreed with the CEO) and Australia (the **Laws**) at all times.
- (b) LMFAs may be amended from time to time to ensure they remain compliant with this Policy.
- (c) All LMFAs and amendments to LMFAs are subject to prior approval by the CEO and Compliance Officer:
 - (i) in relation to conflicts management issues, and
 - (ii) in relation to overall legal and commercial drafting.
- (d) A copy of the LMFAs signed by the funded claimant (or the Representative in class action litigation) is to be provided to the Compliance Officer by the IM with responsibility for that funded litigation.
- (e) CASL will ensure that it includes terms within any LMFAs to which it is a party that:
 - (i) Informs claimants of any pre-existing relationship between the CASL Entities, any external funder and the lawyers;

- (ii) Confirms that the Lawyer is retained by the claimants to act for the claimant in the litigation in accordance with their fiduciary and ethical duties;
 - (iii) Confirms the claimant can override any instruction given by a CASL Entity to the Lawyer;
 - (iv) Confirms that if the Lawyer considers they may be in a position of conflict they may:
 - take instructions from or give advice to any claimant, whose instructions will override those of the CASL and may be contrary to the interests of the CASL Entities; and
 - not give CASL advice or act on the CASL's instructions where that advice or those instructions may be contrary to a claimant's interests;
 - (v) Identifies procedures to resolve disputes between the parties to the LMFA, including but not limited to any dispute in relation to settlement.
 - (vi) The procedure that will be applied in reviewing and deciding whether to accept any settlement offer.
 - (vii) In relation to litigation funding schemes, a cooling off period, to enable the potential claimant an opportunity to obtain independent legal advice; and
 - (viii) The terms on which CASL and the claimant, respectively, may terminate the LMFA.
- (f) CASL will provide a prospective claimant with the opportunity to negotiate amendments to the terms of a LMFA, and a reasonable time within which to consider whether or not the claimant wishes to enter into the LMFA with CASL on the terms offered by CASL.

4.6. Procedures for Managing the Relationship between the Lawyers, CASL Entities and the Funded Claimant

- (a) In addition to the matters referred to at section 4.1(d)(iv) to (vii) above, CASL shall disclose, and shall require the lawyers to disclose, to all prospective funded claimants the sources of all fees or other income CASL Entities, funder(s) and the lawyers may receive in relation to the funded litigation, including a budget for the funded litigation for estimated legal costs and disbursements through to the completion of a trial.

4.7. Procedures to address any Pre-existing Relationships between CASL Entities, External Funder(s), the Lawyers and/or the Funded Claimant

- (a) CASL shall disclose, in writing, to all actual or prospective funded claimants any material relationship between CASL Entities, any external funder(s), the lawyers who are retained to act in the funded litigation and any of the funded claimants, including whether the lawyers have previously acted for CASL, or have previously benefited from funding from CASL Funder.
- (b) All disclosures by CASL in relation to the funded litigation will also include, where relevant and where known to CASL:
 - (i) any relationships (outside the provision of services for the litigation) with any other parties to the litigation (including any involvement with any other litigation); and
 - (ii) the sources of any direct or indirect fee or benefit to be paid or given by one party to the funded litigation to another for providing services to, or participating in, that litigation.

- (c) Disclosure by CASL of any relationships or interests between CASL Entities, the external funder, the lawyers and the funded claimants in any funded litigation shall relate to:
 - (i) relationships or interests that are current, proposed or existed in the previous two years; and
 - (ii) any relationships that pre-date the two-year period that is considered sufficiently significant, in the reasonable opinion of the CEO, as to warrant disclosure.
- (d) The Compliance Officer will record in the Conflicts Register the date that the disclosure was provided to the claimant as outlined in 4.7(a)-4.7(b), along with a copy of that correspondence (or a summary of the notes from that meeting). The claimant's response will also be documented in the Conflicts Register.

4.8. Procedures for Settlements

- (a) CASL shall observe the following procedures in relation to settlements of funded litigation (other than settlements to which section 4.8(b) applies). If the funded claimant (or Representative in class action litigation) wishes to settle the funded litigation for less than CASL Governance, CASL Management or the funder(s) considers appropriate or does not wish to settle the litigation when CASL Governance, CASL Management, or the funder(s) considers it appropriate to do so, then:
 - (i) the difference of opinion between CASL Governance, CASL Management, the funder(s) and the funded claimant (Representative in class action litigation) shall be resolved by referring the question to counsel for counsel's opinion on whether the settlement, on the terms and in the circumstances identified by CASL Governance, CASL Management, the funder(s) or the funded claimant (Representative in class action litigation), is reasonable and in the best interests of the claimant, or in the best interests of the claimants as a whole for multiple claimants;
 - (ii) counsel shall be the most senior counsel retained to act in the funded litigation or, if no counsel has been retained, then the lawyers in consultation with CASL Governance, CASL Management, the funder(s) and the funded claimant (the Representative in class action litigation) will appoint a senior counsel for the purpose of this section 4.8;
 - (iii) if no senior counsel is appointed under section 4.8(a)(ii), then one will be appointed by the President of the New South Wales Bar Association;
 - (iv) counsel may proceed as he or she sees fit to inform himself or herself before forming and delivering his or her opinion;
 - (v) if counsel's opinion is that the settlement is reasonable then the funded claimant (Representative in class action litigation) agrees that the lawyers will be instructed to do all that is necessary to settle the funded litigation (subject to any court approval that may be required);
 - (vi) the funder(s) will pay the costs of counsel in providing the opinion as part of the Project Costs as defined in the relevant LMFA; and
 - (vii) counsel may give their advice in writing or orally, but where it is given orally counsel shall also provide it in writing at the earliest opportunity.
 - (viii) The IM will provide a copy of the advice to the Compliance Officer to be filed in the Conflicts Register.

- (b) Where there is a proposed settlement of funded class action litigation which is not the subject of proceedings, the following procedures shall apply:
 - (i) more than 50% by value of claimants funded by the funder(s) whose claims are subject to the proposed settlement must vote in favour of it, with the lawyers to determine the value of each claim for this purpose;
 - (ii) the most senior counsel retained by the lawyers in the funded litigation must also advise that in counsel's opinion the settlement is reasonable and in the best interest of the claimant or claimants as a whole for multiple claimants; and
 - (iii) if no counsel has been retained by the lawyers in the funded litigation, then the lawyers, in consultation with CASL, will appoint a senior counsel for the purpose of this section 4.8(b).
 - (iv) The IM will provide a copy of the correspondence to counsel (or a copy of the notes for the meeting with counsel) and a copy of the advice to the Compliance Officer to be filed in the Conflicts Register.

4B. Other Services

- (c) As with the general principles of conflict management outlined in section 4A of the Policy, CASL will:
 - (i) Design services to minimise the possibility of conflicts before any service commences;
 - (ii) Disclose conflicts to affected parties in a timely and transparent manner if/when they arise or are identified as likely to arise;
 - (iii) Work to resolve conflicts with affected parties in a legal, ethical and transparent manner, acting fairly, seeking outcomes that prioritise the best interests of the client ahead of the interests of CASL; and
 - (iv) Provide fair, transparent and independent dispute resolution procedures if/when required.

5. MONITORING AND REVIEW OF THE CONFLICTS REGISTER, REPORTING TO THE BOARD AND RECORD KEEPING

5.1. Monitoring and Review of the Conflicts Register

- (a) The Compliance Officer will conduct a quarterly review of all existing funded and/or managed cases and of the Conflicts Register in order to ensure that CASL is fully compliant with the Policy, and that the Conflicts Register is current. This review will be documented in the Conflicts Register.
- (b) The Compliance Offer will prepare a report of the quarterly review for the CEO.

5.2. Reporting to the Board

- (a) The CEO will summarise the key conflicts as part of his/her CEO Report to the Board on a quarterly basis. Those conflicts determined as significant by the Compliance Officer will be reported to the Board in this report. These reports will be filed in the Conflicts Register.

5.3. Record Keeping

- (a) The Compliance Officer is responsible for maintaining the written records relating to this Policy (the “Records”):
- (i) a copy of this Policy and of all amendments to this Policy;
 - (ii) details of who is responsible for ensuring compliance with the Policy and associated record-keeping and reporting;
 - (iii) maintaining the Conflicts Register with the written records, including those referred to in this Policy;
 - a record of all divergent interests/potential conflicts reported under this Policy;
 - a record of all actual conflicts reported under this Policy and action taken;
 - a record of all reports provided to the Compliance Officer by IMs or others about conflicts;
 - a copy of all written disclosures provided to actual or prospective funded claimants or the public as a whole;
 - a copy of all written speaking notes used by CASL in relation to any actual or prospective funded litigation;
 - a copy of the LMFA in relation to all funded litigation signed by the funded claimant (or Representative in class action litigation);
 - a copy of correspondence with counsel and counsel’s advice on settlement in relation to funded litigation; and
 - a copy of reviews undertaken by the IMs, Compliance Officer and CEO.
 - (iv) a record of all reviews of this Policy; and
 - (v) a record of all compliance monitoring of the Policy undertaken by the Compliance Officer.
- (b) The Records are to be kept for at least 7 years from each record’s date of creation and may be kept in electronic form.