



SANDHURST CLASS ACTION

FREQUENTLY ASKED QUESTIONS

1. Who is running the litigation?

The litigation is being run by Slater & Gordon Limited ("**Slater & Gordon**") (ASX code: SGH), Australia's largest plaintiff law firm, and the first publicly-listed legal practice in the world. Slater & Gordon has considerable experience in conducting large-scale and shareholder class action litigation in Australia. Slater & Gordon has conducted a detailed investigation into the circumstances surrounding the collapse of Fincorp Investments Limited ("**Fincorp**") and whether the losses suffered by investors relate to any failure on the part of the trustee, Sandhurst Trustees Limited ("**Sandhurst**") to comply with its duties as set out in the *Corporations Act 2001* (Cth) ("**Corporations Act**").

2. Who is the Respondent and what is alleged?

The representative proceeding has been brought on behalf of investors who:

- a. acquired either or both of secured (or first-ranking) debentures and/or unsecured notes (together, "**Fincorp Notes**") on or after 7 December 2004; and
- b. continued to hold part or all of that investment as at 23 March 2007.

("the eligibility criteria")

The proceeding has been commenced against Sandhurst, alleging that it acted in breach of its obligations under section 283DA of the Corporations Act. This section required Sandhurst to exercise reasonable care, skill and diligence to ensure that Fincorp had, or had access to, sufficient funds with which to repay the amounts that it had borrowed from investors. The action will plead that, had Sandhurst complied with its statutory duties and exercised reasonable care, it would have:

- a. applied for court orders preventing further fundraising; and
- b. sought to appoint a Receiver and Manager to Fincorp upon its review of the Second Prospectus prior to 7 December 2004, or alternatively on some later date.

3. What are the damages claimed?

Secured investors have received a dividend from the liquidators of Fincorp (the amount of which varies depending on whether investors selected a cash payment or units in the Becton Office Fund). Unsecured investors have not received any dividend, and have been informed by the liquidators that none will be forthcoming.

The amount that will be claimed from Sandhurst on your behalf will be the balance of your capital outstanding, that is:

- a. the amount left owing to secured investors (after deducting the dividends/payments received; and
- b. 100% for unsecured investors.

In addition, Slater & Gordon will make a claim for the party/party legal costs involved in pursuing compensation, as well as interest on lost capital.

4. What will the claim cost?

Slater & Gordon will act for investors on a No Win-No FeeTM basis. This means that the professional fees that Slater & Gordon charges for the time of its staff will only be payable in the event of a successful outcome.

5. What will Slater & Gordon receive?

If and only if we obtain a successful outcome for you and other investors, we will deduct our professional fees and disbursements from the money received from Sandhurst, and distribute the balance to investors on a pro rata basis, in accordance with any order of the Court, or otherwise pursuant to the advice of Senior Counsel.

Slater & Gordon's legal costs will be calculated on the basis of the commercial hourly rates that are outlined in the Costs Agreement.

6. How long will any legal proceedings take?

We expect that the legal proceedings will take between twelve months and three years.

7. Will my contact and investment details be kept private?

Your personal information will only be used for the purpose of the legal proceedings as required by the court, or by law. In all other cases, we will seek your consent before disclosing any of your personal information. We will not disclose any personal information to third parties, including other clients. A more detailed privacy statement can be found in the Costs Agreement.

8. Will I have to devote time and resources to the legal proceedings?

Initially we will only require you to provide the information referred to in the Acknowledgment and Acceptance Page attached to the Costs Agreement, which relates to investment data. In the unlikely event that any further information is required, this will be advised in writing.

9. Do I need to sign the Slater & Gordon agreements to participate?

Under the *Federal Court of Australia Act 1976* (Cth) it is possible to bring claims on behalf of all Fincorp noteholders that meet the eligibility criteria (open class) or only on behalf of those noteholders who retain Slater & Gordon (closed class).

We confirm that the proceedings have been issued on an open basis against Sandhurst, and accordingly all Fincorp noteholders that meet the eligibility criteria will stand to benefit from the proceeding. However, we will only provide advice and updates to, and accept instructions from, noteholders that retain Slater & Gordon.

10. How do I retain Slater & Gordon to act?

Please request a copy of the Costs Agreement by telephoning our New Client Services department on 1800 555 777, or by sending an e-mail to fincorp@slatertgordon.com.au.