

## **ASX Announcement**

5 September 2019

### **Dispatch of the Retail Offer Booklet for the retail component of Slater & Gordon Limited's 1 for 1.05752 pro rata accelerated non-renounceable entitlement offer**

Slater & Gordon Limited ("Slater & Gordon") (ASX:SGH) refers to its previous announcements regarding its Entitlement Offer on 30 August 2019 and announces today the dispatch of the attached Retail Offer Booklet for the retail component of its Entitlement Offer ("Retail Entitlement Offer").

The Retail Entitlement Offer opens at 9.00am (Melbourne time) today (Thursday, 5 September 2019) and is scheduled to close at 5.00pm (Melbourne time) on Monday, 16 September 2019.

The Retail Entitlement Offer is fully underwritten by Moelis Australia Advisory Pty Ltd. The Retail Entitlement Offer is made at the same offer price and offer ratio as the institutional component of the Entitlement Offer which closed on 30 August 2019.

Eligible retail shareholders can choose to take up all, part or none of their entitlements. Eligible retail shareholders should read the Retail Offer Booklet in full before deciding whether to apply for new shares in Slater & Gordon.

#### **Further Information**

If you have any questions in relation to the Retail Entitlement Offer, please contact the Slater & Gordon Offer Information Line on 1300 381 964 (within Australia) or +61 3 9415 4158 (outside Australia) between 8.30am and 5.00pm (AEST) on Monday to Friday. For other questions you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

ENDS

Contact:

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#### **Important Notice**

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 as amended (the "**US Securities Act**") and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws.



# Retail Entitlement Offer

**SLATER & GORDON LTD**

**ACN 097 297 400**

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Details of a fully underwritten 1 for 1.05752 accelerated pro-rata non-renounceable entitlement offer of new ordinary shares in Slater & Gordon Ltd at an offer price of A\$1.15 per New Share to raise approximately A\$75.6 million

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The Retail Entitlement Offer opens on Thursday, 5 September 2019 and closes at 5.00pm (Melbourne time) on Monday, 16 September 2019 (unless extended)

**This Retail Offer Booklet is an important document and requires your immediate attention. It should be read in its entirety before you decide whether to participate in the Retail Entitlement Offer. If you have any questions about any part of the Retail Offer Booklet you should consult your professional adviser.**

This Retail Offer Booklet is dated Thursday, 5 September 2019.

This Retail Offer Booklet may not be released to US wire services or distributed in the United States or any other country outside Australia or New Zealand.

# Retail Offer Booklet in relation to an underwritten pro-rata non-renounceable Retail Entitlement Offer

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# Important information

Defined terms used in these important notices have the meaning given in this Retail Offer Booklet.

## **NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES**

This Retail Offer Booklet has been issued by Slater & Gordon Ltd ACN 097 297 400 (**SGH**).

The information in this Retail Offer Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

### ***International offer restrictions***

This Retail Offer Booklet may not be released or distributed in the United States. This Retail Offer Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer, invitation or recommendation to subscribe for or purchase any security or financial product and neither this document nor anything attached to this document shall form the basis of any contract or commitment.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. This Retail Offer Booklet is not to be distributed in, and no offer of New Shares may be made, in countries other than Australia and New Zealand. No action has been taken to register or qualify the Retail Entitlement Offer or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

In particular, this Retail Offer Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or any other jurisdiction in which, or to any person to whom, such an offer would be illegal.

The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold directly or indirectly in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

### ***Future performance***

This Retail Offer Booklet may contain certain forward-looking statements. The words *anticipate, believe, expect, project, forecast, estimate, likely, intend, should, could, may, target, plan, consider, foresee, aim, will* and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company. These factors may include changes in consumer demand for the Company's products, damage to brands and associated consumer images under which the Company's products are sold, fluctuations in the value of the Australian dollar, damage to the Company's relationships with its customers, suppliers and service providers, a breach by the Company of its debt covenants, increased competition, loss of key personnel, litigation and disputes, counterparty and credit risk, acquisitions and new business, change in operations, interest rate risk, market price fluctuations, general economic conditions, taxation, regulatory issues and changes in law and accounting policies. There can be no assurance that actual outcomes will not differ materially from these statements.

This Retail Offer Booklet is not financial product or investment advice nor a recommendation to acquire New Shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

The Company is not licensed to provide financial product advice in respect of New Shares. No cooling off regime applies to Applications under the Retail Entitlement Offer.

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company, nor

does it guarantee the repayment of capital from the Company or any particular tax treatment. In considering an investment in New Shares, investors should have regard to (among other things) the risks and disclaimers outlined in this Retail Offer Booklet.

# Key dates

This Retail Offer Booklet is dated Thursday, 5 September 2019

The following are key indicative dates relating to the Entitlement Offer.

Activity	Date
Announcement of the Entitlement Offer	Friday, 30 August 2019
Institutional Entitlement Offer opens	Friday, 30 August 2019
Institutional Entitlement Offer closes	Friday, 30 August 2019
Shares recommence trading	Monday, 2 September 2019
Retail Entitlement Offer Record Date (7.00pm Melbourne time)	Tuesday, 3 September 2019
Retail Entitlement Offer opens	Thursday, 5 September 2019
Retail Offer Booklet and Entitlement and Acceptance Forms dispatched to Eligible Retail Shareholders	Thursday, 5 September 2019
Settlement of Shares issued under the Institutional Entitlement Offer	Monday, 9 September 2019
*Allotment and commencement of trading of Shares issued under the Institutional Entitlement Offer	Tuesday, 10 September 2019
*Retail Entitlement Offer closes (5.00pm Melbourne time)	Monday, 16 September 2019
*Settlement of New Shares issued under the Retail Entitlement Offer	Thursday, 19 September 2019
*Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 20 September 2019
*Dispatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Monday, 23 September 2019
*Commencement of normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 23 September 2019

The dates marked with an asterisk (\*) are indicative only and are subject to change. All times refer to Melbourne time.

# Chairman's letter

Dear Shareholder

On behalf of the Directors of Slater & Gordon Ltd (**SGH**), I am pleased to invite you to participate in our pro-rata accelerated non-renounceable Retail Entitlement Offer.

SGH proposes to raise approximately A\$75.6 million via a fully underwritten pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**).

As announced to ASX on 2 September 2019, SGH has completed the institutional offer component of the Entitlement Offer (**Institutional Entitlement Offer**). The Institutional Entitlement Offer did not raise any funds as the lenders under the Company's syndicated facility agreement (**SFA Lenders**), who in aggregate hold approximately 95% of the Company's shares on issue, elected not to take up their entitlements under the Institutional Entitlement Offer. However, the SFA Lenders have committed their support for the Entitlement Offer by fully sub-underwriting the Entitlement Offer in the proportion equivalent to their current debt under the Company's syndicated facility. The sub-underwritten amount totalling up to A\$75.6 million will be received by SGH on the settlement of the retail component of the Entitlement Offer (**Retail Entitlement Offer**).

Under the Retail Entitlement Offer, SGH is offering to Eligible Retail Shareholders 1 New Share for every 1.05752 Existing Shares already held. The issue price is A\$1.15 per New Share, which represents a discount of approximately 23.3%% to the closing price of the Shares on ASX of A\$1.50 on 29 August 2019, the last day the Shares traded on ASX before the Entitlement Offer was announced, and a 13.5% discount to the TERP, the theoretical ex-rights price.

If you take up your Entitlement in full, you may also apply for Additional New Shares under the Top-Up Facility (refer to Section 1.3 of this Retail Offer Booklet for more information).

The Entitlement Offer is fully underwritten by the Underwriter, Moelis Australia Advisory Pty Ltd.

The Retail Entitlement Offer will raise approximately A\$3.8 million.

The proceeds from the Entitlement Offer of approximately A\$75.6 million will be used to repay certain debt and associated fees owed by SGH to the SFA Lenders, fund transaction costs and for general working capital.

Details of the Retail Entitlement Offer and how to participate and take advantage of the Retail Entitlement Offer can be found in this Retail Offer Booklet. The closing date for the receipt of your Entitlement and Acceptance Form and Application Monies for the Retail Entitlement Offer is 5.00pm (Melbourne time) on Monday, 16 September 2019. If you decide to take this opportunity to increase your investment in the Company please ensure that, before this time, your completed Entitlement and Acceptance Form and Application Monies are received by the Share Registry, Computershare Investor Services Pty Limited, or you have paid your Application Monies through BPAY® in accordance with the instructions set out in the enclosed Entitlement and Acceptance Form and 'Required Actions' Section of this Retail Offer Booklet.

For further information, I urge you to read the Investor Presentation which is included in this Retail Offer Booklet and also contains a summary of some of the key risks associated with an investment in the Company. Shareholders who are in any doubt as to how they should respond to this Retail Entitlement Offer should consult their stockbroker, accountant, solicitor or other independent professional adviser.

If you require further assistance in relation to the details of the Entitlement Offer, please do not hesitate to contact the SGH Offer Information Line on 1300 381 964 (within Australia) or +61 3 9415 4158 (from outside Australia) at any time between 8.30am to 5.00pm (Melbourne time), Monday to Friday, during the Offer Period.

We look forward to your consideration of this Retail Entitlement Offer and your continued support.

Yours faithfully

A handwritten signature in black ink, appearing to read "James MacKenzie". The signature is written in a cursive style with a prominent initial 'J'.

James MacKenzie  
Chairman  
Slater & Gordon Ltd

# Summary of options available to you

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- take up all of your Entitlement and, if you wish, also apply for Additional New Shares under the Top-Up Facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for that lapsed Entitlement.

The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Monday, 16 September 2019.

Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer.

Options available to you	Key considerations
1. Take up all of your Entitlement	<ul style="list-style-type: none"> <li>• You may elect to apply for New Shares at the Issue Price (see Section 2 for instructions on how to take up your Entitlement).</li> <li>• The New Shares will rank equally in all respects with Existing Shares.</li> <li>• If you take up all of your Entitlement, you may also apply for Additional New Shares under the Top-Up Facility (see Section 2 for instructions on how to apply for Additional New Shares). There is no guarantee that you will be allocated any Additional New Shares under the Top-Up Facility.</li> </ul>
2. Take up part of your Entitlement	<ul style="list-style-type: none"> <li>• If you do not take up your Entitlement in full, those Entitlements not taken up will lapse and you will not receive any payment or value for them.</li> <li>• You will not be entitled to apply for Additional New Shares under the Top-Up Facility.</li> <li>• If you do not take up your Entitlement in full, you will have your percentage holding in SGH reduced as a result of the Entitlement Offer.</li> </ul>
3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	<ul style="list-style-type: none"> <li>• If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means your Entitlements are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred.</li> <li>• If you do not take up your Entitlement you will have your percentage holding in SGH reduced as a result of the Entitlement Offer.</li> </ul>

# Entitlement Offer overview

## 1. Details of the Entitlement Offer

### 1.1 The Entitlement Offer

The Company is conducting a fully underwritten 1 for 1.05752 pro-rata accelerated non-renounceable entitlement offer to Shareholders as at the Record Date in Australia or New Zealand at the Issue Price of A\$1.15 per New Share.

#### *Institutional Entitlement Offer*

On 2 September 2019, the Company announced that it had completed the Institutional Entitlement Offer, which did not raise any funds, but is fully underwritten to a total of A\$71.8 million, which will be received by SGH on settlement of the Retail Entitlement Offer.

#### *Retail Entitlement Offer*

Each Eligible Retail Shareholder is entitled to subscribe for 1 New Share for every 1.05752 Existing Shares held on the Record Date. The Retail Entitlement Offer is non-renounceable. This means that Shareholders who do not take up their Entitlements by 5.00pm (Melbourne time) on the Closing Date of Monday, 16 September 2019, will not receive any payment or value for those Entitlements, and their proportionate equity interest in the Company will be diluted.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Fractional entitlements to New Shares have been rounded up to the nearest whole number of New Shares.

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares, including in respect of entitlement to dividends. If you take no action you will not be allocated any New Shares and your Entitlement will lapse.

To qualify for the Retail Entitlement Offer, you must:

- (a) be registered as a Shareholder at 7.00pm (Melbourne time) on the Record Date;
- (b) have an address in Australia or New Zealand as recorded on the Company's share register as at the Record Date;
- (c) not have received an offer (other than as nominee) under the Institutional Entitlement Offer (and not have been treated as an ineligible institutional Shareholder under the Institutional Entitlement Offer); and
- (d) be eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other formal offer document to be lodged or registered,

#### **(Eligible Retail Shareholder).**

Retail Shareholders who are not Eligible Retail Shareholders are '**Ineligible Retail Shareholders**'. SGH reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to obtain independent professional advice as to how to proceed.

The Company may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional Shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer or to other retail Shareholders (subject to compliance with relevant laws).

By receiving this Retail Offer Booklet, you will be taken to have acknowledged and agreed that determination of eligibility of investors for the purposes of the institutional or retail offer components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company, and each of the Company and the Underwriter and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

## **1.2 Purpose of the Entitlement Offer**

The net proceeds of the Entitlement Offer will be used to repay certain debt and associated fees owed by SGH, fund transaction costs and for general working capital.

Further details regarding the use of funds are set out in the Investor Presentation.

## **1.3 Top-Up Facility**

Eligible Retail Shareholders who take up their Entitlements in full may also apply for Additional New Shares in a 'top-up' facility (**Top-Up Facility**). Please note that New Shares in excess of Entitlements will only be allocated to Eligible Retail Shareholders if and to the extent that the Company determines in its absolute discretion based on the Allocation Policy outlined below.

Any New Shares in excess of Entitlements will be limited by the Allocation Policy and also to the extent that there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements. Subject to the following, the Company may apply any scale-back (in its absolute discretion).

### ***Allocation Policy***

The Allocation Policy is that each Eligible Retail Shareholder that:

- (a) takes up their Entitlement in full; and
- (b) subscribes for Additional New Shares under the Top-Up Facility,

will be allocated a number of Additional New Shares that is the number of Additional New Shares subscribed for by that Eligible Retail Shareholder capped at a maximum of 50% of the Eligible Retail Shareholder's Entitlement.

In addition, Eligible Retail Shareholders should be aware that:

- (a) there is no guarantee that any application in the Top-Up Facility will be successful and the Company reserves the right to issue any shortfall by way of the Top-Up Facility or by other means and reserves the right to satisfy applications in the Top-Up Facility at its sole and complete discretion, including by applying any scale-back mechanism;
- (b) the Top-Up Facility has the same closing date as the Retail Entitlement Offer (being, Monday, 16 September 2019);
- (c) the issue price of Additional New Shares under the Top-Up Facility is the same as the Issue Price, A\$1.15 per Additional New Share; and
- (d) the Company will not issue Additional New Shares under the Top-Up Facility where to do so would result in a breach of its constitution, the Corporations Act or the ASX Listing Rules.

### ***Scale-back***

If there are oversubscription applications under the Top-Up Facility, the Company reserves the right to scale back applications for Additional New Shares on an equitable basis.

In the event of a scale-back, the difference between the Application Monies received, and the number of Additional New Shares allocated to you multiplied by the Issue Price will be refunded following allotment. No interest will be paid on any Application Monies received and returned.

## **1.4 Underwriting**

The Entitlement Offer is fully underwritten by the Underwriter, Moelis Australia Advisory Pty Ltd, subject to the terms and conditions of the Underwriting Agreement dated 30 August 2019. Please refer to Section 9 for further details.

It is important to note that the Underwriter will be acting for, and providing services to, the Company in relation to the Entitlement Offer and will not be acting for or providing services to Shareholders. The Underwriter has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with the Company. The engagement of the Underwriter by the Company is not intended to create any agency or other relationship between the Underwriter and Shareholders.

## **1.5 Issue of New Shares**

New Shares under the Retail Entitlement Offer are expected to be issued on or around Friday, 20 September 2019 (subject to variation at the discretion of the Company). Fractional entitlements to New Shares will be rounded up to the nearest whole number of New Shares.

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

## **1.6 ASX quotation**

The Company has applied for official quotation of New Shares issued under this Retail Offer Booklet. If permission for quotation is not granted by ASX, the New Shares will not be issued and Application Monies will be refunded (without interest) as soon as practicable.

## **1.7 Application Monies**

Until New Shares are issued, the Company will hold the Application Monies in one or more bank accounts in Australia. The account(s) will be established and kept solely for the purpose of depositing Application Monies and retaining those funds for as long as required.

Any interest accrued on Application Monies will not be paid to the relevant Eligible Retail Shareholder, including if the Retail Entitlement Offer is cancelled or withdrawn.

## **1.8 Market prices for Shares on ASX**

The lowest and highest market prices of Shares on ASX during the three months immediately preceding the announcement of the Entitlement Offer on 30 August 2019 were A\$1.415 and A\$1.90 respectively. The Issue Price of A\$1.15 per New Share represents a 23.3% discount to the closing price of the Company's Shares on ASX on 29 August 2019, which was the last day Shares traded on the ASX before the announcement of the Entitlement Offer and a 13.5% discount to TERP, the theoretical ex-rights price.

## **1.9 Foreign Shareholders**

The New Shares being offered under this Retail Offer Booklet are being offered to Shareholders with registered addresses in Australia or New Zealand.

The Retail Entitlement Offer will not be offered to Ineligible Retail Shareholders. The Company has determined that it is not economically viable to make offers to Ineligible Retail Shareholders due to the cost of meeting compliance requirements with securities laws in each applicable jurisdiction in which Ineligible Retail Shareholders reside. The Company reserves the right in its absolute discretion to offer the Retail Entitlement Offer to a Shareholder with an address in the Company's share register outside Australia or New Zealand if the Company is satisfied that it is not precluded from lawfully issuing New Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable.

This Retail Offer Booklet does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register the New Shares or otherwise permit an offering of New Shares in any jurisdiction outside of Australia or New Zealand.

The distribution of this Retail Offer Booklet outside Australia or New Zealand may be restricted by law. In particular, this document or any copy of it must not be distributed or released in the United States. If you come into possession of this Retail Offer Booklet, you must observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

Please refer to Section 7 of this Retail Offer Booklet for further information in relation to the foreign jurisdictions in which this Retail Entitlement Offer may be made.

### **1.10 Nominees and custodians**

Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participated under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter from the Company. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not); or
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer.

Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Booklet or accept the Retail Entitlement Offer on behalf of any person in the United States, or any other jurisdiction outside Australia or New Zealand, except to beneficial shareholders who are institutional or professional investors in certain foreign countries to the extent contemplated in the 'Appendix B – International Offer Restrictions' section of the Investor Presentation or as the Company may otherwise permit in compliance with applicable law. The Company is not required to determine whether or not any registered shareholder is acting as a nominee or the identity or residence of any beneficial owners of Existing Shares.

### **1.11 Taxation implications**

You should be aware that there may be taxation implications associated with participating in the Retail Entitlement Offer and receiving New Shares (and any Additional New Shares). The taxation consequences of participating in the Retail Entitlement Offer and/or receiving New Shares (and any Additional New Shares) may vary depending on the individual circumstances of each Shareholder.

Please refer to Section 8 of this Retail Offer Booklet for a general discussion of the Australian tax consequences of the Retail Entitlement Offer for Eligible Retail Shareholders resident in Australia and who hold their Shares as capital assets.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Retail Offer Booklet.

### **1.12 Risks**

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows, distributions, growth prospects and Share price. The key risk factors are set out in the 'Appendix A – Risk Factors' section of the Investor Presentation included in this Retail Offer Booklet.

### **1.13 Regular reporting and disclosure**

The Company is a 'disclosing entity' for the purposes of the Corporations Act and accordingly is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing

Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market. In particular, the Company has an obligation (subject to a limited exception) to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities. All announcements made by the Company to ASX are available from ASX's website ([www.asx.com.au](http://www.asx.com.au)) and from the Company's website ([www.slatergordon.com.au](http://www.slatergordon.com.au)).

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half yearly financial statements accompanied by a directors' statement and report, and an audit or review report. These reports are released to ASX and published on the Company and ASX websites. You should also have regard to any further announcements which may be made by the Company to ASX after the date of this Retail Offer Booklet.

#### **1.14 Rights and liabilities attaching to New Shares**

New Shares and any Additional New Shares issued under this Retail Offer Booklet will be fully paid ordinary shares in the capital of the Company and will rank equally with all Existing Shares, including for any dividend paid after the date of issue of the New Shares.

The rights and liabilities attaching to Shares are set out in the Company's constitution and are regulated by the Corporations Act, the general law, the ASX Listing Rules and the ASX Settlement Rules. The constitution may only be varied by a special resolution passed in a general meeting by 75% of the vote cast by Shareholders present (and entitled to vote) at the meeting.

#### **1.15 Disclaimer**

No person is authorised to give any information or make any representation in connection with the Retail Entitlement Offer described in this Retail Offer Booklet, which is not contained in this Retail Offer Booklet. Any information or representation not contained in this Retail Offer Booklet may not be relied on as having been authorised by the Company in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Retail Offer Booklet.

#### **1.16 Financial amounts**

Money as expressed in this Retail Offer Booklet is in Australian dollars unless otherwise indicated. Any discrepancies between totals in tables and sums of components in tables in this Retail Offer Booklet and between those figures and figures referred to in other parts of this document may be due to rounding.

#### **1.17 Privacy**

Chapter 2C of the Corporations Act requires information about you as a Shareholder (including your name, address and details of your Shares) to be included in the public register of members of the Company. Information is collected to administer your Shares. Your personal information may be disclosed to the Company. You can obtain access to your personal information by contacting the Share Registry at the address or telephone number listed in the corporate directory. The Share Registry's privacy policy is available on its website [www.computershare.com/au](http://www.computershare.com/au).

#### **1.18 Governing Law**

This Retail Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each Applicant for New Shares (including any Additional New Shares) submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

## 2. Required Actions

### 2.1 Eligible Retail Shareholders – Australia and New Zealand

If you are an Eligible Retail Shareholder you may:

- (a) take up all of your Entitlement and, if you wish, also apply for Additional New Shares under the Top-Up Facility;
- (b) take up part of your Entitlement and allow the balance to lapse; or
- (c) decline to exercise your Entitlement, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are an Eligible Retail Shareholder and wish to take up all or part of your Entitlement, or you wish to also apply for Additional New Shares:

- (a) read this Retail Offer Booklet in full;
- (b) consider the risks associated with the Entitlement Offer, as summarised in the 'Appendix A – Risk Factors' section of the Investor Presentation included in this Retail Offer Booklet, in light of your personal circumstances;
- (c) decide whether to participate in the Retail Entitlement Offer; and
- (d) make payment and apply for New Shares by either:

#### **Mail**

Complete the Entitlement and Acceptance Form accompanying this Retail Offer Booklet in accordance with the instructions set out on the form. If you have not received an Entitlement and Acceptance Form please call the Share Registry on 1300 381 964 (within Australia) or +61 3 9415 4158 (outside Australia).

Return the completed Entitlement and Acceptance Form together with payment in accordance with Section 2.2, using the enclosed envelope or to the following address so that it is received by no later than 5.00pm (Melbourne time) on Monday, 16 September 2019 (or such other date as may be determined by the Company):

*Australia & New Zealand* – By mail – postal delivery

Delivery address:       Computershare Investor Services Pty Limited  
                                  GPO Box 505  
                                  Melbourne, Victoria 3001 Australia

Completed Entitlement and Acceptance Forms and Application Monies will not be accepted at the Company's registered office.

#### **BPAY®**

Make payment through BPAY® in accordance with the instructions in this Retail Offer Booklet on the Entitlement and Acceptance Form.

If you pay by BPAY® you do not need to return the Entitlement and Acceptance Form.

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required. If mailed from New Zealand, correct postage must be affixed. Eligible Retail Shareholders in New Zealand should ensure that their Entitlement and Acceptance Form and Application Monies are mailed early to ensure they arrive at the postal address specified above by 5.00pm (Melbourne time) on Monday, 16 September 2019 (or such other date as may be determined by the Company).

### 2.2 Payment

The Issue Price of A\$1.15 per New Share is payable on exercise of your Entitlement. For all Australian and New Zealand Eligible Retail Shareholders payments must be received by 5.00pm (Melbourne time) on Monday, 16 September 2019 (or such other date as may be determined by the Company).

Shareholders should be aware of the time required to process payments by cheque, money order, bank draft and BPAY® in choosing the appropriate application and payment method.

Payment will only be accepted in Australian currency and must be:

- (a) by cheque, money order or bank draft drawn on an Australian financial institution, made payable to 'Slater & Gordon Limited' and crossed 'Not Negotiable'; or
- (b) through the BPAY® facility according to the instructions set out on the Entitlement and Acceptance Form.

Cash will not be accepted. Receipts for payment will not be issued. If you provide insufficient funds to meet the Application Monies due to take up all or part of your Entitlement, you may be taken by the Company to have applied for such lower number of New Shares as your cleared Application Monies will pay, or your Application may be rejected.

If you pay for more than your full Entitlement, you are deemed to have applied for as many Additional New Shares as your excess amount will pay for in full (subject to the Allocation Policy and any scale-back determined by the Company in its absolute discretion).

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will be refunded to you as soon as practicable (only where the amount is A\$5.00 or greater). You are not entitled to any interest that accrues on any Application Monies received or returned (wholly or partially).

*Eligible Retail Shareholders may pay through BPAY®*

Australian Eligible Retail Shareholders and New Zealand Eligible Retail Shareholders with an Australian bank account may pay through BPAY®. Payment by BPAY® should be made in accordance with the instructions set out in the Entitlement and Acceptance Form using the reference number shown on that form and must be received by no later than 5.00pm (Melbourne time) on Monday, 16 September 2019 (or such other date as may be determined by the Company). Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment. Applicants should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on the front of your Entitlement and Acceptance Form. If you receive more than one Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. You must use the reference number shown on each Entitlement and Acceptance Form to pay for each holding separately. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for New Shares (and Additional New Shares) on the Entitlement to which that Customer Reference Number applies. If you pay by BPAY® and do not pay for your full Entitlement, your remaining Entitlements will lapse.

**If you make your payment by BPAY® you do not need to lodge the Entitlement and Acceptance Form.**

Your completed Entitlement and Acceptance Form or BPAY® acceptance, once received by the Share Registry, cannot be withdrawn.

## **2.3 Declining all or part of your Entitlement**

If you decide not to take up all or part of your Entitlement, the Entitlement which is unexercised will lapse and may be taken up by the Underwriter (or by persons they nominate, including sub-underwriters) or by Eligible Retail Shareholders under the Top-Up Facility. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and cannot be traded on the ASX nor any other financial markets, nor can it be privately transferred.

If you decide not to participate in the Retail Entitlement Offer, you do not need to fill out or return the accompanying Entitlement and Acceptance Form. By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Your interest in the

Company will also be diluted to the extent that New Shares are issued under the Entitlement Offer.

## **2.4 Ineligible Retail Shareholders**

If you are an Ineligible Retail Shareholder, you may not take up any of, or do anything in relation to, your Entitlement under the Retail Entitlement Offer.

## **2.5 Warranties made on acceptance of Retail Entitlement Offer**

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting, are an Eligible Retail Shareholder or otherwise eligible to participate.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Retail Shareholder;
- (b) you are not in the United States and you are not acting for the account or benefit of any person in the United States in connection with the subscription for Entitlements or the purchase of New Shares (including any Additional New Shares) in the Retail Entitlement Offer and you are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements and New Shares (including any Additional New Shares) under the Retail Entitlement Offer and under any applicable laws and regulations;
- (c) you understand that the Entitlements and the New Shares (including any Additional New Shares) have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand. Accordingly, you understand and acknowledge that, under the Retail Entitlement Offer, the Entitlements and the New Shares (including any Additional New Shares) may not be issued to, taken up, acquired or exercised by persons who are, or are acting for the account or benefit of, a person in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States);
- (d) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent that such person holds Shares and is acting for the account or benefit of a person in the United States), and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person;
- (e) you are acquiring New Shares (including any Additional New Shares) outside the United States in 'offshore transactions' as defined and in reliance on Regulation S under the US Securities Act;
- (f) you and each person on whose account you are acting have not and will not send any materials, or copies thereof, relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- (g) you acknowledge that you have read and understand this Retail Offer Booklet and your Entitlement and Acceptance Form in their entirety;
- (h) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet, and the Company's constitution;
- (i) you authorise the Company to register you as the holder(s) of New Shares (including any Additional New Shares) allotted to you;
- (j) you declare that all details and statements in your Entitlement and Acceptance Form are complete and accurate;

- (k) if you are a natural person, you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under your Entitlement and Acceptance Form;
- (l) you acknowledge that after the Company receives your Entitlement and Acceptance Form or any payment of Application Monies through BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- (m) you agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies through BPAY®, at the Issue Price;
- (n) you authorise the Company, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares (including any Additional New Shares) to be issued to you, including to act on instructions of the Share Registry on using the contact details set out in your Entitlement and Acceptance Form;
- (o) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- (p) you acknowledge that the information contained in this Retail Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (q) you acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (r) you acknowledge the statement of risks in the 'Appendix A – Risk Factors' section of the Company's Investor Presentation included in this Retail Offer Booklet, and that investments in the Company are subject to risk;
- (s) you acknowledge that none of the Company, the Underwriter, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (t) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (u) you authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (v) you represent and warrant (for the benefit of the Company, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are an Eligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (w) you acknowledge and agree that determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer was made by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and/or the Underwriter, and each of the Company and the Underwriter and their respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;
- (x) you represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and your Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares (including any Additional New Shares) and that you are otherwise eligible to participate in the Retail Entitlement Offer; and

- (y) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in the regular way transactions on the ASX are conducted or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States.

If you take up and pay for all or part of your Entitlement before the Closing Date, you will be issued your New Shares on Friday, 20 September 2019. If you apply for Additional New Shares under the Top-Up Facility then, to the extent your application for Additional New Shares is accepted (in whole or part), you will be issued the Additional New Shares on the same day. The Company's decision on the number (if any) of Additional New Shares to be allocated to you will be final and binding.

## **2.6 Refunds**

Any Application Monies received for more than your final allocation of New Shares and any Additional New Shares will be refunded as soon as practicable after the Closing Date (except where the amount is less than A\$5.00). No interest will be paid to Applicants on any Application Monies received or refunded.

## **2.7 Withdrawals**

You cannot, in most circumstances, withdraw your Application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares or any Additional New Shares.

## **2.8 Confirmation of your Application and managing your holding**

You may access information on your holding, including your Record Date balance and the issue of New Shares from this Retail Entitlement Offer, and manage the standing instructions the Share Registry records on your holding on the Share Registry website, [www.computershare.com/investor](http://www.computershare.com/investor). To access the Investor Centre section of this website you will need your SRN or HIN and you will need to pass the security challenge on the site.

# ASX Announcement

*Not for release to US wire services or distribution in the United States*

## **ASX Announcement**

30 August 2019

### **Slater & Gordon Limited announces \$75.6m pro rata accelerated non-renounceable entitlement offer**

**Slater & Gordon Limited** (“**Slater & Gordon**” or “**the Company**”) (**ASX:SGH**) today announced action to reduce net borrowings and strengthen the balance sheet.

#### **Entitlement Offer**

Slater & Gordon will undertake a \$75.6 million fully underwritten 1 for 1.05752 pro rata accelerated non-renounceable entitlement offer (“Entitlement Offer”).

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new Slater & Gordon share (“New Share”) for every 1.05752 existing Slater & Gordon shares held as at 7:00pm (Sydney time) on Tuesday, 3 September 2019 (“Record Date”).

All shares offered under the Entitlement Offer will be issued at a price of \$1.15 per New Share, which represents a 13.5% discount to the theoretical ex-rights price of \$1.33 on Thursday, 29 August 2019.

Approximately 65.7 million New Shares will be issued under the Entitlement Offer. New Shares will rank equally with existing Slater & Gordon shares on issue.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on the ASX or be otherwise transferable. Shareholders who do not take up their full entitlement will not receive any payment or value in respect of entitlements they do not take up and their percentage equity interest in Slater & Gordon will be diluted.

The Entitlement Offer is fully underwritten by Moelis Australia Advisory Pty Ltd.

#### **Debt Facility and Balance Sheet Impact**

Proceeds from the Entitlement Offer will be used to completely repay the Company's existing \$64.4m Syndicated Facility and associated fees. Net debt is expected to be reduced to \$72 million, and pro forma FY19 net debt / EBITDA is expected to be reduced to 4.4x.

#### **Participation by existing Syndicated Facility Agreement Lenders**

Each of the lenders to the Company under its existing Syndicated Facility Agreement (the “SFA Lenders”), including major shareholder Anchorage Capital Group, LLC (“Anchorage”), has committed to support the Entitlement Offer as follows:

- each SFA Lender has confirmed that they are not electing to take up their existing entitlements under the institutional component of the Entitlement Offer. Those entitlements will be made available to new and existing investors under the Institutional Entitlement Offer and existing investors under the Retail Entitlement Offer (if applicable). The SFA Lenders currently hold an aggregate of approximately 95.0% of the Company's shares on issue;
- each SFA Lender has sub-underwritten the Entitlement Offer in the proportion equivalent to their current debt under the Company's Syndicated Facility;

- the value of the New Shares issued to SFA Lenders under their sub-underwriting commitments plus cash proceeds received under the Entitlement Offer will be used to repay all debts and associated fees under the Syndicated Facility; and
- in addition, all warrants previously issued to certain SFA Lenders in connection with the Syndicated Facility will be converted to ordinary shares upon completion of the Entitlement Offer.

### Indicative Timetable

Trading halt and Announcement of Entitlement Offer	Friday, 30 August 2019
Institutional Entitlement Offer opens and closes	Friday, 30 August 2019
Trading recommences on an ex-entitlement basis	Monday, 2 September 2019
Record Date	7:00pm, Tuesday, 3 September 2019
Dispatch of Retail Offer Booklet and Retail Entitlement Offer opening date	Thursday, 5 September 2019
Settlement of Institutional Entitlement Offer	Monday, 9 September 2019
Issue and ASX quotation of New Shares issued under the Institutional Entitlement Offer	Tuesday, 10 September 2019
Retail Entitlement Offer closing date	Monday, 16 September 2019
Announcement of any shortfall from the Retail Entitlement Offer	Before 10am on Thursday, 19 September 2019
Settlement of Retail Entitlement Offer	Thursday, 19 September 2019
Issue of New Shares under the Retail Entitlement Offer	Friday, 20 September 2019
Trading on a normal basis for New Shares issued under the Retail Entitlement Offer and dispatch of holding statements	Monday, 23 September 2019

All dates and times after the Record Date are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Standard Time (AEST). Any changes to the timetable will be posted on Slater & Gordon's website at [www.slaterandgordon.com.au](http://www.slaterandgordon.com.au).

### Further Information

Further details on the Entitlement Offer are set out in the Investor Presentation also provided to ASX today. Details of Slater & Gordon's FY 2019 financial performance are set out in separate announcements also lodged with ASX today. These documents contain important information, including key risks, with respect to the Entitlement Offer.

ENDS

Contact:

Kate Van Poelgeest – National Media and Communications Manager

(07) 3391 9720 or [kate.vanpoelgeest@slatergordon.com.au](mailto:kate.vanpoelgeest@slatergordon.com.au)

**Not for release or distribution in the United States**

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

# Investor Presentation

# Entitlement Offer

August 2019

Not for release to US wire services or distribution in the United States

## Important notice and disclaimer

### IMPORTANT NOTICE AND DISCLAIMER

The following notice and disclaimer applies to this investor presentation (Presentation or document) and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation. By accepting this Presentation you represent and warrant that you are entitled to receive the Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

This Presentation has been prepared and is issued by Slater & Gordon Limited ACN 097 297 400 (SGH) and is dated 30 August 2019 in relation to a proposed 1 for 1.05752 pro rata accelerated non-renounceable entitlement offer of new fully paid shares in SGH (New Shares) to certain eligible shareholders (Entitlement Offer) to raise approximately \$75.6 million. The Entitlement Offer is being made without disclosure to investors under section 708AA of the Corporations Act as modified by ASIC Corporation (Non-Traditional Rights Issues) Instrument 2018/84.

### Summary information

This Presentation contains summary information about SGH and its activities current as at the date of this presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all information which a prospective investor may require in evaluating a possible investment in SGH or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

The historical information in this Presentation is, or is based on, information that has been released to ASX. This Presentation should be read in conjunction with SGH's other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au).

### Not an offer

This Presentation is for information purposes only and is not an offer or invitation to subscribe for, acquire or buy any securities in SGH, including the New Shares, or any other financial products in any jurisdiction which, or to any person to whom, it would be unlawful to make such an offer or invitation. This Presentation is not a prospectus, product disclosure statement or other disclosure or offer document under the Corporations Act or any other Australian law, and will not be lodged with ASIC or any other financial service regulator.

In particular, this Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Presentation have not been, and will not be, registered under the US Securities Act of 1933 (US Securities Act) or the securities laws of any State or other jurisdiction of the United States. The New Shares may not be offered or sold, directly or indirectly, in the United States or to any person in the United States unless they have been registered under the US Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable US state securities laws.

The distribution of this Presentation (including an electronic copy) in the United States and elsewhere outside Australia and New Zealand may be restricted by law and any such restrictions should be observed. Any non-compliance with these restrictions may contravene applicable securities laws. Please refer to the section of this Presentation headed *International Offer Restrictions* in Appendix B for more information.

### Not financial product advice

This Presentation does not constitute financial product or investment advice or any recommendation to acquire New Shares or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and obtain legal and taxation advice appropriate to their jurisdiction. SGH is not licensed to provide financial product advice in respect of the New Shares or any other financial products. Cooling off rights do not apply to the acquisition of New Shares under the Entitlement Offer.

### Investment risk

An investment in the New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of SGH including loss of income and principal invested. SGH does not guarantee any particular rate of return or performance or any particular tax treatment. You should have regard to the Risk Factors outlined in Appendix A to this Presentation.

### Financial data

All dollar values are in Australian dollars (AS or AUD) unless otherwise stated. Investors should also be aware that financial data in this Presentation include "non-IFRS financial information" under ASIC Regulatory Guide 230 *Disclosing non-IFRS financial information* published by ASIC and also "non-GAAP financial measures" within the meaning of Regulation G under the US Securities Exchange Act of 1934. SGH believes this non-IFRS/non-GAAP financial information provides useful information to users in measuring the financial performance and conditions of SGH. The non-IFRS/non-GAAP financial information do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this Presentation.

### Effect of rounding

A number of figures, amounts, percentages, estimates and calculations of value in this Presentation are subject to the effect of rounding.

### Past performance

Investors should note that past performance and pro forma financial information given in this Presentation is given for illustrative purposes only and should not be relied on as (and is not) an indication of SGH's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of SGH cannot be relied on as an indicator of (and provides no guidance as to) future performance including future share price performance. The historical information in relation to SGH included in this Presentation is, or is based on, information that has previously been released to the market.

### Future performance

This Presentation contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Any indications of, and guidance on, future operating performance, earnings, financial position and performance or production are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements, including projections, guidance on future operations, earnings, estimates or production targets (if any), are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. This Presentation contains statements that are subject to risk factors associated with SGH's business activities. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to earnings, capital expenditure, cash flow and capital structure risks and general business risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including SGH or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Presentation will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Any forward-looking statements in this Presentation speak only as of the date of this Presentation. Subject to any continuing obligations under applicable law or regulation (including the listing rules of ASX), SGH disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this presentation to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

### Disclaimer

The information in this Presentation has been obtained from or based on sources believed by SGH to be reliable. To the maximum extent permitted by law, SGH and Moelis Australia Advisory Pty Ltd (Moelis) (Underwriter) and their respective affiliates, officers, employees, agents and advisers do not make any warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Presentation and disclaim all responsibility and liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

Neither the Underwriter, nor any of its affiliates, related bodies corporate, directors, officers, employees, agents or advisers have authorised, caused or permitted the issue, submission or despatch of this Presentation nor do they make any recommendation as to whether a potential investor should acquire New Shares. None of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by them.

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**2. Offer Details**

**Appendix A – Risk Factors**

**Appendix B – International Offer Restrictions**

**Appendix C – Basis of Preparation**

## Executive Summary

- SGH is taking action to reduce borrowings and strengthen its balance sheet
- Fully underwritten<sup>1</sup> 1 for 1.05752 accelerated pro rata non-renounceable entitlement offer (“Entitlement Offer”) to raise gross proceeds of approximately \$75.6m at \$1.15 per share
  - Gross proceeds of approximately \$75.6m will be used to repay the existing Syndicated Facility
  - Each of the lenders to the Company under its existing Syndicated Facility has confirmed that they are not electing to take up their existing entitlements but are in turn sub-underwriting the Entitlement Offer in the proportion equivalent to their current debt under the Company’s Syndicated Facility
- Offer price of \$1.15 per new share, representing a 13.5% discount to TERP of \$1.33
- Securities issued under the Entitlement Offer will rank equally with existing SGH shares on issue

Sources of funds	(\$m)	Uses of funds	(\$m)
Proceeds from the Offer	75.6	Paydown of Syndicated Facility	75.6
Existing working capital	0.9	Costs associated with the Offer	0.9
<b>Total sources</b>	<b>76.5</b>	<b>Total uses</b>	<b>76.5</b>

<sup>1</sup> Anchorage Capital Group, LLC (“Anchorage”) has agreed to sub-underwrite \$39.6 million of the offer (equivalent to its 52.4% ownership of the debt to be repaid). Anchorage’s ability to acquire shares under this sub-underwriting commitment is reliant upon Foreign Investment Review Board approval being obtained by Anchorage. The Underwriter’s obligation to underwrite the equity raising is subject to customary terms and conditions, including termination rights for the Underwriter in specific circumstances (including for example if Foreign Investment Review Board approval is not obtained by Anchorage on or before 10.00am on 19 September 2019 (being the date of settlement of the Retail Entitlement Offer))

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### Historical and pro forma historical consolidated balance sheet

Pro forma Balance Sheet (A\$000s)	June 2019	Impact of Transaction	June 2019 Pro forma
<b>Assets</b>			
Cash and cash equivalents	12,633	-	12,633
Receivables	83,987	-	83,987
WIP	223,655	-	223,655
Property, plant and equipment	6,630	-	6,630
Intangible assets	2,155	-	2,155
Other assets	9,702	-	9,702
<b>Total assets</b>	<b>338,762</b>	<b>-</b>	<b>338,762</b>
<b>Liabilities</b>			
Payables	58,466	905	59,371
Borrowings	158,649	(74,009)	84,640
Provisions	23,594	-	23,594
Deferred tax liabilities	13,901	-	13,901
<b>Total liabilities</b>	<b>254,610</b>	<b>(73,104)</b>	<b>181,506</b>
<b>Net Assets</b>	<b>84,152</b>	<b>73,104</b>	<b>157,256</b>
Contributed equity	1,351,533	82,124	1,433,657
Reserves	9,933	(7,422)	2,511
Accumulated losses	(1,277,314)	(1,598)	(1,278,912)
<b>Total Equity</b>	<b>84,152</b>	<b>73,104</b>	<b>157,256</b>

### Impact on capital structure

Shares	Number (millions) <sup>1</sup>
Shares on issue as at 30 August 2019	69.5
Shares issued under the Entitlement Offer	65.7
Number of Shares issued on exercise of the Warrants issued under the Company’s syndicated facility agreement	3.9 <sup>1</sup>
<b>Total number of Shares on issue post Entitlement Offer and issue of Shares on exercise of the Warrants</b>	<b>139.1</b>

<sup>1</sup> New Shares issued under the Warrant issue are approximate numbers only. Actual numbers will be determined on or about the date of Issue of New Shares under the Retail Entitlement Offer

# Offer Details

## Details of the Entitlement Offer

<b>Offer structure and size</b>	<ul style="list-style-type: none"> <li>Fully underwritten<sup>1</sup> for 1.05752 pro-rata accelerated non-renounceable entitlement offer to eligible shareholders of SGH to raise total proceeds of approximately \$75.6 million</li> </ul>
<b>Underwriting arrangements</b>	<ul style="list-style-type: none"> <li>The Entitlement Offer is fully underwritten by Moelis Australia</li> </ul>
<b>Offer price</b>	<ul style="list-style-type: none"> <li>\$1.15 per New Share, representing:             <ul style="list-style-type: none"> <li>13.5% discount to TERP of \$1.33</li> <li>23.3% discount to SGH's closing price of \$1.50 on Thursday, 29 August 2019</li> </ul> </li> </ul>
<b>Institutional and retail components</b>	<ul style="list-style-type: none"> <li>Institutional Entitlement Offer is proposed to be conducted on Friday, 30 August 2019             <ul style="list-style-type: none"> <li>Entitlements not taken up under the Institutional Entitlement Offer will be offered to new and existing eligible institutions at the Offer Price via a shortfall bookbuild on Friday, 30 August 2019</li> </ul> </li> <li>The Retail Entitlement Offer is proposed to open on Thursday, 5 September 2019 and to close on Monday, 16 September 2019</li> </ul>
<b>Participation by existing Syndicated Facility Agreement Lenders</b>	<ul style="list-style-type: none"> <li>Each of the lenders to the Company under its existing Syndicated Facility (the "SFA Lenders"), including major shareholder Anchorage Capital Group, LLC ("Anchorage"), has committed to support the Entitlement Offer as follows:             <ul style="list-style-type: none"> <li>each SFA Lender has confirmed that they are not electing to take up their existing entitlements under the institutional component of the Entitlement Offer. Those entitlements will be made available to new and existing investors under the Institutional Entitlement Offer and existing investors under the Retail Entitlement Offer (if applicable). The SFA Lenders currently hold an aggregate of approximately 95.0% of the Company's shares on issue</li> <li>each SFA Lender has sub-underwritten the Entitlement Offer in the proportion equivalent to their current debt under the Company's Syndicated Facility</li> <li>the value of the New Shares issued to SFA Lenders under their sub-underwriting commitments plus cash proceeds received under the Entitlement Offer will be used to repay all debts and associated fees under the Syndicated Facility</li> <li>in addition, all warrants previously issued to certain SFA Lenders in connection with the Syndicated Facility will be converted to ordinary shares upon completion of the Entitlement Offer</li> </ul> </li> </ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"> <li>Proceeds will be used to repay the existing Syndicated Facility</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>New Shares issued will rank equally in all respects with existing SGH shares on issue</li> </ul>
<b>Record date</b>	<ul style="list-style-type: none"> <li>7:00pm, Tuesday, 3 September 2019</li> </ul>

<sup>1</sup> Subject to the Underwriter's customary terms and conditions, including termination rights for the Underwriter in specific circumstances (including, for example, if Foreign Investment Review Board approval is not obtained by Anchorage on or before 10.00am on 19 September 2019 (being the date of settlement of the Retail Entitlement Offer))

Event	Date
Trading halt and Announcement of Entitlement Offer	Friday, 30 August 2019
Institutional Entitlement Offer opens and closes	Friday, 30 August 2019
Trading recommences on an ex-entitlement basis	Monday, 2 September 2019
Record Date	7:00pm, Tuesday, 3 September 2019
Dispatch of Retail Offer Booklet and Retail Entitlement Offer opening date	Thursday, 5 September 2019
Settlement of Institutional Entitlement Offer	Monday, 9 September 2019
Issue and ASX quotation of New Shares issued under the Institutional Entitlement Offer	Tuesday, 10 September 2019
Retail Entitlement Offer closing date	Monday, 16 September 2019
Announcement of any shortfall from Retail Entitlement Offer	Before 10:00am, Thursday, 19 September 2019
Settlement of Retail Entitlement Offer	Thursday, 19 September 2019
Issue of New Shares issued under the Retail Entitlement Offer	Friday, 20 September 2019
Trading on a normal basis for New Shares issued under the Retail Entitlement Offer and dispatch of holding statements	Monday, 23 September 2019

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Standard Time (AEST). Any changes to the timetable will be posted on Slater & Gordon's website at [www.slaterandgordon.com.au](http://www.slaterandgordon.com.au)

## Appendix A – Risk Factors

All investments carry risk, including loss of some or all of the capital invested and failure of investments to generate a positive return. You should carefully consider whether an investment in SGH shares ("New Shares") is a suitable investment for you. Some of the key risks of investing in SGH include those set out below.

### Risks specific to the equity raising

#### **Underwriting risk**

SGH has entered into an underwriting agreement with Moelis Australia Advisory Pty Ltd ("Underwriter") for the Entitlement Offer ("Underwriting Agreement"). The Underwriter's obligation to underwrite the equity raising is subject to customary terms and conditions, including termination rights for the Underwriter in specific circumstances (for example if Foreign Investment Review Board approval is not obtained by Anchorage on or before 10.00am on 19 September 2019 (being the date of settlement of the Retail Entitlement Offer)).

If the Underwriter is entitled to, and does, terminate the Underwriting Agreement, SGH may not otherwise be able to raise sufficient equity capital to meet its obligations and commitments in respect of the repayment of the Syndicated Facility and associated fees, and for all of the intended purposes as set out in this investor presentation.

#### **Discount to issue price**

No assurances can be given that the New Shares offered under the Entitlement Offer will trade at or above the Offer price. None of SGH, its Board or any of other person guarantees the market performance of the New Shares.

### Risks specific to SGH

#### **Conflicts of duties**

As an incorporated legal practice, SGH has a duty to the court, first, and then to its clients. Those duties prevail over SGH's duty to shareholders. There may be instances where SGH and its lawyers, in exercising their duties to the court or to the client (or both), act other than in the best interests of shareholders. An example is in settlement negotiations where SGH's duty to its client would be favoured over any short term cash flow or funding needs of SGH's business.

#### **Regulatory environment**

SGH is subject to significant regulatory and legal oversight in respect to both the conduct of individual legal practitioners employed by SGH and the areas of law in which SGH practises and operates its business. SGH's business operations could be adversely affected by actions of State, Territory and Commonwealth governments. If a legal practitioner employed by SGH commits unsatisfactory professional conduct or professional misconduct, there is the potential for the relevant regulator to take disciplinary action against the individual, SGH's legal practitioner directors and SGH itself. Changes in government legislation, guidelines and regulations associated with SGH's areas of practice, such as decreases in the maximum amount of legal fees which can be recovered or the amount of damages its clients can claim in particular types of matters, could also adversely affect SGH.

#### **Recoverability of Work-in-Progress**

Work in progress ("WIP") represents the value of work that has been undertaken on client matters, that has not yet been billed. The majority of SGH's legal services are provided on a 'No Win- No Fee' basis. In such cases fees are charged only in the event of a successful outcome and given the amount of fees that can be charged to clients are regulated, there is uncertainty around the ultimate recovery of WIP prior to the conclusion of a client's matter. The valuation of WIP in these cases is assessed in accordance with Australian Accounting Standards and is based on a formula involving the stage of progress of the matter and the likelihood of success based on past experience for cases of the relevant type. This exposure is greater in relation to SGH's Project Litigation services as the WIP exposure on a single matter is higher. Although SGH has taken actions to assist in the recoverability of its WIP, such as with its case selection processes and utilisation of litigation funding, and periodically makes provisions for unrecoverable WIP, it is a difficult value to predict and recognise with certainty.

### Risks specific to SGH (cont.)

#### **Personnel**

SGH depends on the talent and experience of its people. In particular, SGH's growth is reliant on its ability to attract, develop and retain high quality lawyers and other professional fee-earning staff. Should any of its key people or a significant number of the other people leave SGH, particularly to work for a competitor, or the development of its staff be unable to deliver the growth for its service offerings, this may have an adverse effect on SGH. It may be difficult to replace key personnel or to do so in a timely manner or at comparable expense.

#### **Professional liability and uninsured risks**

The provision of legal advice by SGH gives rise to the risk of potential liability for negligence or other similar client claims. Any such claims may cause financial and reputational damage to SGH. Although SGH maintains professional liability insurance and a dedicated Professional Standards team to mitigate the financial risk, SGH's profitability may be adversely affected in the event that the insurance does not cover a potential claim, the claim exceeds the coverage available or the deductible on numerous claims in a period is material.

#### **Brand and reputational risk**

The reputation and branding of SGH is an important factor in its success. Anything that diminishes SGH's reputation or brand would likely be adverse to SGH's revenue, profitability and growth. The actions of SGH's employees, including breaches of the regulations to which SGH is subject or negligence in the provision of legal advice, may damage the SGH brand.

#### **Competition and growth**

SGH operates in a competitive market, competing for its offering of personal injury and/or other legal services. Competitive factors include the quality of advice and service, innovation, reputation and price. SGH's service offerings and marketing may not attract clients to support its growth strategy. These risks may adversely impact SGH's financial performance.

#### **Concentration of ownership**

The SFA Lenders currently hold an aggregate of approximately 95.0% of the issued shares in SGH, and immediately following the issue of New Shares under this Entitlement Offer, could hold an aggregate of 97.5% of the issued shares in SGH. Accordingly, the SFA Lenders will continue to be in a position to exert significant influence over the outcome of matters relating to SGH, including the election of Directors and the consideration of material Board decisions. Although the interests of SGH's other shareholders are likely to be consistent in most cases, there may be instances where their respective interests diverge.

#### **Operations and systems**

There are a number of key operational risks which arise directly from SGH's operation as a major participant in the Australian legal services industry and associated with its growth strategy, including implementation of strategic and business decisions, technology and cyber security risk, counterparty performance under outsourcing and referral arrangements, business continuity planning, legal risk, data privacy and integrity risk, information management and security, client default risk and external events. SGH's financial performance and position may be adversely impacted by these risks.

### Risks specific to SGH (cont.)

#### **Capital and funding management**

Funding and management of capital and liquidity remains a key focus following the recapitalisation in December 2017 and associated with the significant WIP asset on SGH's balance sheet. It is difficult for SGH to predict with certainty the timing of settlement and recovery. Additional funds may need to be obtained through capital raisings or cash flow may need to be managed through seeking to negotiate current debt arrangements. These factors may adversely impact SGH's working capital management program.

#### **Value of Shares**

In December 2017, SGH completed a recapitalisation via two schemes of arrangement. The recapitalisation resulted in (inter alia) SGH ceasing to own its UK subsidiaries and a significant change to its share capital structure. Also, following the recapitalisation, trading volumes in Shares has been low, with the free float representing a small proportion of issued capital. As a result of these complex changes, there is a risk that the market price for SGH shares does not reflect their true underlying value. Shareholders should make their own assessments of the Company's value and seek professional advice where necessary.

### General market risks

#### **ASX market volatility**

The market price of SGH's securities will fluctuate due to various factors, many of which are non-specific to SGH, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, exchange rates, changes in government, fiscal and monetary and regulatory policies, changes to laws, global investment markets, global geo-political events and hostilities, investor perceptions and other factors that may affect SGH's financial performance and position. In the future, these factors may cause SGH's securities to trade at or below their issue price. Factors such as those mentioned above may also affect the income, expenses and liquidity of SGH. Additionally, the stock market can experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of SGH.

#### **Liquidity risk**

The Company is a listed entity. Therefore the ability to sell Shares will be a function of the turnover of the Shares at the time of sale. Turnover itself is a function of the size of the Company and also the cumulative investment intentions of all current and possible investors in the Company at any point in time.

#### **Economic environment**

General economic factors such as interest rates, exchange rates, inflation, business and consumer confidence and general market factors, including those impacted by climate change risks, may have an adverse impact on SGH's earnings or value of its assets.

#### **Litigation**

SGH may, in the ordinary course of business, be involved in possible litigation disputes. Any such dispute may be costly and adversely affect the operational and financial results of SGH.

#### **Taxation**

Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect the taxation treatment of an investment in New Shares or the holding and disposal of those New Shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which SGH operates, may impact the future tax assets or liabilities of SGH. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns.

An investment in New Shares involves tax considerations that differ for each investor. Investors are encouraged to seek professional tax advice in connection with any investment in SGH.

## Appendix B – International Offer Restrictions

**International Offer Restrictions**

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

**British Virgin Islands**

The New Shares may not be offered in the British Virgin Islands unless the Company or any person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. The Company is not licensed to carry on business in the British Virgin Islands. The securities may be offered to British Virgin Islands business companies from outside the British Virgin Islands without restriction.

**Cayman Islands**

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands.

**European Union**

This document has not been, and will not be, registered with or approved by any national securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

**Hong Kong**

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

**New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

**Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

**United Kingdom**

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

**United States**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

# Appendix C – Basis of Preparation

### Financial Information

The financial information of Slater and Gordon Limited ("SGH") comprises the:

- Consolidated historical statement of financial position as at 30 June 2019 (the "Historical Financial Information");
- Pro forma statement of financial position as at 30 June 2019 after the Entitlement Offer is implemented (the "Pro Forma Historical Financial Information" or "the Pro-Forma Balance Sheet") (Collectively, the "Financial Information").

The directors of SGH are responsible for the preparation and presentation of the Historical Financial Information and the Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information that is included in the Pro Forma Historical Financial Information.

The Historical Financial Information has been derived from the financial report of SGH for the year ended 30 June 2019, which was audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unmodified opinion on the financial report.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards ("AAS").

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of SGH, and adjusted for the effects of pro forma adjustments described below.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they occurred as at 30 June 2019.

Due to its nature, the Pro Forma Historical Financial Information does not represent SGH's actual or prospective financial position. The Pro Forma Historical Financial Information does not include either any effects of operations or income for the period 1 July 2019 to the date of the Entitlement Offer implementation.

The Financial Information is presented in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

### Accounting policies

The accounting policies used in preparing the Pro Forma Historical Financial Information are consistent with those policies used in preparing the 30 June 2019 financial report as referred in the notes of the 30 June 2019 financial report.

### Key assumptions

The following key assumptions have been made in producing the Pro Forma Historical Financial Information:

1. As announced on 30 August 2019, a \$75.6m fully-underwritten accelerated non-renounceable entitlement offer (Entitlement Offer) for 1.0 New Shares per 1.05752 Existing Shares at \$1.15 per New Share will be conducted.
2. The offer price per share is at a 12.5% discount to the theoretical ex-rights price (TERP).
3. The share prices are determined using the closing price on 22 August 2019. There were 69,257,235 ordinary shares on issue as at 30 June 2019.
4. The proceeds of the offer will be used to repay loans and associated fees (including deferred restructuring fees) owing by the Company to the various counterparties the Syndicated Facility Agreement (SFA).

### Pro forma adjustments

The following significant pro forma adjustment has been made to produce the Pro Forma Historical Financial Information:

1. All of the proceeds of the offer have been used to repay loans and associated fees (including deferred restructuring fees) owing by the Company to the various counterparties the Syndicated Facility Agreement (SFA).

### Going concern

The financial statements have been prepared using the going concern assumption which contemplates the realisation of assets and the settlement of liabilities in the ordinary course of business.

# Additional information

This Retail Offer Booklet (including the ASX announcements and Investor Presentation in relation to the Retail Entitlement Offer reproduced in it) and accompanying personalised Entitlement and Acceptance Form have been prepared by the Company.

This Retail Offer Booklet should be read in conjunction with the Company's other periodic and continuous disclosure announcements to the ASX available at [www.asx.com.au](http://www.asx.com.au).

No party other than the Company has authorised or caused the issue of the information in this Retail Offer Booklet, nor takes any responsibility for, or makes, any statements, representations or undertakings in this Retail Offer Booklet.

## 3. Capital structure

### 3.1 Effect of the Entitlement Offer on capital structure

The approximate capital structure of the Company will be as follows:

Shares	Number
Shares on issue as at 30 August 2019	69,527,235
Shares issued under the Institutional Entitlement Offer	Nil
New Shares offered under the Retail Entitlement Offer as per this Retail Offer Booklet	3,287,278
Total New Shares to be issued under the Entitlement Offer	65,745,551
Number of Shares to be issued on exercise of the Warrants	3,809,916
Total number of Shares on issue on close of the Entitlement Offer and after the issue of Shares on exercise of the Warrants	139,082,702

Note: The exact number of Shares issued under the Entitlement Offer depends on fractional Entitlements on the Record Date.

### 3.2 Financial effect of the Entitlement Offer

Please see the Investor Presentation for the financial effect of the Entitlement Offer on the Company.

### 3.3 Impact on control

The Directors do not believe that the Entitlement Offer will have a material effect on the control of the Company as no individual Shareholder is expected to increase their proportionate interest in the Company by greater than 3%.

### 3.4 Director's participation

No Directors hold Shares and therefore no Directors are entitled to participate in the Entitlement Offer.

## 4. Risk factors

### 4.1 Introduction

The Company's operations are subject to a number of risks which may impact its future performance and forecasts. Before subscribing for New Shares, Shareholders should carefully consider and evaluate the Company and its business and whether the New Shares are suitable to

acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors.

In particular, Shareholders should consider the risk factors outlined in the 'Appendix A – Risk Factors' section of the Investor Presentation included in this Retail Offer Booklet, any of which could affect the operating and financial performance of the Company or the value of an investment in the Company. The risk factors set out in the 'Appendix A – Risk Factors' section of the Investor Presentation are not exhaustive.

You should consult your stockbroker, accountant, solicitor, tax adviser or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer. The Company has applied to ASX for the grant of official quotation of the New Shares. It is expected that normal trading on ASX will commence in relation to New Shares issued under the Retail Entitlement Offer on Monday, 23 September 2019. The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares before the New Shares are quoted on the official list of ASX or before they receive their written confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company, the Share Registry or the Underwriter. ASX accepts no responsibility for any statement in this Retail Offer Booklet.

#### **4.2 New Zealand Shareholders**

New Zealand Shareholders should also consider the taxation and currency risks associated with investing in New Shares.

### **5. Eligible Retail Shareholders**

The information in this Retail Offer Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*. Please refer to Section 1.1 for Eligible Retail Shareholder criteria.

The Retail Entitlement Offer is not being extended to any Shareholders outside Australia or New Zealand, other than potentially Company-selected institutional Shareholders and investors in certain foreign jurisdictions. By returning a completed Entitlement and Acceptance Form or making a payment through BPAY®, you will be taken to have represented and warranted that you satisfy each of the Eligible Retail Shareholder criteria, including making the warranties and representations in Section 2.5.

### **6. Not investment advice or financial product advice**

The Retail Entitlement Offer to which the information in this Retail Offer Booklet relates complies with the requirements of section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*. The information in this Retail Offer Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the New Shares or any other financial products.

The information in this Retail Offer Booklet does not purport to contain all the information that you may require to evaluate a possible Application for New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at [www.asx.com.au](http://www.asx.com.au). The information in this Retail Offer Booklet does not take into account your investment objectives, financial situation or needs or those of any particular investor. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial objectives and having regard to the merits or risks involved. You should conduct your

own independent review, investigation and analysis of the Shares, the subject of the Retail Entitlement Offer.

If, after reading this Retail Offer Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, solicitor, tax adviser or other independent professional adviser. You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

## 7. Foreign jurisdictions

The information in this Retail Offer Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer, and no action has been taken to register the New Shares or otherwise permit a public offering of the New Shares in any jurisdiction outside of Australia or New Zealand. Return of the personalised Entitlement and Acceptance Form or your BPAY® payment will be taken by the Company to constitute a representation by you that there has been no breach of any such laws.

The distribution of this Retail Offer Booklet outside Australia or New Zealand may be restricted by law. In particular, this Retail Offer Booklet or any copy of it must not be taken into or distributed or released to any person in the United States or any other jurisdiction outside Australia or New Zealand. If you come into possession of this Retail Offer Booklet, you must observe such restrictions and should seek your own advice on such restrictions.

Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Booklet or any material relating to the Retail Entitlement Offer or accept the Retail Entitlement Offer in relation to any person in the United States or any other jurisdiction outside Australia or New Zealand, except to beneficial Shareholders who are institutional or professional investors in certain foreign countries to the extent contemplated in 'Appendix B – International Offer Restrictions' section of the Investor Presentation or as the Company may otherwise permit in compliance with applicable law.

### *United States*

This Retail Offer Booklet, the Investor Presentation, any accompanying ASX announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The New Shares in the Retail Entitlement Offer are being offered and sold outside the United States in 'offshore transactions' as defined and in reliance on Regulation S under the US Securities Act.

### *New Zealand*

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## 8. Taxation

### 8.1 General

Taxation is only one of the matters that must be considered when making a decision in relation to New Shares.

Set out below is a summary of the Australian tax implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are residents of Australia for tax purposes and who hold their Shares on capital account.

This Section does not consider the Australian tax consequences for particular types of Eligible Retail Shareholders, including those who:

- (a) hold their Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment; or
- (b) hold their Shares through an employee share scheme or whose Shares are held as revenue assets or trading stock; or
- (c) may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents or subject to the taxation of financial arrangements (TOFA) rules or investment management regime (IMR); or
- (d) are not tax residents of Australia.

The summary below is based on the law in effect as at the date of this Retail Offer Booklet, is general in nature and should not be relied on by Eligible Retail Shareholders as tax advice. Eligible Retail Shareholders should seek specific and independent advice applicable to their own particular circumstances from their own financial and tax advisers.

### 8.2 Income tax

#### *Issue of Entitlements*

Subject to the qualifications noted above and assuming that the Eligible Retail Shareholder continues to hold their Shares until the issue of the Entitlements, the issue of the Entitlements will not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder. This is on the basis that the Entitlements satisfy the requirements in section 59-40 of the *Income Tax Assessment Act 1997* (Cth) and will therefore be treated on issue as non-assessable and non-exempt income.

#### *Exercise of Entitlements*

Eligible Retail Shareholders who exercise their Entitlements and subscribe for New Shares will acquire those Shares with a cost base for CGT purposes equal to the Issue Price payable by them for those Shares plus any non-deductible incidental costs they incur in acquiring them. Eligible Retail Shareholders will not make any capital gain or loss, or derive assessable income, from exercising the Entitlements or subscribing for the New Shares.

#### *Lapse of Entitlements*

On the basis that no proceeds will be received by Eligible Retail Shareholders who allow their Entitlements to lapse in whole or in part, no income tax consequences should arise for those Eligible Retail Shareholders.

### 8.3 New Shares

#### *Taxation of income for Eligible Retail Shareholders*

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares. Any future dividends or other distributions made in respect of those New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

For Eligible Retail Shareholders to be eligible for a tax offset in relation to any franking credits attached to a dividend paid by the Company on the New Shares, they will need to hold the New

Shares *at risk* for at least 45 days, not counting the day of acquisition or disposal (referred to as the *holding period rule*). The holding period rule generally only needs to be satisfied once for the New Shares and will apply in respect of the New Shares beginning on the day after the day on which the Eligible Retail Shareholder acquires the New Shares. This rule does not apply if the Eligible Retail Shareholder is an individual where the total entitlement to franking credits for the year of income of the individual in which the dividend is received is below A\$5,000.

#### *Taxation of disposals for Eligible Shareholders*

The disposal of New Shares will give rise to a CGT event for Eligible Retail Shareholders. Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares. The cost base of those Shares is described above, but, for these purposes, the cost base should also include a reasonable apportionment of the non-deductible incidental costs on disposal and any interest paid in respect of borrowings used to acquire those Shares that was not otherwise deductible to the Eligible Retail Shareholder.

New Shares will be treated for the purposes of the CGT rules as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them. In order to benefit from the CGT discount that may be available to individuals, trusts and complying superannuation funds in respect of a disposal of the New Shares, the New Shares must have been held for at least 12 months before disposal.

#### *Taxation of a return of capital by the Company*

Where a return of capital is made by the Company, the cost base and reduced cost base of the Eligible Retail Shareholder's New Shares for CGT purposes will be reduced by the amount of the return of capital, with any excess over the cost base triggering a capital gain. Where the Eligible Retail Shareholder disposes of their New Shares in the period between becoming entitled to the return of capital and the actual payment of the return of capital, the Eligible Retail Shareholder will generally make a capital gain equal to the amount of the return of capital. The amount returned may also include a dividend component, or be deemed under taxation law to include a dividend component, which should be subject to tax as set out above under the 'Taxation of income for Eligible Retail Shareholders' subheading.

## **8.4 Goods and Services Tax and Stamp Duty**

Australian GST or stamp duty should not be payable in respect of the issue or exercise of the Entitlements or the acquisition of New Shares pursuant to the Retail Entitlement Offer. In the context of Australian stamp duty, this should be the case on the basis that no one shareholder, whether alone or together with associated persons (or together with other persons in respect of any acquisitions forming part of the one arrangement), acquires or commence to hold a 90% or greater interest in the Company. Eligible Retail Shareholders may be charged GST on third party acquisitions (such as brokerage or advisor fees) in respect of the issue or exercise of the Entitlements or the acquisition of those New Shares, depending on their individual circumstances. To the extent GST is charged on third party acquisitions, Eligible Retail Shareholders may not be entitled to claim input tax credits in respect of the GST included in the costs incurred in connection with the issue or exercise of the Entitlements or the acquisition of those New Shares. Separate GST advice should be sought by Shareholders in this respect, relevant to their particular circumstances.

## **9. Underwriting**

The Company has entered into an underwriting agreement with the Underwriter (**Underwriting Agreement**). Under the Underwriting Agreement, the Underwriter was appointed by the Company on an exclusive basis, to act as lead manager, bookrunner and underwriter for the Entitlement Offer. The obligations of the Underwriter are subject to the satisfaction of certain conditions precedent, including (but not limited to):

- (a) ASX not indicating that it will not admit the New Shares to quotation; and
- (b) receipt by the Underwriter of certain customary opinions and reports from the Company and its advisers.

The Company has (subject to certain limitations) agreed to indemnify the Underwriter and its affiliates, and the officers, directors, employees, partners, contractors, agents, advisers and representatives of the Underwriter or any of its affiliates against losses in connection with the Entitlement Offer. The Company and the Underwriter have given certain representations, warranties and undertakings in connection with (among other things) the conduct of the Entitlement Offer. The Underwriter may terminate the Underwriting Agreement and be released from its obligations if any of a range of events occur and provided in some instances that the event would, among other things, have or is likely to have a materially adverse effect on the success, settlement or marketing of the Entitlement Offer or on the ability of the Underwriter to market or promote or settle the Entitlement Offer, the willingness of investors to subscribe for Shares to be issued under the Entitlement Offer or will, or is likely to, give rise to a material liability of the Underwriter under, or a contravention by the Underwriter or its affiliates of, or the Underwriter or its affiliates being involved in, a contravention of any applicable law. A summary of these key termination events is set out below.

The Underwriter will be remunerated by the Company for providing these underwriting services at market rates and be reimbursed for certain expenses. The Underwriter has not authorised or caused the issue of, and takes no responsibility for, this Retail Offer Booklet, and to the maximum extent permitted by law, disclaims all liability in connection with the Entitlement Offer and this Retail Offer Booklet.

The Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events on or prior to the settlement date of the Entitlement Offer, including (but not limited to) where:

- (a) in the reasonable opinion of the Underwriter, a material statement contained in the offer materials or any material aspect of the Entitlement Offer does not comply with the Corporations Act, including if a material statement in any of the offer materials or public information is or becomes misleading or deceptive or is likely to mislead or deceive, or a material matter required to be included is omitted from any of the offer materials or the public information;
- (b) the Company ceases to be admitted to the official list of ASX or the Shares cease trading or are suspended from official quotation or cease to be quoted on ASX, other than a trading halt or voluntary suspension requested by the Company and consented to by the Underwriter (such consent not to be unreasonably withheld or delayed) to facilitate the Entitlement Offer);
- (c) an application is made by ASIC or another person for an order under Part 9.5 of the Corporations Act, or to any governmental agency, in relation to the offer materials or the Entitlement Offer, ASIC or any governmental agency commences any investigation, proceedings or hearing in relation to the Entitlement Offer or any of the offer materials or prosecutes or commences proceedings against the Company in relation to the Entitlement Offer or any of the offer materials, except (other than where the relevant act is taken by ASIC) where the relevant application, notice, prosecution or proceeding first arises within certain time periods;
- (d) the Company withdraws or indicates that it does not intend to proceed with the Entitlement Offer or any part of the Entitlement Offer or withdraws any of:
  - (i) a cleansing notice lodged with ASX in connection with the Entitlement Offer;
  - (ii) the announcement released by the Company to announce the Entitlement Offer (including the Investor Presentation materials);
  - (iii) the announcement released by the Company regarding the completion of the Institutional Entitlement Offer;
  - (iv) the announcement released by the Company regarding the issue of the New Shares;
  - (v) this Retail Offer Booklet; or
  - (vi) any document which amends or updates any of these documents;

- (e) the Company, or any trust or other entity controlled by the Company becomes insolvent, or there is an act or omission which is likely to result in the Company, or any trust or other entity controlled by the Company becoming insolvent;
- (f) the Company is (or, if applicable, an affiliate of the Company is) or will be prevented from conducting or completing the Entitlement Offer (including granting the Entitlements or allotting or issuing the New Shares) by or in accordance with the Listing Rules, ASIC, ASX, the New Zealand Financial Markets Authority, any applicable laws or an order of a court of competent jurisdiction or other governmental agency, or otherwise is unable or unwilling to do any of these things;
- (g) the Company
  - (i) alters the issued capital of the Company; or
  - (ii) disposes or attempts to dispose of a substantial part of the business or property of the Company,
 without the prior written consent of the Underwriter, except as contemplated in the Investor Presentation materials, disclosed to ASX on or prior to the date of the Underwriting Agreement or contemplated under the syndicated facility agreement between the Company and its financiers;
- (h) the Treasurer of the Commonwealth of Australia (or the Treasurer's delegate) on behalf of the Foreign Investment Review Board has not provided a written no objection notification to AIO V Finance (Ireland) DAC either without conditions or with conditions that AIO V Finance (Ireland) DAC has confirmed to the Underwriter that it will accept;
- (i) there is an event or occurrence, including any statute, order, rule, regulation, directive or request (being one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Underwriter to satisfy a material obligation under this agreement, or to market, promote or settle the Entitlement Offer;
- (j) John Somerville, the CEO of the Company, vacates his office;
- (k) any of the following occur:
  - (i) a Director is charged with an indictable offence;
  - (ii) any governmental agency commences any public action against the Company in relation to a Director in their capacity as a director of the Company; or
  - (iii) any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; or
- (l) a trading halt ends before the agreed date without the prior written consent of the Underwriter.

Please note that the above is not an exhaustive list of the termination events in the Underwriting Agreement.

The Underwriter will be paid:

- (a) \$500,000; plus
- (b) 1.25% of the total cash proceeds raised from the Entitlement Offer.

The Underwriter will also be reimbursed for certain expenses, including but not limited to reasonable legal costs, disbursements and travel and accommodation expenses that the Underwriter incurs in respect of the Entitlement Offer.

Neither the Underwriter nor any of its related bodies corporate and affiliates, nor any of its directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Retail Offer Booklet and they do not take any responsibility for this document or any action taken by you on the basis of information contained in this document. To the maximum extent permitted by law, the Underwriter and its related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your

participation in the Entitlement Offer and this information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Underwriter nor any of its related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information, and you represent, warrant and agree that you have not relied on any statements made by either Underwriter or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

## 10. Information availability

Eligible Retail Shareholders in Australia or New Zealand can obtain a copy of this information during the period of the Retail Entitlement Offer by calling the Share Registry on 1300 381 964 (within Australia) or +61 3 9415 4158 (outside Australia) between 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Offer Period. A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry.

## 11. Forward-looking statements and future performance

Neither the Company, its officers, employees, agents, associates and advisers, nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the information in this Retail Offer Booklet. Forward-looking statements, opinions and estimates provided in the information in this Retail Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. These statements can generally be identified by the use of words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'predict', 'guidance', 'plan' and other similar expressions. Any forward-looking statements including projections, guidance on future production, sales, earnings, dividends, and other estimates are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Board, including the risks described in the accompanying Investor Presentation, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Retail Offer Booklet.

## 12. Past performance

Past performance information given in this Retail Offer Booklet is provided for illustrative purposes only and should not be relied on as (and is not) an indication of future performance. The historical information in this Retail Offer Booklet is, or is based on, information that has been released to the market. For further information, please see past announcements released to ASX.

# Glossary

Term	Definition
<b>Additional New Shares</b>	New Shares offered to an Applicant in excess of their Entitlement under the terms of the Top-Up Facility
<b>Allocation Policy</b>	As defined in Section 1.3
<b>Applicant</b>	An Eligible Retail Shareholder who applies for New Shares under this Retail Offer Booklet
<b>Application</b>	An application for a specified number of New Shares or Additional New Shares by an Applicant under this Retail Offer Booklet
<b>Application Monies</b>	Funds accompanying a completed Entitlement and Acceptance Form or funds paid by BPAY®
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires
<b>ASX Listing Rules</b>	The listing rules of ASX
<b>ASX Settlement Rules</b>	The Settlement Operating Rules made by ASX Settlement Pty Limited ACN 008 504 532
<b>Board</b>	The Directors acting as a board of the Company
<b>CGT</b>	Capital Gains Tax
<b>Closing Date</b>	The date on which the Retail Entitlement Offer closes, expected to be 5.00pm (Melbourne time) on Monday, 16 September 2019
<b>Company or SGH</b>	Slater & Gordon Ltd ACN 097 297 400
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Directors</b>	The directors of the Company
<b>Eligible Retail Shareholder</b>	As defined in Section 1.1
<b>Entitlement</b>	The number of New Shares each Eligible Retail Shareholder is offered under the Entitlement Offer
<b>Entitlement and Acceptance Form</b>	The personalised form for participation in the Retail Entitlement Offer attached to or accompanying this Retail Offer Booklet
<b>Entitlement Offer</b>	The fully underwritten pro-rata accelerated non-renounceable entitlement offer of 1 New Share for every 1.05752 Existing Shares at A\$1.15 per New Share
<b>Existing Shares</b>	Shares on issue at the Record Date
<b>GST</b>	Goods and Services Tax
<b>Ineligible Retail Shareholder</b>	As defined in Section 1.1

<b>Institutional Entitlement Offer</b>	The institutional component of the Entitlement Offer which was completed and announced to the ASX on 2 September 2019
<b>Investor Presentation</b>	The investor presentation released to ASX on 30 August 2019 and included and forming part of this Retail Offer Booklet
<b>Issue Price</b>	The price payable for one New Share under the Entitlement Offer or A\$1.15
<b>Melbourne time</b>	The time in Melbourne, Australia
<b>New Share</b>	A Share offered and issued under the Entitlement Offer
<b>Offer Period</b>	Thursday, 5 September 2019 to Monday, 16 September 2019 or any other date as may be determined by the Company
<b>Record Date</b>	7.00pm (Melbourne time) on Tuesday, 3 September 2019
<b>Retail Entitlement Offer</b>	The retail component of the Entitlement Offer being the offer of 1 New Share for each 1.05752 Existing Shares on the terms set out in this Retail Offer Booklet to Eligible Retail Shareholders
<b>Retail Offer Booklet</b>	This document
<b>Section</b>	A section of this Retail Offer Booklet
<b>Share</b>	A fully paid ordinary share in the capital of the Company
<b>Share Registry</b>	Computershare Investor Services Pty Limited ABN 48 078 279 277
<b>Shareholder</b>	A holder of at least one Share as recorded on the Company's share register
<b>Top-Up Facility</b>	As defined in Section 1.3
<b>US Securities Act</b>	US Securities Act of 1933, as amended
<b>Underwriter</b>	Moelis Australia Advisory Pty Ltd ABN 72 142 008 446, who is underwriting the Entitlement Offer on the terms and conditions of the Underwriting Agreement
<b>Underwriting Agreement</b>	As defined in Section 9
<b>Warrants</b>	The warrants issued under the Company's syndicated facility agreement to acquire by way of issue Shares

# Corporate Directory

## ***Directors***

- James MacKenzie (Chair)
- Mark Dewar
- Merrick Howes
- Elana Rubin
- Michael Neilson
- John Somerville
- Jacqui Walters

## ***Chief Executive Officer***

- John Somerville

## ***Company Secretary***

- Michael Neilson

## ***Registered Office***

485 La Trobe Street  
Melbourne VIC 3000

## ***Australian legal advisers to the Offer***

MinterEllison  
Level 23, Rialto Towers  
525 Collins Street  
Melbourne VIC 3000

## ***Underwriter***

Moelis Australia Advisory Pty Ltd  
Level 27, One Farrer Place  
Sydney NSW 2000

## ***Share Registry***

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067