

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Slater & Gordon Limited

ABN / ARBN:

93 097 297 400

Financial year ended:

30 June 2020

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- ☐ These pages of our annual report:
- ☒ This URL on our website: <https://www.slatergordon.com.au/the-firm/governance>

The Corporate Governance Statement is accurate and up to date as at 30 June 2020 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 8 October 2020

Sign:



Company Secretary, Michael Neilson

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at: ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input checked="" type="checkbox"/> at in our Corporate Governance Statement	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at All material relevant to a decision on whether or not to elect or re-elect a director is found in the Slater and Gordon's AGM Notice of Meeting	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the <u>Workplace Gender Equality Act</u>, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at : <a href="https://www.slatergordon.com.au/the-firm/governance">https://www.slatergordon.com.au/the-firm/governance</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at <a href="https://www.slatergordon.com.au/the-firm/diversity-and-inclusiveness">https://www.slatergordon.com.au/the-firm/diversity-and-inclusiveness</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at : <a href="https://www.slatergordon.com.au/the-firm/governance">https://www.slatergordon.com.au/the-firm/governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at : <a href="https://www.slatergordon.com.au/the-firm/governance">https://www.slatergordon.com.au/the-firm/governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at 'Director's Report' section of the Slater and Gordon 2020 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at : <a href="https://www.slatergordon.com.au/the-firm/governance">https://www.slatergordon.com.au/the-firm/governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at : <a href="https://www.slatergordon.com.au/the-firm/governance">https://www.slatergordon.com.au/the-firm/governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at : <a href="https://www.slatergordon.com.au/the-firm/governance">https://www.slatergordon.com.au/the-firm/governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at Director's Report' section of the Slater and Gordon 2020 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at Director's Report' section of the Slater and Gordon 2020 Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="https://www.slatergordon.com.au/the-firm/governance">https://www.slatergordon.com.au/the-firm/governance</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at 'Director's Report' section of the Slater and Gordon 2020 Annual Report</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at 'Remuneration Report' section of the Slater and Gordon 2020 Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

## CORPORATE GOVERNANCE STATEMENT

### INTRODUCTION

The Board of Directors of Slater and Gordon Limited ("the Company" or "Slater and Gordon") recognises that a commitment to sound principles of corporate governance underpins the sustainability of the Company and its performance.

This statement sets out key features of the Slater and Gordon corporate governance regime for the financial year ended on 30 June 2020 ("Reporting Period").

Further details on the Company's corporate governance charters and policies are available at <http://www.slatergordon.com.au/the-firm/governance>. These documents are periodically reviewed and enhanced to take account of changes in the law, governance practices and operations of Slater and Gordon.

This statement addresses the Company's policies regarding the following matters:

1. Board Responsibility
2. Board Composition
3. Director Independence
4. Board Tenure
5. Chair of the Board
6. Role of the Company Secretary
7. Board Committees
8. Appointment, Removal and Rotation of Directors
9. Review of Board, Board Committees and Individual Directors' Performance
10. Review of Performance and Remuneration for Key Management Personnel
11. Succession Planning
12. Matters Reserved to the Board and Matters Delegated to Management
13. Independent Advice
14. Conflicts of Interest
15. External Auditor
16. Internal Audit
17. Management of Material Business Risks
18. Share Trading Policy
19. Continuous Disclosure, Market Communications and Investor Relations
20. Ethical Standards and Decision Making
21. Diversity and Inclusion
22. Board Education and Continuing Professional Development

## 1. BOARD RESPONSIBILITY

The below information reflects the current Board responsibilities and Board Charter, as at the date of this Corporate Governance Statement.

- Reviewing and approving the strategy for the Company and the allocation of appropriate resources to achieve strategic objectives and management's implementation of that strategy;
- Reviewing, approving and monitoring the Company's Code of Conduct, including the values and responsible business practices to underpin the desired culture within the Company;
- Selection, monitoring and evaluation of the Chief Executive Officer and overseeing and monitoring the performance and appointment of other senior management and officers;
- Monitoring the implementation of appropriate management systems by the legal practitioner Directors;
- Selecting future Directors and assessing the Board and individual Director performance;
- Monitoring Slater and Gordon financial and business performance and financial reporting, including assessment of financial capital and human resources the Company has in place to meet its objectives;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions;
- Setting the risk appetite, reviewing and overseeing risk management policies, practice and performance within the approved appetite and tolerance limits;
- Implementing a high-level policy framework and ratifying specific policies within that framework;
- Overseeing compliance and governance policies and practices and ensuring the Slater and Gordon's business is conducted legally, ethically and responsibly; and
- Ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

## 2. BOARD COMPOSITION

The Company's Constitution specifies a minimum of three Directors and must include at least one Legal Practitioner Director.

As at 30 June 2020, the Board consists of seven Directors: three independent Non-Executive Directors, two non-independent Non-Executive Directors and two Executive Directors. The Board has an independent Chair but does not have a majority of independent Directors. This area of non-compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations reflects the shareholding structure of the Company following its recapitalisation in December 2017, which resulted in one shareholder owning approximately 53% of the Company and twelve shareholders (the Company's senior lenders) owning approximately 95% of the Company's shares. Given the Company's ownership, the structure of the Board helps ensure adequate representation for all shareholders.

There were no changes to the Board during the Reporting Period.

The Company does not have a Nomination Committee. All decisions on nominations to the Board are taken by the Board itself. A Board evaluation was undertaken after the end of FY20 and the results of that evaluation will be taken into account for any future Board appointments.

The Board, using a skills matrix to review the desirable mix, skills and experience of Board members, determines the size and composition of the Board, subject to the terms of the Company's constitution, and whether:

- the composition and mix of those skills remain appropriate having regard to the Company's strategy; and
- the Directors have the necessary skill, experience and commitment to adequately discharge their responsibilities.

The Board has adopted a skills matrix to assist with determining the required mix of skills and experience, identifying any gaps in the collective skills of the Board and to inform Director professional development, recruitment and succession planning.

Recruitment and succession planning is targeted to achieve a balance of the required skills and experience on the Board and to recruit Directors from diverse backgrounds.

Board members are drawn from Executive and Non-Executive roles in a range of industries. Directors are also selected to achieve a balance of collective complementary skill-sets based on the core competencies identified in the skills matrix, which is presented below. The skills matrix below identifies the skills and experience of the members of each of the Board, Audit and Risk Committee and People and Culture Committee.

Area	Description	Board (7 members)	Audit & Risk Comm. (3 members)	People & Culture Comm. (3 members)
<b>Executive Experience</b>	Experience in senior positions at executive levels.	7	3	3
<b>Strategic planning and Execution</b>	Ability to develop and implement successful strategy and deliver agreed strategic planning goals.	7	3	3
<b>Risk Management</b>	Experience in the oversight and management of material business risk including Board Risk Management Committee membership.	6	3	3
<b>Financial Acumen</b>	Senior executive or equivalent experience in capital management, industry taxation, internal financial controls and corporate financing arrangements.	7	3	3
<b>Accounting</b>	Senior executive or equivalent experience in financial accounting, reporting and auditing.	4	3	2
<b>Governance</b>	Experience with listed and other organisations subject to robust governance frameworks with an ability to assess the effectiveness of relevant governance processes.	6	3	3
<b>Occupational Health and Safety</b>	Experience in relation to workplace health and safety.	3	2	2
<b>Environment and Sustainability</b>	Experience in relation to environmental and social responsibility and community.	4	3	2
<b>Legal and Regulatory</b>	Experience in the legal and regulatory matters including regulatory and contractual frameworks governing the operations of large organisations.	7	3	3
<b>Information Technology</b>	Senior executive or equivalent experience in information technology including systems and data security.	5	3	3
<b>Human Resources / Remuneration</b>	Experience in relation to remuneration practices, enterprise agreement negotiations, union relationships, development of incentive plans, succession planning, and director appointment processes including Board Remuneration Committee membership.	7	3	3
<b>Capital Projects</b>	Senior executive or equivalent experience in executing large scale projects with long-term investment horizons and substantial capital outlays.	6	3	3
<b>Sales and Marketing</b>	Senior executive or equivalent experience in marketing coupled with a detailed understanding of S+G's strategic direction and competitive environment.	5	3	3
<b>Industry Experience - Professional Services</b>	Senior executive or equivalent experience in the professional services industry.	5	2	1
<b>Industry Experience – Legal Practice</b>	Senior executive or equivalent experience in legal practice.	4	3	2
<b>Industry Experience - Public Policy</b>	Experience in public and regulatory policy, including in relation to legal practice related policy.	4	2	2

A profile of each of the Directors and a table reporting Directors' attendance at Board meetings is provided in the 2020 Directors' Report.

As at 30 June 2020, there are two female Directors, Elana Rubin and Jacqui Walters. The Board's policy and process in relation to Board composition is set out in more detail in the Board Charter and its approach to diversity for the Board and across the Company is set out in section 21 - Diversity and Inclusion below.

### 3. DIRECTOR INDEPENDENCE

Directors are considered to be independent if they are not a member of management and are free from any business or other relationship that could materially interfere with, or reasonably be seen to materially interfere with, the independent exercise of their judgment. The Board will regularly assess the independence of any Director by considering these matters.

The Board considers the independence of relationships on a case by case basis and any payment to a Director or corporate entity associated with a Director for services outside their engagement, as a Director or key management person, requires approval by either the Audit and Risk Committee or Board.

The Board assess the interests of Directors at each Board meeting. Directors are required to disclose the full extent and nature of their interests as well as any potential or actual conflicts of interest as and when they change and to comply with the constraints on their participation and voting in relation to matters in which they may have an interest in accordance with the Corporations Act and the Board Charter.

Directors are considered independent if they are not members of management (i.e. they are a Non-Executive Director) and they:

- are not employed, or been previously employed in an Executive capacity by the Company or another Group member, and there has been a period of at least 3 years between ceasing such employment and serving on the Board;
- have not within the last 3 years been a partner, Director or senior employee of a provider of material professional services to the Company or another Group member;
- have not within the last 3 years been in a material business relationship (e.g. as a supplier or customer) with the Company or other Group member or an officer of or otherwise associated directly or indirectly with someone with such a relationship;
- are not a substantial shareholder of the Company, or officer of, or otherwise associated directly or indirectly with, a substantial shareholder of the Company;
- have no material contractual relationship with the Company or another Group member, other than as a Director of the Company;
- do not have close family ties with any person who falls within any of the categories described above;
- have not been a Director of the entity for such a period that his or her independence may have been compromised; and
- are free from any interest, business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

It is the Board's view that the following current Non-Executive Directors are independent: James MacKenzie, Elana Rubin and Jacqui Walters.

The policies and procedures relating to Board independence are set out in the Board Charter.

### 4. BOARD TENURE

All current Directors have served less than three years on the Board of Slater and Gordon to the date of this statement.

### 5. CHAIR OF THE BOARD

James MacKenzie is the Chair and is an independent Director. The Chair is selected by the Board from the Non-Executive Directors.

### 6. ROLE OF THE COMPANY SECRETARY

The Company Secretary is accountable to the Chair for the effective functioning of the Board and the Board Committees.

## 7. BOARD COMMITTEES

The Company has two standing Committees – the Audit and Risk Committee and the People and Culture Committee - and one Committee which operates on an 'as needs' basis – the Independent Directors Committee.

The Audit and Risk Committee is comprised entirely of independent Non-Executive Directors and is Chaired by an independent Non-Executive Director.

The People and Culture Committee is comprised of a majority of independent, Non-Executive Directors. It is chaired by a non-independent, Non-Executive Director. This area of non-compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations reflects the shareholding structure of the Company following its recapitalisation in December 2017, which resulted in one shareholder owning approximately 53% of the Company and twelve shareholders (the Company's senior lenders) owning approximately 95% of the Company's shares. It ensures the majority shareholder has appropriate oversight of the People and Culture agenda and this is reinforced by the majority of independent, Non-Executive Directors on the Committee.

Each standing Committee has a written Charter, approved by the Board, defining its duties, reporting procedures and authority. All Directors have access to all Committee meeting papers and may attend any Committee meeting. Subsequent to each Committee meeting, the minutes are included in the papers for the next Board meeting. Copies of the Committee Charters are available at <http://www.slatergordon.com.au/the-firm/governance>.

The Independent Directors Committee operates under delegations from the Board from time to time.

### (i) People and Culture Committee

The People and Culture Committee is comprised of three Directors, two of whom are independent Non-Executive Directors: Merrick Howes (Chair), James MacKenzie and Elana Rubin.

In line with the Committee's duties and responsibilities, in respect of Reporting Period the People and Culture Committee reviewed and made recommendations to the Board in relation to the following remuneration functions for the Company:

- Director and senior Executive remuneration;
- Performance reviews of the senior Executives;
- Senior Executives succession planning, recruitment, development, retention and remuneration policies;
- Overseeing the Company's approach to diversity and inclusion and monitoring performance against targets;
- Performance review and remuneration policies and procedures;
- Superannuation arrangements, equity incentive schemes and other forms of employee incentives.

Executive and Non-Executive Directors and other Executives and employees of Slater and Gordon and external advisers may be invited to Committee meetings at the discretion of the Committee. No Executive is involved in decisions on their own remuneration. A profile of the members of the People and Culture Committee and a table reporting attendance at Committee meetings is provided in the 2020 Directors' Report.

### (ii) Audit and Risk Committee

The Audit and Risk Committee is comprised of three independent, Non-Executive Directors: Jacqui Walters (Chair), James MacKenzie and Elana Rubin.

The Audit and Risk Committee assists the Board in overseeing the integrity of the Company's corporate and regulatory financial reporting, risk management framework and internal controls.

In line with the Committee's duties and responsibilities, during the Reporting Period the Audit and Risk Committee reviewed, reported on and made recommendations to the Board in relation to the following:

- the integrity of the financial reports and statements and related material of the Company;
- the risk management and internal control systems of the Company, including:
  - legal and regulatory compliance;
  - the corporate reporting processes;



- taxation risks and compliance; and
- cyber security and data governance risks and mitigation processes;
- the independence and performance of the Company's external and trust account auditors;
- the objectivity and performance of the Company's internal auditors; and
- the alignment of the Company's culture with conduct consistent with sound and effective risk management.

In discharging its role, the Audit and Risk Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

During the Reporting Period, the Chief Executive Officer, Chief Financial Officer and Company Secretary and external and internal auditors routinely attended the Audit and Risk Committee. A profile of the members of the Audit and Risk Committee, setting out their qualification and experience, and a table reporting attendance at Committee meetings is provided in the 2020 Directors' Report.

### **(iii) Independent Directors Committee**

Recognising that the Company is controlled by Anchorage Capital Group and a number of the Company's directors are nominees of the controlling shareholder, the Board has established the Independent Directors Committee which is comprised of all independent, Non-Executive Directors: James MacKenzie, Elana Rubin and Jacqui Walters.

The Independent Directors Committee has been delegated responsibility to assist the Board by ensuring that the protocols put in place to deal with conflicts of interest are adequate and adhered to.

Where transactions are proposed that may give rise to a potential conflict of interest, the Board will delegate oversight of the management of those conflicts by the Independent Directors Committee.

For example, during FY20, the Independent Directors Committee oversaw the negotiation of the extension and amendment of the Company's Super Senior Facility, as the controlling shareholder is also one of the lenders under that facility.

## **8. APPOINTMENT, REMOVAL AND ROTATION OF DIRECTORS**

The Company's Constitution specifies that each Director (not including the Managing Director) must stand for re-election at least once every three years. Directors may be appointed by the Board during the year. Directors appointed by the Board during any year are required to submit themselves for election at the next Annual General Meeting.

The Company undertakes appropriate checks, including checks as to the person's character, experience, education, criminal record and bankruptcy history, before a person is appointed to the Board or put forward to Shareholders as a candidate for election. Shareholders are provided with all material information in the Company's possession which is relevant to the decision on whether to elect or re-elect a Director in the Notice of Meeting for the AGM at which a Director is put forward for election or re-election.

The Company provides formal letters to new Directors and senior Executives setting out the terms of their appointment.

Further information regarding the processes and policies for the removal, appointment and re-appointment of Directors are set out in the Board Charter and the Company's Constitution.

## **9. REVIEW OF BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS' PERFORMANCE**

The Company encourages excellence from all employees and the Directors recognise that the performance of all people, including its Directors, is enhanced by a structured performance review process.

The Board's policy is to review the performance of the Board and the Board Committees every 12 months. The objective of the evaluation is to contribute to the ongoing development of the Board, the Committees, individual Directors and the overall corporate governance framework.

After the end of FY20, a performance evaluation was undertaken on Board and Committee performance during FY20. The performance evaluation was undertaken by way of a confidential survey of the

members of the Board and each Committee as well as key senior executives who report to the Board and Committees. The results of that survey, including key observations, action items and development areas have been discussed with the Board and individual Directors by the Chair. The key learnings from the performance evaluation will be used by the Board to develop development actions and key areas for the recruitment of future Directors.

#### **10. REVIEW OF PERFORMANCE AND REMUNERATION FOR KEY MANAGEMENT PERSONNEL**

Key management personnel participate in the annual performance review process which applies to all Slater and Gordon employees, except those who are covered by the Company's Enterprise Agreement. This process involves the establishment of annual performance targets and a review of achieving prior year targets. The process also involves assessment of remuneration. In respect of the Reporting Period, the People and Culture Committee reviewed the performance evaluation process and remuneration of the key management personnel of the Company and reported to the Board.

Further details about the policies and procedures for the remuneration of Directors and other key management personnel are set out in the 2020 Remuneration Report and the Board Charter.

#### **11. SUCCESSION PLANNING**

The Board did not review succession planning for directors during FY20. The Board via the People and Culture Committee commenced work on a talent assessment and succession plan for senior Executives during FY19 and that work continued into FY20.

#### **12. MATTERS RESERVED TO THE BOARD AND MATTERS DELEGATED TO MANAGEMENT**

Ultimate responsibility for the management and control of the Company is vested in the Directors, who may then delegate their powers to management.

During the Reporting Period, the Board reserved to itself the following decisions:

- appointment, performance management, remuneration and succession planning of Chief Executive Officer and other key management personnel;
- appointment and remuneration of Non-Executive Directors and Board composition and Board succession planning;
- approval of strategy and budget for the Company;
- approval of material capital expenditure and acquisitions;
- approval of the publication of reports and statements to shareholders;
- issuing securities; and
- approval of amendments to the Company's Code of Conduct, key corporate policies, management systems and material settings within policy frameworks.

The Legal Practitioner Director retains responsibility under the Australian legal professional regulatory framework for maintaining appropriate management systems for a legal practice. During the Reporting Period Michael Neilson was the Legal Practitioner Director.

During FY20, the Board delegated to the Chief Executive Officer key day to day operational decisions and functions within clear materiality thresholds. The Chief Executive Officer then sub-delegated a number of those decision and functions to members of the senior Executive team. In exercising this delegated authority, the Chief Executive Officer and other senior Executives are bound, like all employees of the Company, by the Code of Conduct which demands professionalism and integrity in conduct and decision-making.

#### **13. INDEPENDENT ADVICE**

Directors have the right to seek independent professional advice in connection with their duties and responsibilities, at the Company's expense. Directors also have access to any employees, Company advisers, records and information they may require to carry out their duties.

#### **14. CONFLICTS OF INTEREST**

Directors and senior Executives are required to disclose to the Board any matters in which they may have a personal interest or a potential conflict of interest with the Company.

All Directors have entered into written undertakings to supply the Company with all information necessary for the Company to disclose details of Directors' interests in the Company's securities in accordance with the Listing Rules of the ASX.

The Board assess the interests of Directors at each Board meeting. Directors are required to disclose at each Board meeting the full extent and nature of their interests as well as any potential or actual conflicts of interest as and when they change and to comply with the constraints on their participation and voting in relation to matters in which they may have an interest in accordance with the Corporations Act and the Board Charter.

Further details about the policies and procedures attached to conflicts of interest are set out in the Board Charter and the Company's Code of Conduct.

## 15. EXTERNAL AUDITOR

The Company's Auditor is appointed by the Board, based upon a recommendation from the Audit and Risk Committee. This Committee monitors and reviews the activities of the Company's Auditor, including scope and quality of the audit and their independence. The Company's Auditor, Ernst & Young ("EY"), has committed to assist the Audit and Risk Committee to review the quality of its work and its independence. To this end:

- EY provides a half-yearly declaration of independence for review by the Audit and Risk Committee.
- The EY engagement letter outlines the services to be performed. This enables the Audit and Risk Committee to provide written approval for any non-audit services to the Board with a view that independence is maintained.
- The Audit and Risk Committee regularly reports to the Board on these matters.

In accordance with the Corporations Act, the audit signing partner will rotate after no more than five years.

The external Auditor attends and will be available at the Annual General Meeting to answer questions, relevant to the conduct of the audit and preparation of the Audit Report, with such questions to be received in writing by the Company five days prior to the meeting.

## 16. INTERNAL AUDIT

The Company has an internal audit function overseen by the Audit and Risk Committee and led by the Head of Risk and Internal Audit who has a direct reporting line into the Audit and Risk Committee Chair. A Risk and Internal Audit Charter, approved by the Audit and Risk Committee, sets out the separate roles and responsibilities for the internal audit function and the risk function, including the requirements for resourcing and for ensuring independence from management. Supplemental resourcing is provided by specialist third parties as required.

The internal audit function's role is to provide independent and objective assurance of the effectiveness of the Company's internal control, risk management, compliance and governance processes. This is undertaken through the completion of an annual Internal Audit Plan which is reviewed and approved by the Audit and Risk Committee and which sets out the program of internal audit work and goals for the year covering the key Company processes and internal controls for mitigating significant business risks. The Audit and Risk Committee receives and reviews regular reports on progress against the Internal Audit Plan and of management action plans to address internal audit findings. The FY20 Internal Audit Plan, approved by the Audit and Risk Committee during the Reporting Period, was largely completed by the internal audit function. With the approval of the Audit and Risk Committee, the final internal audit was deferred to enable attention and resources to be focussed on the COVID-19 pandemic response activities. The deferred internal audit will be undertaken in FY21.

## 17. MANAGEMENT OF MATERIAL BUSINESS RISKS

The Board determines the overall risk appetite for the Company and requires management to design and implement risk management and internal control systems to identify, assess and manage the Company's material business risks. The Board has delegated authority to the Audit and Risk Committee to assist the Board with oversight and monitoring of the risk management system.

The Company's Risk Management Policy, based on the accepted Australian Standard (AS/NZS ISO: 31000-2018 Risk Management - Guidelines) and relevant ASX Corporate Governance Council Corporate Governance Principles and Recommendations, forms the basis of the overall risk management framework and is approved by the Board. A copy is available at <http://www.slatergordon.com.au/the-firm/governance>.

A separate Risk function is established, led by the Head of Risk and Internal Audit and structured as described in section 16 above. The Risk function provides a centralised role in facilitating the risk management framework, collating risk information from operational management on risk management plans and consolidating risk reporting to senior executives, the Audit and Risk Committee and the Board.

Annual risk management program goals are reviewed the Audit and Risk Committee and approved by the Board.

The Board and management ensure that a sound and effective system of internal controls and risk management, to safeguard Shareholders' investments and the Company's assets, is maintained at all times.

Risk reports, including a strategic risk profile outlining the Company's key strategic and operational risks, new and emerging risks, risk ratings, risk mitigations, key risk indicators, risk appetite and tolerance limits and progress against the annual risk management program goals are prepared by the Head of Risk and Internal Audit and analysed by both management and the Audit and Risk Committee at least twice a year, with resulting reports and recommendations made to the Board. The Board and Audit and Risk Committee monitor the risk culture, the effective operation of the risk management framework and the social and ethical responsibilities of the Company and receive reports from management on the effectiveness of the Company's management of material business risks during the Reporting Period.

The Company's management conduct six-monthly reviews of the effectiveness of the Company's risk mitigation and internal control systems. The review covers all material controls, including financial statement preparation and reporting, operational assurance, ethics, legal and compliance controls, and risk management.

As a result of the processes outlined above that were reported by the Audit and Risk Committee to the Board as having been undertaken during the Reporting Period, the Board satisfied itself that management has developed and implemented a sound system of risk management and internal control and that the risk management framework continues to be sound.

In relation to the Financial Statements for the financial year ended 30 June 2020 the Board received an assurance declaration from the Chief Executive Officer and the Chief Financial Officer that, in their opinion, the financial records of the Company have been properly maintained, that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that the opinion was formed on the basis of a sound system of risk management and internal control which is operating effectively.

## 18. SHARE TRADING POLICY

In addition to restrictions prescribed in the Corporations Act, the Company has a Share Trading Policy which:

- prohibits Directors from trading at any time in the Company's securities without first notifying the Chair and Company Secretary; and
- prohibits Directors and other designated persons from trading in the Company's securities within closed and prohibited periods and only permits trading within the following windows:
  - Within the period commencing 24 hours after the Company has released its half year and full year financial results through to one month after the release of those financial results.
  - Within the period commencing 24 hours after the Company holds its Annual General Meeting through to one month after the Company's Annual General Meeting.

Directors and employees are not generally permitted to enter into hedging arrangements in relation to equity granted under equity incentive schemes. The Board does retain discretion to allow this to occur in limited circumstances.

The Share Trading Policy is available at <http://www.slatergordon.com.au/the-firm/governance>.

## 19. CONTINUOUS DISCLOSURE, MARKET COMMUNICATIONS AND INVESTOR RELATIONS

The Company has established a written policy designed to ensure compliance with the ASX Listing Rule disclosure requirements and to ensure accountability at a senior Executive level for that compliance.

The Company is committed to providing effective communication to its shareholders. The Company publishes any presentations by the Chief Executive Officer to institutional investors and market analysts through the ASX Announcements Platform and on the Company website, contemporaneously with the scheduled presentation.

The Company's Disclosure and Market Communications Policy is available at <http://www.slatergordon.com.au/the-firm/governance>.

Shareholders may attend the Annual General Meeting. Shareholders can also receive communications from the Company electronically.

## 20. ETHICAL STANDARDS AND DECISION MAKING

During FY20, the Company's Code of Conduct was reviewed and amended to simplify and remove repetition. The Company's core values and expectations of its employees remain unchanged. All Directors, senior Executives and employees are bound by the Company's Code of Conduct, which is available at <http://www.slatergordon.com.au/the-firm/governance>. This sets out the standards of ethical behaviour required.

Effective 1 July 2019 a separate Whistleblower Policy was implemented. The policy actively encourages employees to bring ethical or misconduct concerns to the attention of designated persons if that person suspects or becomes aware of unethical, improper or unlawful conduct or concerns and sets out the process to safeguard and manage the investigations of concerns raised under the policy, including reporting and oversight by the Audit and Risk Committee. The Whistleblower Policy is available at <http://www.slatergordon.com.au/the-firm/governance>.

During FY20, the Company implemented a Board-approved Anti-Bribery and Corruption Policy which prohibits employees from engaging in any form of Bribery or Corruption and supports the development of a positive risk-aware culture, which promotes legally compliant and ethical behaviour. The Anti-Bribery and Corruption Policy is available at <http://www.slatergordon.com.au/the-firm/governance>.

The Company also has policies covering equal employment opportunity, discrimination, harassment, confidentiality, privacy, gifts/entertainment and employee health and safety.

## 21. DIVERSITY AND INCLUSION

During FY20, the Company reviewed and amended its Diversity Policy, which includes the Company's commitment and actions to create an inclusive and diverse workforce. The Diversity Policy continues to include requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually the objectives and the Company's progress in achieving those objectives.

During FY20, the Board reviewed its approach to setting measurable objectives for achieving gender diversity and has adopted targets of "40/40/20" for all levels within the Company, targeting 40% of roles to be held by women or gender diverse individuals, 40% to be held by men or gender diverse individuals and 20% to be open to all genders. Current gender participation is listed in the table below.

Category	Target (%) Male/Female/Open	30 June 2020 Outcome Male/Female
Non-Executive Directors	40/40/20	71/29
Senior Executive Team	40/40/20	55/45
Employees	40/40/20	23/77

In September 2019, the Company established an Inclusion Committee. The role of this management group is not just to focus on policy creation but to ensure that we are actively creating a culture that promotes and addresses issues of inclusion across gender, gender identity, sexuality, ethnicity, race, religion, age and disability.

Further details of diversity objectives and initiatives are set out in the Diversity Policy available at <http://www.slatergordon.com.au/the-firm/governance>.

## 22. BOARD EDUCATION AND CONTINUING PROFESSIONAL DEVELOPMENT

The Board is committed to ensuring new Non-Executive Directors are adequately educated on the Company's operations. New Directors are provided with an induction program and briefing pack upon commencement which provides an introduction to the Group's business, industry, regulatory context and governance structures.

**23 September 2020**