

BOARD COMPOSITION POLICY

1. Purpose

The Board of Slater & Gordon intends that its members have the knowledge, skills and personal characteristics that applied together provide the board with the capability required to carry out its responsibilities set out in the Director's Protocol (available at www.slatergordon.com.au).

2. Nomination and appointment of new directors

The nomination and appointment of new directors takes place within the parameters set out in the Director's Protocol.

The board undertakes regular evaluation of the board as a whole and the individual board members. At least every three years an external independent review is conducted and in each of the alternative years structured self-assessment is undertaken. This includes a review of the desirable mix of knowledge, skills and personal characteristics of board members and any gaps that exist in the optimum mix.

When it is determined that a new board member or members is necessary to complement existing board members the board first determines the target knowledge, skills and personal characteristics sought.

The Nomination and Remuneration Committee is then tasked with the responsibility of searching for and making a recommendation in relation to the appointment of a new board member or members. It goes about this task in one of two ways. It may use the wide network of people known to its members to identify possible candidates and following a desk review reduce the list of possible appointments to a manageable number, who are then interviewed by the Chair of the Committee (who is also the Chair of the Board). Alternatively, it may brief a search consultant on the target knowledge, skills and personal characteristics sought then obtain a 'short list' of candidates to be interviewed by the Chair.

The Chair makes a recommendation to the Nomination and Remuneration Committee which in turn makes a recommendation to the Board and the desired candidate is invited to join the board. A director appointed to the board in this manner will be put forward for election by the shareholders at the next Annual General Meeting immediately following their appointment.

3. Re-election of existing directors

Directors serve a maximum of three years on the board before they are required to stand for election by the shareholders at an Annual General Meeting. The process of board evaluation undertaken by the board provides the board with appropriate assessment of the performance of each director as well as the desirable mix of knowledge, skills and personal characteristics of board members and any gaps that exist in the optimum mix. The board takes these two matters into account in making its decision to recommend, or otherwise, that one of its number be re-elected as a director by the shareholders.

This Board Composition Policy was adopted on 25 February 2009 by the Board of Slater & Gordon Limited.