

## SENIOR EXECUTIVES' PROTOCOL

### 1. Purpose

The Directors' Protocol states that all communication between directors and members of the senior executive team will be co-ordinated through the office of the Managing Director. Therefore, this Senior Executives Protocol sets out the process by which the Managing Director delegates responsibility to the Chief Operating Officer, the Chief Financial Officer, the Company Secretary, State Managers and Divisional Practice Group Leaders. This Protocol also sets out matters relating to accountability, the senior executives' code of conduct, permitted dealing in Slater & Gordon shares, remuneration and performance evaluation.

### 2. Responsibilities

The Board delegates responsibility for the operation and management of Slater & Gordon's business to the Managing Director and the senior executive team. The Broad delegations to the Managing Director and senior executive team are outlined in the Directors' Protocol. The Managing Director coordinates and directs the responsibilities of the Chief Operating Officer, the Chief Financial Officer, the Company Secretary, State Managers and Divisional Practice Group Leaders. Further specific delegations to the senior executive team are as follows:

- 2(a) The Chief Operating Officer will be delegated responsibility for:
  - (i) managing the day-to-day business services activities of the Company;
  - (ii) monitoring the daily business services operations of the Company;
  - (iii) developing, designing, operating, and improving internal systems;
  - (iv) ensuring that business operations are efficient and effective and that proper management of resources and services to clients occurs;
  - (v) developing and cascading the Company's strategy to business services staff; and
  - (vi) prioritising client, employee and organisational requirements.
- 2(b) The Chief Financial Officer will be delegated responsibility for:
  - (i) preparing annual financial budgets, cash flow projections, forecasts and long term plans;
  - (ii) preparing and analysing financial operating results of the Company as a whole and in terms of its operating divisions;
  - (iii) coordinating the preparation of financial reports with the Company's accountants and/or auditors;
  - (iv) managing matter accounts, accounts payable and payroll.
- 2(c) The Company Secretary will be delegated responsibility for:
  - (i) maintaining a registered office and ensuring it is open to the public during certain hours;
  - (ii) managing board processes;
  - (iii) ensuring members' and directors' meetings are properly called and held;
  - (iv) ensuring records of members' and directors' meetings are kept in compliance with the Corporations Act and the Company's constitution;
  - (v) ensuring legal requirements with ASIC and other regulators are met, including continuous disclosure;

- (vi) providing advice to directors regarding the Corporations Act, constitution, ASX requirements and other legal and regulatory needs;
  - (vii) advising the board on good practice in corporate governance; and
  - (viii) facilitating the compliance framework to safeguard the integrity of the Company.
- 2(d) The State Managers will be delegated responsibility for:
- (i) Preparing annual State budgets within the framework of the Strategic Plan;
  - (ii) Achieving state based objectives set out in the Strategic Plan and reporting against those objectives;
  - (iii) Leadership of the State Executive;
  - (iv) Management of State training programs for staff;
  - (v) Co-ordination of State-based (non practice group specific) marketing;
  - (vi) Identification of growth opportunities and integration of acquired practices.
- 2(e) The Divisional Practice Group leaders will be delegated responsibility for:
- (i) Preparing annual implementation plans within the framework of the Strategic Plan;
  - (ii) Achieving divisional practice group based objectives as set out in the Strategic Plan and reporting against those objectives;
  - (iii) Management and delivery of accountabilities of the National Practice Group Leaders in relation to the:
    - o management of legal services;
    - o implementation of and conformance with the National Practice Standards;
    - o implementation of and conformance with the practice management system;
    - o development and implementation of precedents and workflow;
    - o co-ordination of practice group based marketing; and
    - o growth of practice groups within the framework of the Strategic Plan.
  - (iv) Organising an Annual National Conference within each Divisional Practice Group.

### **3. Accountability**

Senior executives are accountable to the Board and are to be accountable by the provision of reports, briefings and presentations on a regular basis throughout the year.

In the first instance, day-to-day reporting is made by the Chief Operating Officer, the Chief Financial Officer, the Company Secretary, State Managers and Divisional Practice Group Leaders to the Managing Director. The Chief Operating Officer, Chief Financial Officer, State Managers and Divisional Practice Group Leaders also report to the Managing Director through monthly meetings of the National Executive.

In addition, each of the Managing Director, Chief Operating Officer and the Chief Financial Officer prepare reports to the Board for review at each Board meeting throughout the year. State Managers and Divisional Practice Group Leaders present to the Board at each Board meeting, on rotation.

### **4. Code of conduct**

Slater & Gordon has established a Code of Conduct so there can be no doubt about the standards of behaviour Slater & Gordon expects of its people. The Code of Conduct sets a framework for how all staff must operate. The Code of Conduct protects the interests of the court, clients, shareholders, employees and suppliers of goods and services to the firm. Particularly, it helps employees and officers

understand what is expected of them. All senior executives are bound by the Code of Conduct.

**5. Dealing in Slater & Gordon shares**

Slater & Gordon has established share trading guidelines for staff to ensure that unpublished price sensitive information about Slater & Gordon or any other company is not used in an illegal manner. These guidelines are detailed in the Code of Conduct and in the Share Trading Policy. All senior executives are bound by the Share Trading Policy.

**6. Remuneration**

Senior executives are offered competitive remuneration packages by Slater & Gordon, which remuneration is reviewed by the Remuneration & Nomination Committee. Remuneration packages of senior executives may include both long and short term incentives, as well as the opportunity to participate in Slater & Gordon's Employee Ownership Plan.

**7. Performance evaluation**

Senior executives participate in the annual performance review process which applies to all Slater & Gordon employees. This process involves the establishment of performance objectives and measurements on an annual basis, and review of achievement of the same. The process also involves assessment of remuneration tied to the Company achieving its stated financial and other goals.

This Senior Executives Protocol was adopted on 25 February 2009 by the Board of Slater & Gordon Limited.