



CORPORATE GOVERNANCE STATEMENT

1. Purpose

The directors and management of Slater & Gordon (“S&G”) are committed to conducting the Company’s business ethically and in accordance with high standards of corporate governance.

This statement describes S&G’s approach to corporate governance.

The principal accountabilities of S&G are to:

- (i) Fulfil its duty to the Court and to its clients;
- (ii) Provide services of value to its clients;
- (iii) Provide meaningful employment for staff; and
- (iv) Generate rewards for its shareholders.

and to do so in a way that contributes to the welfare of the community.

If there is an inconsistency or conflict between the duties to the court, to clients and to shareholders then that conflict or inconsistency shall be resolved as follows:

1. The duty to the Court will prevail over all duties; and
2. The duty to the client will prevail over the duty to shareholders

The various S&G policies on corporate governance matters are summarised below.

2. Board of Directors

The Board of Directors is responsible for protecting the rights and interests of members and is accountable to them for the overall management of S&G. The Board has the overall responsibility for the governance of the Company, composition of Board, code of conduct, expectations of directors in Board process, conflict of interest and related party transactions disclosure requirements, relationship between Board and management, conduct of meetings, Director protection, remuneration, education, development and evaluation.

3. Committees of the Board

To assist in the execution of its corporate governance responsibilities, the Board has established the Audit, Compliance & Risk Management Committee and the Nomination and Remuneration Committee.

Charters have been established for each of the committees together with standing rules for committees.

Requirements for Board committees are to be reviewed regularly. All committees operate principally in a review or advisory capacity, except in cases where powers are expressly conferred on or delegated to a committee by the Board.

4. Risk Management

The Board has a number of arrangements in place intended to identify and manage areas of significant strategic or financial business risk. These include:

- (i) Procedures to consider and approve the strategic direction of S&G;
- (ii) Detailed and regular budgetary, financial and management reporting;
- (iii) Procedures to manage financial and operational risks;
- (iv) Clear organisational structure, procedures, manuals and policies, including delegation policies;
- (v) Comprehensive insurance and risk management programs; and
- (vi) Contractual arrangements with specialised staff and external advisers.

The program is designed to provide an enterprise wide risk management methodology which incorporates risk identification, analysis, assessment, treatment and monitoring/review of a wide range of risk and compliance issues including external environment, process risk and decision making risks.

Risk management is overseen by the Audit Compliance & Risk Management Committee.

5. Ethical Standards

The directors subscribe to the need for continued maintenance of the highest standards of corporate governance practices and ethical conduct by all directors, executives and employees of S&G. All Directors, executives and employees are expected to act with the utmost integrity and objectivity in their dealings with each other, with clients, with competitors and with the community, aiming at all times to enhance the reputation and performance of S&G.

S&G has adopted a Code of Conduct which sets standards of behaviour required of all employees including requirements to:

- (i) Ensure all legal practitioners are aware of and comply with the spirit and letter of their obligations under the applicable Acts, Regulations and Rules which apply to legal practitioners;
- (ii) Act properly and efficiently in pursuing the objectives of S&G;
- (iii) Avoid situations which may give rise to a conflict of interests;
- (iv) Know and adhere to S&G's Equal Employment Opportunity policy and programs;
- (v) Comply with the guidelines on insider trading and dealing in S&G securities;
- (vi) Maintain confidentiality in the affairs of S&G and its clients; and
- (vii) Be absolutely honest in all professional activities.

These standards are regularly communicated to staff and directors and are accepted and agreed to by all.

6. Political Contributions

Political contributions are allowed by S&G and are to be approved by the Board. All sponsorships undertaken by S&G will be aligned with the achievement of corporate and commercial objectives.

7. Dealings in S&G Securities

S&G has established share trading guidelines for staff to ensure that unpublished price sensitive information about S&G 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.

8. Corporate Disclosure and Communication

Procedures and practices are in place to ensure compliance with the continuous disclosure requirements of the Australian Stock Exchange Listing Rules. Continuous disclosure involves the timely announcement of information to keep the market informed of material events and developments as they occur. The Corporations Act 2001 and the ASX Listing Rules require that a company disclose to the market all matters which could be expected to have a material effect on the price or value of the company's securities.

Management processes are in place to ensure that all material matters which may potentially require disclosure are promptly reported to the Managing Director through established reporting lines. Matters reported are assessed, and where required by the Listing Rules, advised to the market.

The Company Secretary is responsible for communications with the ASX and must ensure that information for release to the market is not released to any other person until S&G has given the information to the ASX and has received an acknowledgement that the ASX has released the information to the market. In addition, all external communications such as analyst briefings are released to the ASX and also posted on the S&G website to ensure timely and balanced disclosure.

S&G has a policy on shareholder communication to require communication with shareholders and other stakeholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of S&G. This will be achieved through publication of relevant information on the S&G website. This is done by use of systems involving communiqués and technologies that ensure a regular and timely release of information about S&G. Contact details will also be provided for investors to contact S&G either electronically or otherwise to ensure effective communication with shareholders.

9. Security Holder Meetings

S&G's constitution sets out procedures to be followed regarding:

1. The convening of meetings;
2. The form and requirements of the notice;
3. Chair and quorums; and
4. Voting procedures, proxies, representatives and polls.

10. Privacy

Since the implementation of the Privacy Act in December 2001, S&G has had a privacy policy which deals with:

- (i) Collection of information
- (ii) Disclosure of information
- (iii) Storage of information
- (iv) Security
- (v) Access to and correction of information

11. Environment

The Board encourages responsible environmental management including undertaking projects to manage or reduce the environmental impact of S&G's business operations. Areas addressed are the reduction of energy consumption; the minimisation of waste; and increasing recycling efforts.

12. Social Responsibility

The Board is committed to foster S&G's commitment to operate its business in a manner consistent with the rapidly changing demands of society. The Board discusses current and emerging political, social and public policy issues that may affect business operations, performance or public image of the Group. Matters discussed and reviewed include environmental matters, government relations, diversity, corporate social responsibility, education, communications, employee health and safety and philanthropic activities.

Slater & Gordon has made and continues to make a substantial commitment to public interest litigation. The Company believes this commitment is an essential part of its commitment to the advancement of social justice issues. The Company's *No Win No Fee*TM initiative provides enhanced access to the legal system for many Australians. In addition, from time to time the Company conducts public interest cases aimed at exploring new areas of law, protecting rights and acting for disenfranchised members of the community.

Through the Slater & Gordon Foundation, the Company and its employees support community and social welfare activities linked with the firm's values and activities. In addition, the Asbestos Research Trust, which was established by and is still funded by Slater & Gordon, contributes towards medical research into asbestos-related diseases and towards support services for victims of those diseases.

This Corporate Governance Statement was adopted by the Board of Slater & Gordon Limited on 23 August 2007.