

Shareholder Litigation Statement of Principles

1. Litigation by shareholders and asset owners is, in appropriate circumstances, a legitimate and proper means of recovering losses suffered as a result of corporate wrongdoing and as a means of effecting positive governance change. Slater & Gordon will appraise potential shareholder litigation not only from the perspective of the fiduciary obligation of fund managers to maximize fund return but also within the context of a corporation's ESG responsibilities.
2. Slater & Gordon is acutely concerned to ensure that decisions taken by the firm with respect to shareholder litigation are taken with utmost care in order to avoid any unintended reputational harm or value impairment to the company concerned.
3. Consequently, as a minimum, before approval shall be sought or given to the commencement of any litigation seeking shareholder recoveries, the lead practitioner within the firm involved in the litigation and the Managing Director shall be satisfied of the following.
 - a) That, if relevant, the litigation has significant support among institutional investors.
 - b) That while only a sub-set of shareholders may be entitled to claim in the litigation that:
 - (i) Regard shall be had for the interests of other shareholders of the corporation;
 - (ii) The successful prosecution of the litigation is consistent with enhancing the governance of the corporation; and
 - (iii) The successful prosecution of the litigation is likely to positively affect the standard of ethical behaviour or corporate governance of corporations generally in the market.
 - c) That the lead practitioner is satisfied and that advice has also been obtained from independent Counsel which concludes that there is a reasonable basis for asserting that the corporation engaged in misleading or deceptive conduct or failed to keep the market properly informed or otherwise failed to meet its obligations at law (**'wrongful conduct'**).
 - d) That the wrongful conduct is likely to have caused material losses for effected shareholders.
4. Slater & Gordon shall also, at all times, prosecute shareholder litigation so as to minimize unintended reputational harm or value impairment. In this respect, the lead practitioner and Managing Director shall use best endeavours to at least ensure:
 - a) That public comments made by members of the firm about the litigation are measured, appropriate and are not in any way sensationalised; and
 - b) That before proceedings are commenced the initiating process is, whenever practicable, provided to the corporation and the corporation is invited to participate in informal dialogue to seek an appropriate resolution.
5. Greater involvement by institutional investors will likely improve the selection and prosecution of appropriate shareholder litigation. Consequently, Slater & Gordon shall continue to work closely with institutions to encourage their engagement. In particular, Slater & Gordon shall continue to work to improve the availability of competitive and appropriate funding options for shareholder litigation for the ultimate benefit of participant investors.