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9 April 2015

Dear Shareholder

### **SLATER & GORDON LIMITED A\$890 MILLION UNDERWRITTEN PRO RATA ACCELERATED RENOUNCEABLE ENTITLEMENT OFFER**

On Monday, 30 March 2015, Slater & Gordon Limited (**SGH**) announced an underwritten 2 for 3 pro rata accelerated renounceable entitlement offer of new SGH shares (**New Shares**) at an offer price of A\$6.37 per New Share (**Offer Price**) to raise approximately A\$890 million (**Entitlement Offer**).

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue entitlements (**Entitlements**) or New Shares to you, nor an invitation for you to apply for Entitlements or New Shares. You are not required to do anything in response to this letter.

#### **Rationale for the Entitlement Offer**

As announced on 30 March 2015, SGH has entered into an agreement to acquire Quindell Plc's Professional Services Division (**PSD**) for upfront consideration of £637 million (A\$1,225 million) and an earn out based on performance of PSD's legacy noise induced hearing loss cases. SGH is seeking to raise approximately A\$890 million under the Entitlement Offer to partially fund the acquisition. The balance of the consideration will be funded by bank debt.

The acquisition is subject to certain regulatory approvals and the approval of Quindell Plc's shareholders, the vote for which is expected to occur on Friday, 17 April 2015 (**Approval**). The results of the vote will promptly be announced by SGH on the Australian Securities Exchange (**ASX**). Where the acquisition is not completed, SGH will assess the most appropriate way to return proceeds to shareholders.

#### **Details of the Entitlement Offer**

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to eligible retail shareholders (as described below, **Eligible Retail Shareholders**) to participate at the same Offer Price and offer ratio (**Retail Entitlement Offer**). The Entitlement Offer is being made by SGH without a disclosure document in accordance with section 708AA of the Corporations Act 2001 (Cth) (as modified by ASIC Class Order 08/35).

Assuming the Approval is obtained then following completion of the Entitlement Offer, SGH will have issued approximately 139.8 million New Shares resulting in a total of approximately 349.6 million SGH shares on issue.

Citigroup Global Markets Australia Pty Limited (**Citi**) and Macquarie Capital (Australia) Limited (**Macquarie**) (Citi and Macquarie together, the **Joint Lead Managers** and each a **Joint Lead Manager**) are underwriting the Entitlement Offer.

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The Retail Entitlement Offer is being made to Eligible Retail Shareholders on the basis of 2 entitlements to subscribe for New Shares for every 3 existing SGH shares held on the Record Date of 7.00pm (Melbourne time) on Thursday, 2 April 2015. An offer booklet in relation to the Retail Entitlement Offer (**Retail Offer Booklet**) will be despatched to Eligible Retail Shareholders on or around Thursday, 9 April 2015. Further information in relation to the Entitlement Offer has been disclosed on ASX.

### Eligibility criteria

Eligible Retail Shareholders are those persons who:

- are registered as a holder of existing SGH shares as at the Record Date of 7.00pm (Melbourne time) on Thursday, 2 April 2015;
- either:
  - have a registered address on the SGH share register in Australia or New Zealand; or
  - are one of a limited number of SGH employees who have a registered address on the SGH share register in the United Kingdom and have been separately notified by SGH as being an Eligible Retail Shareholder;
- are not in the United States and are not acting for the account or benefit of a person in the United States;
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Retail shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders.

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to SGH of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing SGH shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled. SGH has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Australian *Corporations Act 2001* (Cth) (**Act**), that it would be unreasonable to make or extend offers to shareholders in certain countries under the Retail Entitlement Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Act, SGH wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer.

### Retail Shortfall Bookbuild

However, as the Entitlement Offer is renounceable, you may receive value for Entitlements you would have received had you been eligible to participate in the Retail Entitlement Offer. Arrangements have been made for the Entitlements that would have otherwise been offered to Ineligible Retail Shareholders to be sold via a retail shortfall bookbuild on Thursday, 23 April 2015 (**Retail Shortfall Bookbuild**).

You will receive any premium paid in the Retail Shortfall Bookbuild over the Offer Price (being \$6.37), less any withholdings required by law. However if the price achieved under the Retail Shortfall Bookbuild (**Bookbuild Price**) does not exceed the Offer Price then no proceeds will be received and paid to you. There is no guarantee that any premium will be paid and therefore, that you will receive any proceeds as a result of the Retail Shortfall Bookbuild.

The ability to sell New Shares under the Retail Shortfall Bookbuild, and the ability to obtain any premium over the Offer Price, is dependent on numerous factors including market conditions. The Bookbuild Price may not be the highest price available, but will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of the Joint Lead Managers will, if accepted, result in otherwise acceptable allocations to clear the entire book. SGH and the Joint Lead Managers have the right to close the Retail Shortfall Bookbuild early or to extend the bookbuild closing time in their absolute discretion (but have no obligation to do so), without recourse or notice to you. The Joint Lead Managers are not acting for or on behalf of any SGH shareholder in relation to the conduct of the Retail Shortfall Bookbuild or in respect of the price obtained under the Retail Shortfall Bookbuild. To the maximum extent permitted by law, none of SGH, the Joint Lead Managers, their respective related bodies corporate, and affiliates, and the directors, officers, employees, agents and advisers of any of them, will be liable, including for negligence, for any failure to procure applications under the Retail Shortfall Bookbuild at a price in excess of the Offer Price.

Any proceeds received by you may have Australian and overseas tax consequences, depending on your individual circumstances. You should seek professional tax advice regarding the taxation of any proceeds received.

**You are not required to do anything in response to this letter.**

For further information on the Entitlement Offer or if you believe that you are an Eligible Retail Shareholder, you can call the SGH Offer Information Line on 1300 850 505 (within Australia) or +61 (3) 9415 4000 (outside Australia) from 8.30am to 5.30pm (Melbourne time) Monday to Friday. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board of SGH, I thank you for your continued support.

Yours faithfully



**John Skippen**  
Chairman  
Slater & Gordon Limited

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**Important Information**

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States, or in any other jurisdiction in which such an offer would be illegal. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (the Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered, sold or resold to, persons in the United States or to persons who are acting for the account or benefit of a person in the United States, unless such Entitlements or New Shares have been registered under the Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.