



ANNEXURE A

FEDERAL COURT OF AUSTRALIA

PITCHERS CLASS ACTION

Hall v Pitcher Partners

(VID 918 of 2018)

PLEASE READ THIS NOTICE CAREFULLY

NOTICE OF PROPOSED SETTLEMENT OF PITCHERS CLASS ACTION

This notice is provided pursuant to orders made by the Federal Court of Australia to inform you about (a) the right to participate in a proposed settlement of the class action and (b) the right to object to the proposed settlement.

This notice contains important information about the proposed settlement of a class action brought on behalf of persons who (with some limited exceptions) acquired an interest in fully paid ordinary shares in Slater & Gordon Limited (including entitlements to new fully paid ordinary shares in Slater & Gordon to be issued as part of the Entitlement Offer as defined in paragraph 3 below) during the period between 30 March 2015 and 24 February 2016.

You should read this notice carefully, as your legal rights may be affected by the proposed settlement. Further detailed information is contained on the website of Maurice Blackburn (see the end of this Notice), and you are encouraged to read that information

What is the class action about?

1. A representative proceeding (also known as a “class action”) has been commenced in the Federal Court of Australia (**Court**) against Pitcher Partners (**Pitcher Partners**) on behalf of all persons who (save for some limited exceptions):
 - a. acquired an interest in fully paid ordinary shares in Slater & Gordon Limited (**SGH**) during the period between 30 March 2015 and 24 February 2016; and
 - b. suffered loss or damage by, or which resulted from, the conduct of Pitchers alleged in the class action.

(Pitchers Class Action).
2. In the Pitchers Class Action, the Applicant alleges that the First Respondent, Pitcher Partners, as the auditor of SGH’s FY2015 financial statements, failed to identify or communicate risks around the likely impairment of the \$1.1 billion goodwill asset associated with the acquisition



of the UK-based Professional Services Division (PSD) from Quindell plc, and the likely consequences of that impairment. The result, it is alleged, is that SGH's FY15 Financial Report and/or FY15 Appendix 4E were materially misstated. Substantially all of the goodwill associated with PSD was impaired six months later in SGH's half-yearly report for FY2016.

Earlier Proceedings and Settlements

3. The Pitchers Class Action is one of three class actions brought by the Applicant on behalf of SGH shareholders arising from the acquisition of PSD, and the only one which is still on foot.
 - a. The first class action was brought against SGH, settled for \$36.5m, which was approved by the Court in December 2017 (alongside SGH's restructuring) (*Hall v Slater & Gordon Ltd* Federal Court of Australia Proceeding No. VID1213 of 2016 (**SGH Class Action**)).
 - b. The second class action was brought against SGH's Australian legal advisers, Arnold Bloch Leibler (**ABL**), which settled for \$28m shortly before trial. This settlement was approved by the Court in March 2022 (*Hall v Arnold Bloch Leibler (a firm)* Federal Court of Australia Proceeding No. VID1010 of 2019 (**ABL Class Action**)).
4. A mediation of the Pitchers Class Action which took place in October 2021 did not result in a settlement.
5. The Pitchers Class Action proceeded to trial in the Federal Court in November 2021 and the trial concluded in late December 2021, but the Court has not yet handed down its decision.
6. Following the trial, the Applicant and Pitchers agreed to claims against the Second Respondent Ernst & Young UK LLP (**EY UK**) which had been joined to the proceeding by Pitcher Partners who had alleged that EY UK was partly responsible for any loss suffered by the Applicant and Group Members. The Applicant settled the claims against EY UK on a "walk away" basis that did not involve EY UK paying any compensation. The settlement with EY UK was approved by the Federal Court as being fair and reasonable and in the interests of group members on 5 August 2022.

The proposed settlement and court approval

7. The parties to the Pitchers Class Action have agreed to a proposed settlement of the class action, where Pitchers will pay a total of **\$41,000,000** (inclusive of costs and interest) in full and final settlement of the claims of the Applicant and group members in the class action (**Pitchers Settlement**). The proposed settlement has been reached with no admission of liability by Pitchers.
8. The settlement must first be approved by the Federal Court as being fair and reasonable before it is binding on group members. If approved, after deduction of certain amounts in respect of



the legal and funding costs associated with bringing the class action, the balance of that amount will be distributed to **eligible group members**.

9. The Court will hear the application for approval of the proposed settlement at 10.15am on 28 October 2022 at the Federal Court in Melbourne. That hearing may take place either in person or by video, depending on the COVID-19 health advice and government requirements in place at the time.
10. If you are a Group Member in the Pitchers Class Action, you have the right, if you wish, to attend that hearing and/or to make submissions as to why the Court should, or should not, approve the proposed settlement (or any particular aspect of it). If you wish to exercise that right, you need to follow the steps outlined below (under the sub-heading 'Option C' below).
11. If the settlement is approved, any claims Group Members have against Pitchers arising from, in relation to or connected with the Proceeding and its subject matter will be released so that they can no longer be pursued, and eligible group members will receive a distribution from the settlement.
12. **Details of the proposed deductions** are contained on the website of Maurice Blackburn (see the end of this Notice), and you are encouraged to read that information.
13. **How the settlement is proposed to be distributed** will depend upon the application of a confidential formula, and you may receive different amounts depending on a number of factors, including whether you bought your SGH shares before or after Pitchers gave its audit opinion to SGH, and when you sold your SGH shares. For more details, please contact Maurice Blackburn.

Participation in the proposed settlement

14. Group members who are **eligible** to participate in the settlement of the Pitchers Class Action are those who are **registered** with Maurice Blackburn by no later than [21 October 2022].
15. **Registered Group Members:** If you have previously registered with Maurice Blackburn in relation to the SGH Class Action the ABL Class Action, you are already registered for the purposes of the Pitchers Class Action and do not need to register again. If you have previously registered for the Pitchers Class Action you do not need to register again. If you have previously registered with Maurice Blackburn for the ABL Class Action, and you fall within the group definition set out above in paragraph 1 above, you are already registered for the purposes of the Pitchers Class Action and do not need to register again.

What steps do you need to take?

16. The proposed settlement of the Pitchers Class Action, and the steps (if any) which group members may wish to take in response to this notice, will differ depending on their particular



circumstances as summarised below:

- a. **Registered Group Members:** Group members who have previously registered with Maurice Blackburn to participate in the SGH Class Action, or the Pitchers Class Action, or the ABL Class Action (and you fall within the group definition set out in paragraph 1 above), need not do anything in response to this notice. If you wish to **object to the proposed settlement**, but still participate in the settlement in the event that your objection is overruled and the settlement is approved, you must submit a 'Notice of Objection to Proposed Settlement' by 21 October 2022 in accordance with the instructions on Maurice Blackburn's website).

Registered group members will be entitled to participate in the proposed settlement of the class action, and to receive a monetary distribution from the settlement sum, in the event that the proposed settlement is approved by the Court (and provided they otherwise qualify).

Registered group members do not need to re-register. If you are unsure of your registration status, you should contact Maurice Blackburn at SGH@mauriceblackburn.com.au.

- b. **Unregistered Group Members:** Group members who have **not** previously registered with Maurice Blackburn in the SGH Class Action, or the Pitchers Class Action, or the ABL Class Action (and you fall within the group definition set out in paragraph 1 above), may do **three** things:

- **Option A: Register** to participate in the proposed settlement of the Pitchers Class Action by 21 October 2022 (in which case, you may be entitled to receive a distribution from the proposed settlement of the class action, in the event that it is approved by the Court, and provided you otherwise qualify). To register to participate in the proposed settlement of the Pitchers Class Action, you should go to <https://www.mauriceblackburn.com.au/class-actions/join-a-class-action/pitcher-partners-class-action/> or contact Maurice Blackburn on 1800 572 151
- **Option B: Do nothing** (in which case, if the proposed settlement of the Pitchers Class Action is approved by the Court, you will not be entitled to receive a distribution from the settlement sum). You will, however, still be bound by the settlement and claims you may have against Pitchers will be extinguished.
- **Option C:** Group members may (in addition to Option A or Option B) **object** to the proposed settlement of the Pitchers Class Action. If you want to object to the settlement, but still participate in the settlement in the event that your objection is overruled and the settlement is approved, you should follow both Option A and Option C together. If you wish to object to the proposed settlement, you must submit a Notice of Objection to Proposed Settlement by [21 October 2022] in accordance with the instructions on



Maurice Blackburn's website.

There are different consequences for you depending on which option you choose. Further details in relation to each of the options, including the consequences and steps required, are set out on Maurice Blackburn's website (<https://www.mauriceblackburn.com.au/class-actions/join-a-class-action/pitcher-partners-class-action/>).

- c. **Former Group Members:** Group members who submitted an opt out notice prior to the Court-imposed deadline of 8 September 2021 do not need to do anything in response to this notice. By choosing to opt out of the Pitchers Class Action, you are no longer a group member in the class action and will not be affected by the class action or the proposed settlement of the class action.

More Information

As stated above, further information is available on Maurice Blackburn's website (<https://www.mauriceblackburn.com.au/class-actions/join-a-class-action/pitcher-partners-class-action/>), under the following headings:

- **What is a class action?**
- **What is the Pitchers Class Action?**
- **Are you a Group Member in the Pitchers Class Action?**
- **Are Group Members liable for legal costs?**
- **The Proposed Settlement and Proposed Deductions**
- **The Settlement Approval Process**
- **What do Group Members need to do?**
 - **Registered Group Members**
 - **Unregistered Group Members**
 - **Former Group Members**
- **Relevant documents**
- **What if you have further questions?**