



**DWF GROUP PLC**  
**(the Company)**

**TERMS OF REFERENCE OF THE DWF GROUP PLC**

(Approved at a meeting of the Board of Directors of the Company held on 20 September 2019)

**1. Proceedings of the Board**

Proceedings of the Board shall be carried out in accordance with the Company's articles of association and as set out in these Terms of Reference.

**2. Membership**

2.1 The chairman of the Board shall be the Chairman of the Company as appointed by the Board. In his or her absence, the senior independent non-executive director shall act as chairman or, in his or her absence, an independent non-executive director may be appointed by the Board to act as chairman.

2.2 Members of the Board shall comprise the CEO, the CFO, the partner directors, the independent non-executive directors, the senior independent non-executive director and the Chairman.

**3. Secretary**

The company secretary shall ensure that the Board receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

**4. Meeting Frequency**

The Board shall meet bi-monthly or otherwise as the Board thinks fit.

**5. Delegation of Authority to the Executive Board**

5.1 The day to day responsibility for operation of the Company and its subsidiary undertakings (the Group) not specifically reserved to the Board or delegated to a committee of the Board is delegated to the Executive Board of DWF Law LLP (the Executive Board) in accordance with such policies and directions as the Board determines appropriate, including the Executive Board terms of reference.

5.2 The Executive Board will provide executive input to the Board, and will update the Board, as required, on operational and day to day activities.

**6. Schedule of Matters Reserved to the Board**

6.1 The Schedule of Matters Reserved to the Board is set out as a schedule to these terms of reference.

6.2 Once a decision in principle has been taken by the Board on any matter referred to in the Schedule of Matters Reserved to the Board, the Board shall identify any documents relating to such matter which will require multiple Board signatures, and shall agree the procedure to be followed when any decisions are required between



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Board meetings. Subject to these issues, implementation of the matter can be delegated to a committee of the Board or the Executive Board.

**7. Professional Duties Prevail**

7.1 In fulfilling its purpose, the Board:

7.1.1 acknowledges that each lawyer of the Group has professional duties as a member of the legal profession in the jurisdiction (or jurisdictions) where he or she is entitled to practise law;

7.1.2 acknowledges that all decisions made by the Board and all directions given by it in respect of the Group's lawyers will be made having regard, and will be subject, to the requirement that the professional duties of members of the legal profession within the Group prevail over the decisions and directions of the Board; and

7.1.3 agrees that, to the extent that any lawyer of the Group experiences a conflict or potential conflict between the matters referred to in paragraph 7.1.2 above, then, to the extent of the conflict or potential conflict, that lawyer's professional duties shall prevail.



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**SCHEDULE OF MATTERS RESERVED TO THE BOARD**

**Strategy**

1. Responsibility for the overall management of the Group.
2. Adoption of the strategic aims of the Group and approval of its long-term objectives.
3. Determining what financial and human resources are required in order for the Group to meet its objectives.
4. Setting the Group's values and standards.
5. Approval of the annual operating budgets and any material changes to them.
6. Oversight of the Group's operations ensuring:
  - a) competent and prudent management;
  - b) sound planning;
  - c) an adequate system of internal control;
  - d) adequate accounting and other records;
  - e) compliance with statutory and regulatory obligations (including the professional duties of the Group's lawyers).
7. Review of performance in light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
8. Extension of the Group's activities into new business or geographic areas.
9. Any decision to cease to operate all or any material part of the Group's business.

**Capital and Structure**

10. Changes to the Group's capital structure (including reductions of capital, share issues (except under employee share plans), share buy backs).
11. Major changes to the Group's corporate structure (including material contractual corporate structure arrangements of, or between, members of the Group).
12. Changes to the Company's listing arrangements or its status as a public limited company.



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13. Changes to the Group's management and control structure (including material contractual governance arrangements of, or between, members of the Group).
14. Recommendations for the alteration of the articles of association of the Company.
15. Recommendations for the alteration of the registered office and the name of the Company.

**Board, Committee and other Appointments**

16. Changes to the structure, size and composition of the Board following recommendations from the nomination committee.
17. Appointments to the Board following recommendations by the nomination committee.
18. Selection of the Chairman and the CEO / Managing Partner.
19. Appointment of one of the independent non-executive directors to be the senior independent non-executive director.
20. Succession planning for appointments to the Board and to the senior management team.
21. Appointment and removal of the company secretary.
22. Setting or variation of senior management authority levels.
23. Establishing audit, risk, remuneration, nomination and disclosure committees (and such other committees as may be required or desirable from time to time) and determining their membership and chairmanship.
24. Decisions as to continuation in office of directors at the end of their term of office, when they are due to be re-elected by shareholders at the annual general meeting and otherwise as appropriate.
25. Decisions as to continuation in office of any director at any time, including the suspension or termination of service of the CEO / Managing Partner, the CFO, or a partner director, subject to the law and their service arrangements.
26. Decisions as to the appointment, re-appointment and removal of external auditors before such proposals are put to the shareholders for approval in general meeting, following the recommendation of the audit committee.
27. Appointments to the Executive Board.



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**Remuneration**

28. Determining the overall remuneration policy for the independent non-executive directors, the company secretary and the senior management team, in the case of the policy for the directors, subject to shareholder approval. The overall remuneration policy for the Chairman, the CEO / Managing Partner, the CFO, the partner directors and the members of the senior management team shall be delegated to the remuneration committee.
29. Setting the remuneration of the independent non-executive directors, subject to the articles of association and shareholder approval. Remuneration of the Chairman, the CEO / Managing Partner, the CFO, the partner directors and the members of the senior management team shall be set by the remuneration committee.
30. The introduction of or amendment (or recommendations for amendment) to the Group's share plans and equity incentive plans or (if subject to the approval of the Company) changes of trustees in respect of the plans.
31. A material amendment of any pension scheme(s) of the Group, changes of trustees or (if subject to the approval of the Company) changes in the fund management arrangements.

**Financial and Annual Reporting**

32. Explanation of the Group's business model and strategy for delivering the objectives of the Group.
33. Approval of statements containing financial information, including any half-yearly report and any preliminary announcement of final results.
34. Preparation and approval of the strategic report (including any non-financial information statement), the directors' report and the corporate governance statement in accordance with sections 414A to 419A of the Companies Act 2006, the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules.
35. Preparation and approval of the directors' remuneration report in accordance with sections 420 to 422A of the Companies Act 2006 and the Listing Rules.
36. Approval of annual and interim accounts of the Group.
37. Approval of the annual budget, capital expenditure, estimates and forecasts, including profit, dividend or other forecasts made public.



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38. Approval of material unbudgeted capital or operating expenditure (outside pre-determined tolerances).
39. Approval of the dividend policy.
40. The declaration of interim dividends, the recommendation of final dividends and the making of any other distributions.
41. Approval of any significant changes in accounting policies or practices.
42. Recommendations for the alteration of the Company's accounting reference date.

**Contracts**

43. Transactions of any member of the Group that are material strategically or by reason of size. For these purposes, material means transactions which fall into the following categories, including as defined in the Listing Rules.
  - a) reverse takeovers;
  - b) class 1 transaction;
  - c) class 2 transaction;
  - d) related party transactions;
  - e) the issue of shares or any class of listed security (excluding share options);
  - f) any transaction involving an activity of a type not previously carried on by the Group; and
  - g) a takeover bid subject to the Takeover Code.
44. Investments and capital projects exceeding £1 million (per annum) and £10 million (total).
45. The entering into or any amendments of any indemnities or guarantees where the maximum amounts payable would exceed the coverage of any insurance held by the group which would cover that guarantee or indemnity, or be outside the scope of any insurance for that indemnity or guarantee and exceed £10 million (including any indemnities or guarantees in substitution for or renewal of existing arrangements).
46. Any banking facilities in excess of £10 million (including any facilities in substitution for or renewal of existing arrangements).



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47. The creation of any mortgage, charge (fixed or floating), pledge, hypothecation or other encumbrance of a similar nature over all or any part of the undertaking, property and assets (both present and future) and uncalled capital of any member of the Group.
48. The issue of any debt instruments for amounts in excess of £1 million including bond issues, debenture issues and loan stock instruments

**Corporate Governance**

49. Overall review of corporate governance arrangements of the Group (including material contractual governance arrangements of, or between, members of the Group).
50. Undertaking formal and rigorous annual review of the Board, its committees and directors.
51. Determining whether each independent non-executive director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could affect, the director's judgement.
52. Considering the balance of interests between shareholders, employees, clients, customers and the communities in which it operates, and always having regard to the professional duties of the lawyers of the Group.
53. Receiving reports on the views of the Company's shareholders.
54. Identifying conflicts of interest and authorising these where permitted by the Company's articles of association.

**Risk Management and Internal Control**

55. Determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives and setting and maintaining appropriate policies on risk management and internal control so as to ensure the effectiveness of the Group's systems of risk management and internal control. "Internal control" shall comprise all material controls, including financial, operational and compliance controls and risk management systems.
56. Producing the Group's risk appetite statements.
57. Overseeing the Group's management systems and arrangements to ensure that they are adequate to comply with the regulatory requirements of each of the Group's legal professional regulators.



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58. Producing procedures for the detection of fraud and the prevention of bribery.
59. Monitoring, receiving reports on, and, at least annually, reviewing the effectiveness of the Group's system of internal control to support its strategy and objectives.
60. Approving the statement, for inclusion in the annual report, in relation to risk management and internal control.

**Delegation of authority**

61. Establishing Board committees and approving and amending the terms of reference of the Board committees.
62. Determining the division of responsibilities between the Chairman and the CEO / Managing Partner, which should be set out in writing.
63. Receiving reports from Board committees on their activities.

**Partner Matters**

64. Approval of the expulsion of any partner of the Group.
65. Determine the status of any expelled partner of the Group as a good leaver or otherwise under the terms of any lock-up agreement or share plan.

**Policies**

66. Adopting and maintaining policies for the Group, including:
  - a) Market Abuse Regulations compliance manual (including disclosure policy, share dealing policy and responsibilities of Persons Discharging Managerial Responsibilities);
  - b) bribery prevention policy;
  - c) whistleblowing policy;
  - d) code of conduct (including in relation to the professional duties of lawyers and others in the Group)
  - e) corporate social responsibility policy;
  - f) health and safety policy;
  - g) human resources policy;
  - h) environmental policy;





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- i) political contributions policy;
- j) charitable donations policy;
- k) communications policy; and
- l) treasury policies (including foreign exchange exposure).

**Other**

- 67. The making of any political donations.
- 68. Approval of the appointment of the Group's principal professional advisers.
- 69. Approving insurance cover for the Group, including directors' and officers' liability insurance, indemnification of directors, and professional indemnity insurance for the legal practices of the Group in each jurisdiction.
- 70. Any litigation or arbitration proceedings involving above £1 million or otherwise being material to the interests of the Group.
- 71. Amendments to this schedule of matters reserved for Board decisions.
- 72. Any decision likely to have a material impact on the Group from any perspective.
- 73. Any other matter requiring the convening of a general meeting of shareholders or any class of shareholders, including, but not limited to, financial, operational, strategic or reputational.
- 74. Approval of and amendments to the terms of reference of the Executive Board.