

Corporate Governance report – Chairman's introduction



Jonathan Bloomer
Chairman

Dear shareholder,

I am pleased to introduce our Corporate Governance report for 2020, our second since our IPO in March 2019. This report sets out how we have ensured corporate governance remains the foremost consideration for the Group, to satisfy both the high standards of listed company corporate governance and those specific to a regulated legal services business.

This has been a challenging year given the impact of COVID-19, and it was therefore vital that we used our governance framework to ensure effective decision making. In this way, we were able to respond quickly to the needs of our people and clients in a rapidly changing environment. I am proud of the way our people responded to the disruption to our usual way of working, and I want to thank them for their consistent hard work and dedication to providing an excellent level of service for our clients during these extraordinary times.

Culture and purpose

The Board understands that our people are vital to achieving our strategy. It also understands its role in ensuring that we establish our culture throughout the Group. DWF's values are at the heart of our culture, providing a clear foundation for our people and the way we work together. Our values define our organisation and how we operate. You can find more information about our strategy, values and culture on pages 18 to 19 and pages 37 to 40.

We have a collaborative and inclusive culture that underpins our decisions. Our Diversity & Inclusion and Dignity at Work policies make it clear that the Group takes a zero tolerance approach to discrimination, bullying and harassment. Our Diversity & Inclusion Leadership Group of 45 senior leaders from across the world defines and executes our global inclusion strategy. We have been following our current Diversity & Inclusion strategy for almost three years now, but this year was the first since we announced our targets for gender and BAME within our senior leadership. These aim for at least 30% female representation and 10% BAME representation in our senior leadership by 2022. This year saw the divisions within our global network create plans specific to their teams, people and areas of practice, and set out their commitments to play a role in achieving progress, appointing sponsors and champions to maximise communication, and to understanding and creating greater opportunities for mentoring and sponsorship across our business. Please see pages 56, 58, 62, 63 and 66 of this report for more information on the Board's commitment to Diversity & Inclusion and please see pages 37 and 38 of the Sustainability report for information on the external recognition of that commitment during the year.

COVID-19

COVID-19, and responses to it, affected the personal and professional lives of our stakeholders around the globe. We immediately recognised the need to adapt our ways of working, making sure the safety of our people, clients and suppliers remained our highest priority. Alongside invoking our Business Continuity Plan, our Executive Board, guided by our Risk team, introduced a number of additional measures to enable a swift and effective response. The Board ensured that it was able to dedicate the additional time needed to support the business and provide good governance in the rapidly evolving environment, meeting much more frequently from March until June. Please see pages 16, 17 and 46 for further information.

Board composition and changes

Since the end of FY2019/20, there have been a number of changes to the Board's composition. The Nomination Committee and Board discussed optimum Board composition and the skills required to take the business forward, resulting in those changes. I am confident we have a strong leadership team, to make the right decisions in a challenging economic environment.

Sir Nigel Knowles succeeded Andrew Leatherland in May 2020 as Group Chief Executive Officer. The Board would like to take this opportunity to thank Andrew for over 20 years' service to the Group, recognising his tremendous influence on the business, which he helped grow from a two-office UK law firm to a global legal business with 33 offices and more than 4,000 people. He was also instrumental in achieving last year's IPO. We wish him all the best in his future endeavours.

Corporate Governance at a glance – UK Corporate Governance Code

Upon Sir Nigel becoming Group Chief Executive Officer, Chris Sullivan was appointed as Chair on an interim basis until the Board could select and appoint a new Chair. A committee of independent directors was immediately formed to run a selection process for a permanent Chair. I was delighted to be appointed Chairman with effect from 1 August 2020. On the same date, Chris Sullivan was appointed as Deputy Chairman, alongside his role as Senior Independent Director.

Also in May 2020, Matthew Doughty, a Partner Director on the Board, agreed to become our Chief Operating Officer, a new position on our Executive Board. With effect from 22 October 2020, Matthew's position on the Board will change from Partner Director to Executive Director to reflect his role as Group Chief Operating Officer.

Finally, we have selected two new Partner Directors, Seema Bains and Michele Cicchetti, who will take their place on the Board with effect from 22 October 2020. Please see page 65 of the Nomination Committee report for further information.

For details on the Board's processes for selection and appointment, please see the Nomination Committee report on pages 64 to 66. We continue to comply with the recommendation in the UK Corporate Governance Code 2018 that at least half of our Board members, excluding the Chairman, are Non-Executive Directors whom the Board considers to be independent.

Best practice requires us to ensure the Board and its committees have an appropriate balance of skill, experience, independence and knowledge of the Company. It is also important to address Board diversity and create a positive gender balance in line with the recommendation of the Hampton-Alexander review. The Company currently has three women on the Board (33%) (rising to four an appointment of Seema Bains to the Board on 22 October 2020 (36%)) and three women on the Executive Board (25%). For full details of the Board and Executive Board composition, please see pages 52 to 55 of this report.

I hope you find this report useful. Our AGM is scheduled to take place on 21 October 2020. We have considered how we will hold the AGM this year in light of the impact of COVID-19, and full details of the arrangements are set out in the Notice of AGM, available on dwfgroup/en/investors.

Jonathan Bloomer
Chairman

Statement of compliance with the UK Corporate Governance Code 2018 (the 'Code')

For the year ended 30 April 2020, DWF Group plc was subject to the Code (available from frc.gov.uk). The Board is pleased to confirm that DWF Group plc applied the principles, and complied with all the provisions of the Code throughout the year.

You can find further information on compliance with the Code as follows:

	Pages
Board leadership and Company purpose	57 to 63
The role of the Board	57
Company's purpose, values and strategy	18 and 19 and 37 to 40
Effective controls and risk assessment	63
Shareholders and stakeholders	14 to 16
Workforce engagement	37 to 40 and 62
Division of responsibilities	59 to 62
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Division between the leadership of the Board and the Executive Board	59
The role of Non-Executive Directors	59
Effective and efficient running of the Board	57 to 62
Composition, succession and evaluation	58 to 66
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Evaluation of the Board	58 and 65
Audit, risk and internal control	67 to 72
Independence and effectiveness of internal and external audit functions	68 to 70
Fair, balanced and understandable assessment	69
Risk-control framework and principal risks	45 to 47 and 71 and 72
Remuneration	73 to 91
Executive remuneration and long-term strategy	73 to 91
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Documents available at dwfgroup.com/en/investors

DWF Group plc Articles of Association
Matters Reserved to the Board
Terms of Reference for Board Committees
Gender Pay Gap Report and Gender Pay Gap Action Plan

Board of Directors



Jonathan Bloomer
Chairman

Appointed to the Board
1 August 2020

Committee memberships
Nomination Committee (as Chair)
Remuneration Committee (both from 1 August 2020).

Jonathan has over 40 years of experience in financial services. He has previously held a number of board positions including Chairman of the JLT Employee Benefits Group, Senior Independent Director of Hargreaves Lansdowne plc, Non-Executive Director of Railtrack plc and director of Egg plc. From 2006 to 2012, Mr Bloomer was European Partner at Cerberus Capital. Between 2000 and 2005, he was Group Chief Executive Officer of Prudential Group plc, having previously served as Deputy Group Chief Executive Officer and Group Finance Director. Prior to his time at Prudential, Mr Bloomer held senior roles at Arthur Andersen. Jonathan is a Fellow of the Institute of Chartered Accountants in England and Wales.

Jonathan is currently Chairman of Morgan Stanley International, Arrow Global Group plc and SDL Group Limited.



Sir Nigel Knowles
Group Chief Executive Officer
since 29 May 2020 (Chairman
until 29 May 2020)

Appointed to the Board
November 2018

Appointed Group Chief Executive
Officer
29 May 2020

Committee memberships held during the year ended 30 April 2020
Nomination Committee (as Chair),
Remuneration Committee.

Sir Nigel spent over 38 years at DLA Piper, a global law firm, where he was Global Co-Chairman and Senior Partner, and, previously, Global Co-CEO and Managing Partner from 1996 to 2015. During his tenure as leader of DLA Piper and its legacy firms, revenues of DLA Piper grew from £52m to in excess of £1.5bn.

He received a knighthood in 2009 in recognition of his services to the legal industry. In 2015, he was awarded the Legal Business 'Outstanding Individual Achievement Award' and in 2016 the Financial News 'Editor's Choice' award.

Sir Nigel holds an LLB degree from the University of Sheffield and a Postgraduate Diploma in Legal Practice from the College of Law, Chester. He received an Honorary Doctorate of Laws from the University of Sheffield and is a Fellow of Harris Manchester College Oxford.

He was admitted as a solicitor by the Solicitors Regulation Authority in 1980 and is a registered foreign lawyer with the Law Society of Scotland.

Sir Nigel is currently Senior Independent Director of Morses Club plc, as well as Chairman and Chair of the Remuneration Committee of Zeus Capital Limited. He is a Trustee of The Prince's Trust.



Samantha Tymms
(also known as
Samantha Duncan)
Non-Executive Director

Appointed to the Board
December 2018

Committee memberships held during the year ended 30 April 2020
Risk Committee (as Chair)
Audit Committee, Nomination Committee and Remuneration Committee.

Samantha (Sam) has more than 30 years of experience in the financial services sector, including extensive work in corporate governance and risk management. She has also undertaken a number of roles at the Financial Conduct Authority. Sam served as a Non-Executive Director on the board of IG Group plc from 2013, and from 2016 she chaired its risk committee. She left IG's board in 2019. Sam has also been a managing director at Promontory Financial Group (UK) Ltd since 2007.

Sam holds a bachelor's degree from the Roehampton Institute of Higher Education.



Chris Sullivan
Deputy Chairman (since
1 August 2020) and
Senior Independent Director

Appointed to the Board
November 2018

Committee memberships held during the year ended 30 April 2020
Audit Committee, Nomination Committee,
Remuneration Committee and Risk Committee.

Chris retired from his role as Chief Executive of the Corporate and Investment Bank at Santander UK in October 2018. He was the Deputy Group Chief Executive at RBS Group plc ('RBS') from 2014 to 2015, the Chief Executive of the Corporate Banking Division at RBS from 2009 to 2014 and the Chief Executive of RBS Insurance (now Direct Line Group) from 2006 to 2009. Chris started his career at RBS in 1975. In recognition of his services to Scottish banking during his various roles at RBS, Chris earned a Fellowship of the Chartered Institute of Bankers Scotland.

In 2014, he received a Lifetime Achievement Award from the European Leasing Association for his contribution to the asset finance industry. In 2011, he was recognised as the European Diversity Champion of the Year.

Chris has been a member of the Westminster Abbey Investment Committee since 2014 and was appointed as Chairman in 2017. He serves as a Non-Executive Director of The Goodwood Estate Company Limited and is a Non-Executive Director of Alfa Financial Software Holdings PLC.



Chris Stefani
Chief Financial Officer

Appointed to the Board
September 2018

Chris joined the management team of DWF LLP in April 2016 and was appointed to the Board of DWF Group plc in September 2018. Chris has around 20 years of experience in the professional services sector.

He was previously the Finance Director of Ernst & Young's EMEA Advisory business (2014 to 2016), the Global Service Line reporting lead of Ernst & Young London (2013 to 2014), a director in the UK Core Business Services Finance team of Ernst & Young London (2012 to 2013) and the CFO of Ernst & Young Republic of Ireland (2010 to 2011). Chris has extensive experience in advising executive boards on all aspects of financial management, control, and performance and profitability improvement, as well as a record of optimising businesses to improve profits or cost savings while supporting revenue growth.

Chris holds an LLB degree from the University of Strathclyde and was admitted to the Association of Chartered Certified Accountants in 2001.

Chris is a trustee and honorary treasurer of the UK-based charity KIDS, which provides services to support disabled children and their families.



Teresa Colaianni
Non-Executive Director

Appointed to the Board
November 2018

Committee memberships held during the year ended 30 April 2020
Remuneration Committee (as Chair)
Audit Committee, Nomination Committee and Risk Committee.

Teresa (Tea) has more than 20 years of experience in human resources management. She has previously served on the boards of Bounty Brands Holdings, Mothercare plc, Royal Bournemouth and Christchurch Hospitals, Poundland Group plc and Alexandra Palace Trading Company. Tea was Group Human Resources Director at Merlin Entertainments plc (2010 to 2016) and Vice President of Human Resources, Europe, of Hilton Hotels Corporation (2002 to 2009).

Tea holds a law degree from the University of Bari, Italy, and a master's degree in European community law, economics and politics from the University of Perugia, Italy. She was admitted to the Italian Bar in 1995. Tea also holds an advanced diploma in coaching and mentoring from Oxford Brookes University.

Tea serves on the boards of The Watches of Switzerland Group plc and SD Worx NV.



Matthew Doughty
Partner Director

Appointed to the Board
November 2018

Matthew was appointed to the Board of DWF Group plc in November 2018 as Partner Director and subsequently appointed to the new Executive Board role of Group Chief Operating Officer on 29 May 2020. With effect from 22 October 2020, Matthew will be an Executive Director on the Board in his capacity as Group Chief Operating Officer and will cease to be a Partner Director from that time. Matthew has been a partner at DWF since June 2016.

He was previously a corporate partner at Squire Patton Boggs (2013 to 2016), a corporate partner at Dorsey & Whitney (2009 to 2013) and a corporate partner of Addleshaw Goddard (2007 to 2009). Matthew holds an LLB degree from the University of Birmingham, and completed the Law Society Final Examination in 1993 from the College of Law, Chester. He was admitted as a solicitor by the Solicitors Regulation Authority in 1996 and is a registered foreign lawyer with the Law Society of Scotland.



Vinodka Murria, OBE
Non-Executive Director

Appointed to the Board
November 2018

Committee memberships held during the year ended 30 April 2020
Audit Committee, Nomination Committee,
Remuneration Committee and Risk Committee.

Vinodka (Vin) has more than 25 years of experience in the software sector. She was the founder and CEO of Advanced Computer Software Group plc and Computer Software Group plc. Both were acquired by private equity in 2007 and 2015 respectively.

She was previously a Non-Executive Director of Zoopla Property Group plc, Sophos plc and Chime plc. Vin was previously COO of Kewill Systems plc.

Vin has been an operating partner at HG Capital since 2016 and is a Non-Executive director of Bunzl plc and Softcat plc.

Vin holds a bachelor's degree in computer science, an MBA from the University of London and a Doctorate in Business Administration (Honorary) from Edinburgh Napier University. Vin became an Officer of the Most Excellent Order of the British Empire in 2018 for her services in empowering women in technology.



Luke Savage
Non-Executive Director

Appointed to the Board
November 2018

Committee memberships held during the year ended 30 April 2020
Audit Committee (as Chair)
Nomination Committee, Remuneration Committee and Risk Committees.
Luke is deemed to have recent and relevant financial expertise.

Luke has more than 35 years of experience in the financial and professional services sector, with experience in managing regulatory, analyst, investor and banking relationships for major institutions. He has previously served as a Non-Executive Director on the boards of HDFC Life Insurance Company Ltd, Standard Life Employee Services Ltd, Standard Life Finance Ltd and Standard Life Oversea Holding Ltd. He was Group CFO at Standard Life (2014 to 2017) and CFO of Lloyd's of London (2004 to 2014).

Luke holds a bachelor's degree in electrical and electronic engineering from Imperial College. He also holds an ACA qualification and is a member of the Institute of Chartered Accountants of England and Wales.

Luke has served on the board of Liverpool Victoria Friendly Society Ltd as a Non-Executive Director since January 2018 and chairs its audit committee. He is also on the board of Numis Securities plc, chairing both its risk and audit committees. Luke is Chairman of Chesnara PLC.



Mollie Stoker
Group General Counsel and
Company Secretary

Appointed as Company Secretary
January 2019

Mollie is responsible for providing senior management with strategic legal advice, while overseeing legal compliance, corporate governance and limiting risk.

Mollie has more than 19 years of private practice and in-house legal experience. Previously, Mollie worked for the Suntory Beverage and Food Group, where she was the Director of Business Development at Suntory Beverage and Food Europe and the General Counsel and Company Secretary at Lucozade Ribena Suntory.

She also practised as a corporate/commercial lawyer at Orrick, Herrington & Sutcliffe LLP, K&L Gates LLP and Slaughter and May, where she trained and qualified.

Mollie holds a master's degree in Classics from Cambridge University, a postgraduate diploma in Law and a postgraduate diploma in Legal Practice from the College of Law, London. Mollie is a member of the Law Society of England.

Our leadership team – DWF’s Executive Board



Sir Nigel Knowles
Group Chief Executive Officer
Full biography can be found on page 52



Chris Stefani
Chief Financial Officer
Full biography can be found on page 52



Matthew Doughty
Group Chief Operating Officer
Full biography can be found on page 53



Mollie Stoker
Group General Counsel and Company Secretary
Full biography can be found on page 53



Glyn Jones
CEO Insurance Division

Glyn joined the Group in 2007, following the DWF merger with Ricksons, where he was a partner since 2003. He became CEO of the Insurance Services division in May 2018. Glyn is responsible for executing the Group’s Insurance Services division strategy, driving forward its activities and co-ordinating its practice groups. Glyn specialises in dealing with complex catastrophic injury claims, as well as other serious injury and fatal claims. He also advises on insurance policy issues. In 2018, Glyn was ranked by the legal directory Chambers and Partners Guide UK as a leader in his field for defendant work.

Previous experience

Previously, for six years Glyn was the Practice Group Partner for DWF’s Catastrophic Personal Injury, Large Loss, Occupational Health and Casualty team. He holds a BA Law and Languages degree from Manchester Metropolitan University and passed the Solicitors Final Examination course in 1980. Glyn was admitted as a solicitor by the Solicitors Regulation Authority in 1983 and is a registered foreign lawyer with the Law Society of Scotland.



Stephen Miles
CEO Commercial Services Division

Stephen joined the Group in August 2014 as a partner and the CEO of the Commercial Services division. He is responsible for executing the Group’s Commercial Services division strategy, driving forward its activities and co-ordinating its practice groups.

Previous experience

Previously, he was a partner at Pinsent Masons LLP, leading its financial services, banking and restructuring, and employment and pensions practices. Stephen holds an LLB degree from Reading University and a postgraduate diploma in Legal Practice from the College of Law, Guildford. He was admitted as a solicitor by the Solicitors Regulation Authority in 1991 and is a registered foreign lawyer with the Law Society of Scotland. Stephen has acted both for financial institutions and corporate borrowers, with particular expertise in private equity and leveraged finance transactions.



Stefan Paciorek
CEO International Division

Stefan joined the Group in January 2015 and became CEO of the International division in October 2017. He is responsible for the Group’s international strategy and leading the development of its international business.

Previous experience

Previously, Stefan was a partner at Pinsent Masons LLP for 13 years. He holds an LLB degree from Buckingham University and a Postgraduate Diploma in Legal Practice from the College of Law, London. Stefan was admitted as a solicitor by the Solicitors Regulation Authority in 1992 and admitted as a solicitor in Northern Ireland. He is a member of the Chartered Institute of Arbitrators and is a registered foreign lawyer with the Law Society of Scotland. Stefan has more than 20 years’ experience in international dispute resolution and project renegotiation, particularly within the technology and energy sectors. He has acted for major corporations, Governments and not-for-profit organisations, often in high-profile disputes, across jurisdictions.



Jason Ford
Head of Connected Services

Jason joined the Group in January 2017 as a partner, and became head of the Group's Connected Services division in July 2017. He is responsible for the Group's suite of Connected Services.

Previous experience

Previously, Jason was the Chief Operating Officer at Triton Global Ltd (2013 to 2017), a multi-disciplinary alternative business structure and one of the first businesses to be granted a licence following the implementation of the Legal Services Act. Prior to that, he worked as a partner at Robin Simon LLP. Jason holds an LLB degree from the University of Sheffield and a postgraduate diploma in Legal Practice from the College of Law, Chester. He was admitted as a solicitor by the Solicitors Regulation Authority in 1991 and is a registered foreign lawyer with the Law Society of Scotland.



Helen Hill
Director of Human Resources

Helen joined the Group in November 2016 as the Group's Director of Human Resources. She focuses on developing the Group's HR team's business growth, performance and profitability by aligning the team's strategic and operational goals to the Group's business plans.

Previous experience

Helen has more than 20 years of experience in generalist HR positions across multiple sectors. Previously, she was the HR director at Princes Limited (2012 to 2016) and, before that, HR consultant at Townhouse Consulting Ltd (2006 to 2012). Helen holds a bachelor's degree in Business Administration with an HR Specialism from Teesside University and a Chartered Institute of Personnel and Development qualification from the Manchester Metropolitan University.



Mark St John Qualter
CEO Managed Services

Mark joined the Group in June 2019 as the CEO of our Managed Services division. He leads our strategy to build a global Managed Services platform.

Previous experience

Prior to joining DWF, he was Head of Artificial Intelligence for RBS Group's Commercial and Private Banking business. Mark is also a governor and chairs the audit committee at the Manchester Metropolitan University. He was previously a Council Member of the CBI's Regional Council for Yorkshire and Humberside. Mark has an MBA from Manchester Business School and a BA (Hons) in Hindi and Sinhalese from the School of Oriental and African Studies, University of London. During 18 years within RBS Group plc, Mark held several strategy and business transformation roles.



Zelinda Bennett
Marketing & Client Development Director

Zelinda joined the Group in January 2019 as Marketing and Client Development Director. She is responsible for shaping our global business development, client engagement, and marketing strategy, across the UK, Europe, Asia Pacific, the Middle East, and the USA.

Previous experience

Zelinda has more than 20 years' experience in law firm marketing and business development. Previously, she was the International Marketing Director at DLA Piper (2008 to 2018) and the Marketing Director of Eversheds Sutherland (2005 to 2007). Zelinda holds a bachelor's degree in French and German Languages and Literature from Manchester Metropolitan University, a diploma in Marketing from the Chartered Institute of Marketing and a postgraduate certificate in marketing management from Manchester Metropolitan University.



Daniel Pollick
Chief Information Officer

Daniel joined the Group in August 2018 as the Group's Chief Information Officer. He oversees the strategic and operational application of the Group's IT infrastructure, as well as the development of the business's data strategy and the Group's business transformation function.

Previous experience

Previously, he served as DLA Piper LLP's Chief Information Officer, a position he held for more than two decades. Daniel has been a Non-Executive Director on the board of Thongsbridge Tennis Club Ltd since 2015 and holds a degree in Philosophy, Politics and Economics from the University of Oxford. He is currently studying for an MSc at the University of Manchester. Daniel has over 30 years of experience in the IT industry.

Executive Board sponsors - leading by example on Diversity & Inclusion

Our Executive Board leads by example when demonstrating our commitment to diversity across our workforce.

Age

Helen Hill
Glyn Jones

As lead sponsors, Helen and Glyn are passionate about this subject, and are considering how we can develop the confidence and ambitions for our people of all ages, ensure we are future-proofing our business to embrace the new generations coming through, and ensure a more exciting than daunting opportunity for those who have decided to leave work for a different way of life, by creating the right pre- and post-departure plans.

Flexible Working

Mark Qualter

Mark leads the initiative to create an environment in DWF where (a) people have the confidence to come forward, (b) the business can respond positively and flexibly and (c) all stakeholders get the right result. Mark sees this as encouraging people to work differently and more smartly. Mark believes this approach, when done right, results in a happier and more productive workforce and helps to attract and retain the best employees.

LGBT+

Stephen Miles

It is hugely important to us that everyone feels they can be themselves at DWF. It is an approach that inspires authenticity at work for all our people – including sexual orientation, gender identity and gender expression. As the Executive Sponsor for LGBT+, Stephen has supported our LGBT+ Network in ensuring our policies and processes are LGBT+ inclusive.

Over the past year, we have celebrated a number of LGBT+ awareness days and profiled LGBT+ role models in the business. It is important we create opportunities for our people to tell their stories. We will give continued focus to equipping colleagues to recognise and challenge LGBT+ discriminatory behaviour, both in and outside of the office.

Gender

Mollie Stoker
Stephen Miles

Achieving a gender balance at senior levels remains one of the biggest diversity challenges the legal sector faces. There is a lot of evidence that demonstrates the barriers, perceived and real, that prevent talented women from progressing and achieving their full potential.

DWF has made gender balance and equality a priority business issue and launched business-wide targets, including a target for women to hold at least 30% senior leadership positions by 2022.

As the Executive Sponsors, Mollie keeps gender equality at the forefront of the minds of our Board members, and Stephen is committed to championing equality of opportunity for our female colleagues when mapping our divisional pipeline of talent and succession planning.

Race & Ethnicity

Daniel Pollick
Zelinda Bennett

Our workforce is not currently as representative of the diversity of our clients, customers and global communities as we want it to be. Attracting and retaining ethnic minority talent at every level, and removing barriers, to build a sustainable talent pipeline, is a priority for the business.

Daniel and Zelinda sponsor the Race & Ethnicity strand, and continue to have regular and open conversations with our colleagues about race and culture. They have reinvigorated the Race & Ethnicity Network, led a reverse-mentoring project to increase understanding of the experiences of ethnic minority employees, and support development and progression.

Disability

Chris Stefani
Daniel Pollick

Chris and Daniel want to shift the conversation from accessibility, to focus on productivity – the social model of disability identifies that it isn't the disability holding the individual back, it's the environment where they operate.

DWF has achieved Disability Confident Leaders status, and Chris and Daniel have championed our ongoing commitment to recruiting from the widest talent pool, and enabling disabled talent thrive at work. Over the past few years, we have championed this initiative within our local and business community, supply chain and networks, to help them become Disability Confident too.

Mental Health

Jason Ford

Jason is committed to supporting the mental health and wellbeing of our people, and last year welcomed the opportunity to become a signatory of the Mindful Business Charter. Jason oversees the wellbeing strategy that will see further investment into learning and development on mental health and peer support.

Corporate Governance report

UK Corporate Governance Code

The UK Corporate Governance Code 2018 (the 'Code') is the guidance for our reporting on the financial year ended 30 April 2020. The Board considers that DWF fully complied with the relevant Code provisions. This Governance section of the Annual Report, which includes the Directors' Remuneration report on pages 73 to 91, the Nomination Committee report on pages 64 to 66, the Audit Committee report on pages 67 to 70, and the Risk Committee report on pages 71 and 72, together with the disclosures contained in the Risks section of the Strategic report on pages 45 to 47, provides details of how the Company applied the principles and complied with the provisions of the Code during the year ended 30 April 2020.

Company strategy and values

The Board establishes the Group's purpose, values and strategy, and satisfies itself that these and its culture are aligned. The Board recognises that the Group's business model and its governance is key to this.

Transforming legal services

We aim to achieve our strategy by building long-term relationships with clients, recruiting talented individuals, maintaining a high-service-level culture, and continually innovating in the provision of Complex legal services, as well as Managed and Connected Services that address client needs and help us increase our market share.

Our values

DWF's values are at the heart of our culture, providing a clear foundation for our people and the way we work together:

Always aim higher: By refusing to do only the minimum, and reaching further every time, we expand the realm of what's possible.

Be better together: By supporting each other and working as a team we can achieve more for our clients and ourselves.

Disrupt to progress: Just because there is an established way of doing things, it doesn't mean it is the best way.

Keep all promises: A promise is a promise, no matter how large or small. By keeping promises, we build trust, loyalty and commitment.

Attend to details: Paying attention to every last detail is the right way to ensure that clients experience the very best of DWF.

These values define our organisation. They guide the Board in selecting businesses to acquire, and facilitate the integration of businesses that will contribute to DWF's ability to achieve success. They are integral to achieving our strategy, as they promote a consistent corporate culture among existing and new employees across our offices. They influence the Board's actions and behaviour, complement DWF's strategic direction, and support the integration of people who join the business.

COVID-19

In response to COVID-19, our Executive Board invoked the existing firm-wide Business Continuity Plan along with the following:

- Developing a Gold/Silver/Bronze command structure, reflecting a strategic, tactical and operational approach, to provide governance to decision making and communications, and to identify lead personnel to manage the response
- Creating a new office response plan and project, to incorporate workstreams and activity reporting
- Creating a new global COVID-19 policy
- Frequent firm-wide communications, including the creating and revising of FAQs
- Daily Silver-team calls, and a daily media update to the Silver team
- Global location-heads meetings to help communicate the new governance response

You can find further information on the communication with our people and our clients in relation to COVID-19 on pages 16 to 17 and page 74.

The Board

Leadership and role

The Board provides strategic leadership and relevant oversight, and currently comprises the Chairman, two Executive Directors, two Partner Directors and five Independent Non-Executive Directors. The CEO currently acts as the interim second Partner Director. It is responsible for the culture of the business together with ethical standards and values which are intrinsic to a highly regulated business. The Board is committed to developing ever-higher standards of corporate governance, as the first legal business to be admitted to trading on the Main Market of the London Stock Exchange.

Each of our Executive and Non-Executive Directors brings relevant experience, independence of judgement and character to their role. The Independent Non-Executive Directors, in particular, bring a broad perspective to the deliberations of the Board, having been selected for their diverse commercial and sector expertise rather than a legal background.

The Company regards all the Non-Executive Directors (other than the Partner Directors) as 'independent' within the meaning of the Code, and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. They support the development and strategic direction of the Group, providing critical and constructive questioning to the Executive Directors through their participation at the Board, and their knowledge in critical matters relating to the principal committees on matters of remuneration, governance, risk and compliance, as well as financial matters and financial control.

Corporate Governance report continued

Board diversity

The Company recognises the value diversity brings to the boardroom, and we believe the Board will perform better, and gain wider support for its overall objectives and strategy, if it includes the best people available, who also represent a wide range of backgrounds, skills, experience and views. The Company has aimed to appoint a diverse Board of highly talented individuals, including a mixture of gender, ethnicity and social backgrounds, such that the Board meets the recommendations of both the Hampton-Alexander and Parker Reviews.

The Nomination Committee recognises the need for development of a diverse pipeline for succession to senior management within the business itself. The chart below shows both the gender diversity of the Board, and the balance between Executive, Independent Non-Executive Directors and Partner Directors.

Selection

We believe the selection of Board members for a listed company should meet the best practice criteria of corporate governance. When selecting our new Chairman, we undertook a rigorous process, using Spencer Stuart as external advisors, to ensure we identified and recruited a Chair with the skills and expertise needed for a listed legal services business. Spencer Stuart has no other connection with the Company or individual directors.

Composition of the Board

The Code recommends that at least half the Board of Directors, excluding the Chairman, should comprise Independent Non-Executive Directors. Excluding the Chairman, of the eight remaining Board members in office on 30 April 2020, five were Independent Non-Executive Directors.

The Code further recommends that Directors should be subject to annual re-election. All the current Directors will offer themselves for re-election at this year's Annual General Meeting.

As at 30 April 2020

Gender	Male	67%
	Female	33%
Role	Chairman	11%
	Executives*	22%
	Non-Executives	56%
	Partner Directors (Non-independent)*	11%

* Andrew Leatherland is considered to be an Executive Director and not included as a Partner Director for the purposes of this table.

With the exception of the new Chairman, all Non-Executive Directors have served on the Board of the Company for between one and two years, while Sir Nigel Knowles, Chris Stefani and Matthew Doughty have held senior positions within the business for more than two years.

In terms of meeting targets for gender balance and ethnicity, the Company has complied with the target recommendations of both the Hampton-Alexander Review and the Parker Review. Diversity targets below Board level, including targets advocated by the Hampton-Alexander Review, the Parker Review and the McGregor-Smith Review, are discussed in the Nomination Committee report on pages 64 to page 66.

Board evaluation

It is the Board's intention to undertake an external evaluation of its effectiveness at least every three years. An internal evaluation of the Board was undertaken during the year. The evaluation considered the Board as a whole, each Board Committee and each Director's own personal self-assessment. All Board members participated in the evaluation along with certain other key collaborators, including members of the Executive Board, the Group's Internal Audit and finance functions and the Company's Auditor and remuneration advisors. The participants' responses were provided to the Company Secretary, and reported on, anonymously.

The main findings of the Board and Committee evaluation process, together with related actions for the year ending 30 April 2021, are as follows:

Evaluation finding	Action for FY2020/21
Quality of Information	<ul style="list-style-type: none"> – Management to further improve the quality and timeliness of information provided to the Board and its Committees. – Annual cycle of business function presentations, covering the functions' risks, people and financials, will be added to the Board rolling agenda.
Director Training	<ul style="list-style-type: none"> – Further strengthening Director's knowledge of the risks the business faces, for example, through risk appetite training. – The Chair, with the support of the Company Secretary, will arrange for time to be set aside for both team and individual Board members' development. The Board should note the development plans and monitor progress.
Shareholder Engagement	<ul style="list-style-type: none"> – The Chair, alongside the SID, and Head of Communications, will build a comprehensive plan to engage shareholders regularly. The feedback will inform the Board in developing strategy which demonstrates commitment to our shareholders.

Regulation

To comply with certain local regulatory requirements, the majority of our Executive Board must be lawyers. Our Executive Board meets this requirement with seven of the twelve members being lawyers.

Division of responsibility

The following table sets out the policy on the division of responsibilities of the Board during the year ended 30 April 2020.

Role	Director	Responsibilities
Chairman	Sir Nigel Knowles*	<p>(a) To chair and set the agenda of all meetings of the Board</p> <p>(b) To ensure the performance of the Board and management committees is evaluated regularly</p> <p>(c) To communicate with shareholders and other stakeholders</p> <p>Sir Nigel Knowles served as Chair of the Nomination Committee.</p>
Group Chief Executive Officer	Andrew Leitherland**	To manage the Group's operations, including the development of strategic plans.
Chief Financial Officer	Chris Stefani	To manage all aspects of the Group's financial affairs and to contribute to the management of the Group's operations.
Senior Independent Director	Chris Sullivan	<p>(a) To act as a sounding board for the Chairman and to serve as an intermediary for the other directors</p> <p>(b) To ensure that the Chairman and Group Chief Executive Officer comply with the policy on division of responsibilities</p> <p>(c) To be available to shareholders if they have concerns that cannot be or have not been addressed, or are inappropriate to be addressed through the usual channels of the Chairman, the Group Chief Executive Officer or the Chief Financial Officer</p> <p>Chris Sullivan served on all Board committees.</p>
Independent Non-Executive Directors	Tea Colaiani, Vin Murria, OBE, Luke Savage, Samantha Tymms	<p>(a) To constructively challenge and contribute to the development of strategy</p> <p>(b) To scrutinise management performance against agreed goals and objectives</p> <p>(c) To ensure financial controls and risk management systems are strong and secure</p> <p>(d) To take into account the views of shareholders and other key stakeholders where appropriate</p> <p>All Independent Non-Executive Directors serve on all Board committees.</p> <p>Luke Savage served as Chair of the Audit Committee. Samantha Tymms served as Chair of the Risk Committee. Tea Colaiani served as Chair of the Remuneration Committee.</p>
Partner Director (Non-Independent, Non-Executive Director)	Matthew Doughty***	<p>(a) To constructively challenge and contribute to the development of strategy</p> <p>(b) To scrutinise management performance against agreed goals and objectives</p> <p>(c) To provide constructive challenge to executive decisions made by the Group Chief Executive Officer, the Chief Financial Officer and the senior management team</p> <p>(d) To take into account the views of shareholders and other stakeholders where appropriate</p> <p>(e) To devise and recommend proposals for the Board to have meaningful and regular dialogue with all of the Group's partners and employees</p>

* Sir Nigel Knowles moved from the role of Chairman to Chief Executive Officer on 29 May 2020. He also acted as Interim Partner Director from that date and will continue to do so until two new Partner Directors are appointed to the Board on 22 October 2020.

** Andrew Leitherland stepped down as Chief Executive Officer and left the Group on 29 May 2020. He acted as interim Partner Director from March 2020 until his departure.

*** Matthew Doughty's role on the Board will change from Partner Director to Executive Director with effect from 22 October 2020 and two new Partner Directors will be appointed to the Board with effect from the same date.

Corporate Governance report continued

Matters reserved to the Board

The Board has a formal schedule of matters specifically reserved for its decision and approval, which includes:

- approval of the strategic and annual profit plans;
- key announcements including financial statements;
- dividend declarations;
- Board appointments;
- the appointment or removal of the Company Secretary;
- major capital expenditure, acquisitions and disposals;
- material contracts; and
- Treasury policy and other Group policies.

Matters Reserved to the Board and the Board Committees' Terms of Reference are reviewed annually. You can find them on the Company's website dwfgroup/en/investors.

Our unique structure means we also have two Board positions for Partner Directors, each of whom would serve for an initial term of up to three years. The Partner Directors have a specific role which, while similar to that of a Non-Independent, Non-Executive Director, includes providing constructive challenge to executive decisions from a standpoint within the business. They are not entitled to receive a fee for undertaking their role as Partner Directors but are remunerated as other partners are from their membership of our Group entities. For the purpose of the Remuneration report they are treated as Non-Independent, Non-Executive Directors.

Board committees

The Board has established four principal committees and one standing committee. The four principal committees are Audit, Remuneration, Nomination and Risk, the membership of which is limited to Independent Non-Executive Directors, although the Chairman also chairs the Nomination Committee and sits on the Remuneration Committee. All Independent Non-Executive Directors sit on all four committees. This helps them to understand all of the information that flows into the committees, and the rationale for decisions taken by the committees.

Terms of Reference for each of the committees are reviewed annually. You can find the current Terms of Reference on the Company's website dwfgroup/en/investors.

Standing committee

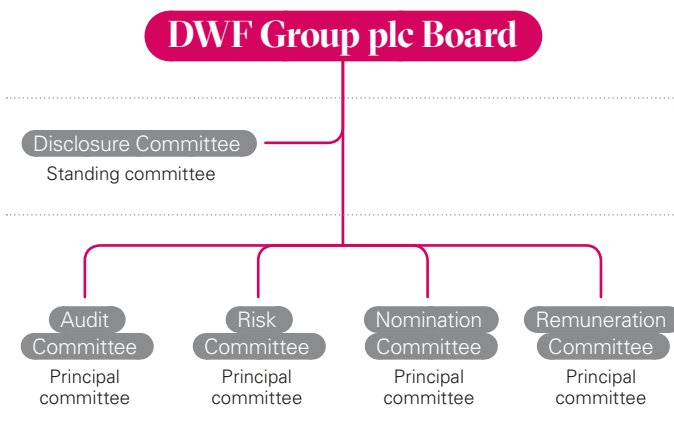
The Board has also established a Disclosure Committee to address regulatory matters detailed in its Terms of Reference. All the Directors are members of this Committee. The quorum for a meeting of the Disclosure Committee is two members. The Committee meets on an ad-hoc basis to consider and make decisions on matters relating to inside information concerning the Company and the Group. The Disclosure Committee is responsible for ensuring the accurate and timely disclosure of information to the market, to meet the Company's obligations under the Market Abuse Regulation, and to monitor compliance with the Company's disclosure controls and procedures.

Operation of the Board

Attendance

The Board and its principal committees meet regularly according to a schedule of key events in the Company's corporate calendar. Ad-hoc meetings are also arranged to consider matters requiring review and decision outside of the normal schedule. Six Board meetings were held in the year ended 30 April 2020.

The Board calendar plans for six regular meetings in the year ending 30 April 2021, and there will be at least four meetings of each of the Remuneration, Audit and Risk Committee, and two meetings of the Nomination Committee, during this time. In addition to the scheduled Board meetings, the Chairman will meet the Independent Non-Executive Directors without the other directors present.



Board and Committee meeting attendance for the year ended 30 April 2020

Directors	Position	Board meetings	Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee
Sir Nigel Knowles*	Chairman	6/6	–	3/3	3/4	–
Chris Sullivan	Senior Independent Director	6/6	4/4	3/3	4/4	4/4
Andrew Leatherland**	Group Chief Executive Officer	6/6	–	–	–	–
Chris Stefani	Chief Financial Officer	6/6	–	–	–	–
Matthew Doughty	Partner Director	6/6	–	–	–	–
Tea Colaianni	Non-Executive Director	6/6	4/4	3/3	4/4	4/4
Vin Murria, OBE	Non-Executive Director	6/6	4/4	3/3	4/4	4/4
Luke Savage	Non-Executive Director	6/6	4/4	3/3	4/4	4/4
Samantha Tymms	Non-Executive Director	6/6	4/4	3/3	4/4	4/4

* Sir Nigel Knowles moved from the role of Chairman to Group Chief Executive Officer on 29 May 2020. Sir Nigel Knowles was unable to attend the Remuneration Committee meeting held on 29 July 2019 due to an unavoidable diary commitment.

**Andrew Leatherland stepped down as Group Chief Executive Officer and left the Group on 29 May 2020.

All meetings are structured to allow open discussion. The minutes of the Board and committee meetings are circulated to all Directors after each meeting. Details of the Board's activities during the year are set out below. If a Director is unable to attend a meeting, they still receive related papers in advance of the scheduled meeting and any input they provide is considered fully.

Main topics discussed by the Board during the year

<p>Regular updates</p> <ul style="list-style-type: none"> Business performance CEO report CFO report Group General Counsel and Company Secretary's report HSE report 	<p>Financial matters</p> <ul style="list-style-type: none"> Annual reporting Budgeting Dividends Group financing Operational performance 	<p>Governance and stakeholders</p> <ul style="list-style-type: none"> Investor relations Review of Board and Committee effectiveness Stakeholder engagement 	<p>Regulatory</p> <ul style="list-style-type: none"> EHS regulation and standards Listing Rules Market Abuse Regulation
<p>Strategy</p> <ul style="list-style-type: none"> Performance strategy M&A and integration People strategy Talent development and succession planning 	<p>Culture</p> <ul style="list-style-type: none"> Engagement Diversity and inclusion Mentoring Pulse Survey results Training and development Values 	<p>Risk management</p> <ul style="list-style-type: none"> Brexit risks Competition law risks COVID-19 Cyber and information security risks Fraud and financial crime risk procedures Risk framework and taxonomy 	<p>Remuneration</p> <ul style="list-style-type: none"> Appointment of remuneration advisors Gender pay gap reporting Executive remuneration Share plans and awards Decision-making relating to lever status Workforce remuneration

Corporate Governance report continued

Board and committee support

The Company has systems to ensure the Board is supplied with appropriate and timely information that helps Board members discharge their duties. We have introduced a fully encrypted electronic Board portal to distribute Board and Committee papers, and this also enables the efficient distribution of business updates and other resources to the Board. Board members may request additional information or variations to regular reporting as required.

The Company Secretary is responsible to the Chairman for advising the Board on all governance matters. All directors also have access to the advice and services of the Group General Counsel and Company Secretary. A procedure exists for Board members to seek other independent professional advice in the furtherance of their duties, if required.

Board members are also provided with sufficient resources to undertake their duties in relation to Board committees. They have access to the Group General Counsel and Company Secretary (who acts as secretary to all Board committees) and all other partners and colleagues. They are also able to take independent legal and professional advice when they believe it is necessary to do so.

We have developed an induction process for new Directors, which will be available for all new members joining the Board.

The Company provides the necessary resources for developing and updating Directors' knowledge and capabilities. A combination of internal and external training, and tailored Board and committee sessions including briefing sessions, is available to help Directors continually update their skills, and the knowledge and familiarity with the Company they need to fulfil their role as Board and committee members.

Culture

The Board understands that listening to our employees is key. We have put in a great deal of effort over the last few years to ensure engagement of our people gets the focus and time it needs, and in doing so, creates the impact we want. This effort includes a range of communications and engagement tools, such as Pulse Surveys, to involve our people and to share messages and information on people engagement, highlighting that the Company is listening to and addressing their needs.

You can find more information on DWF's Engaging People Executive and Employee Forum in the Sustainability report on pages 37 to 40.

Pulse Surveys

In 2019, we moved away from traditional annual surveys to a more frequent digital platform that helps leaders and line managers create plans, focusing on the improvements that matter the most to our people.

Employee voice

Under the Code, boards are required to engage with the wider workforce to enhance the 'employee voice' in the boardroom. Our Senior Independent Director, Chris Sullivan, has worked with an advisory panel in the business to provide this voice. Chris attends Engaging People Executive meetings, has met with partners and employees across our international locations both formally and informally, engaged with the Diversity & Inclusion Leadership Group and meets with the business directly through briefings at key points during the year. The Board has also set workforce policies consistent with our values and our strategy

for long-term sustainable success, with engagement a top priority. Two-way communication is filtered through management layers and we also hold 'town hall' meetings led by our Group Chief Executive Officer. In addition, the Partner Directors are appointed from among our partners, who as a group form part of our workforce. The Partner Directors therefore represent the views of our partners in the boardroom and consult with partners in the business on a regular basis. Further details on communication and engagement with employees and partners is disclosed on pages 37 to 40 and page 86.

Understanding the financial and economic environment

To ensure our people are aware of the financial and economic factors affecting the performance of the Company, the Board and Executive Board ensure they communicate messages on our trading and key financial metrics to all our people clearly and frequently. Our people receive training and mentoring on financial awareness and this is also part of our career management process and DWF's Behaviours Framework, which applies to all our partners and employees.

Our people as shareholders

We encourage employees who are eligible, to become involved in the Group's performance through participation in share schemes, further details of which you can find on page 85. All UK employees have the opportunity to buy shares in the Company, as part of our Buy-As-You-Earn ('BAYE') plan.

Employee policies

The Board values two-way communication between senior management and employees on all aspects of the Company's strategy, Company performance, management effectiveness and approach to wellbeing. We have developed an internal communications strategy that includes regular management roadshows, virtual strategy briefings, visits to operational units, responses to a regular employee opinion survey, and updates on performance. Our internal communications channels also include face-to-face events and a corporate intranet.

Throughout the Group, the principles of equal opportunities are recognised in the formulation and development of employment policies. We were the first legal business to be awarded and to maintain Disability Confident Leadership status for removing barriers to disabled talent in the workplace. It is the Company's policy to give full and fair consideration to applications from people with disabilities, having regard to their particular aptitudes and abilities. If an employee becomes disabled, the Company's objective is to continue to provide suitable employment in the same or an alternative position, with appropriate adjustments made if necessary. Employees with disabilities share equally in the opportunities for training, career development and promotion.

Diversity and inclusion

Diversity in leadership

The Board is committed to maintaining its current gender diversity, with no fewer than three women on the Board at the end of FY2019/20. We are targeting female representation on the Executive Board to be at least 33%, and for women to hold at least 30% of senior leadership positions by 2022.

The percentage of female representation within the business is shown below:

As at 30 April 2020

Gender	Male	Female
Board	67%	33%
Executive Board	75%	25%
Senior leadership*	74%	26%
All employees	42%	58%

* Senior leadership comprises partners and directors at Career Levels 1 to 3.

We have a target to achieve at least 10% BAME representation across senior leadership positions by 2022, and the Board plans to initiate BAME pay gap reporting by the end of 2020.

You can find more information on DWF's Diversity & Inclusion strategy, benchmarking and targets, together with information on its Global Diversity & Inclusion Leadership Group, in the Sustainability report on pages 37 to 40.

Black Lives Matter

The Group was also active in response to the Black Lives Matter movement by starting conversations on its internal social media platforms and having listening sessions at all of its locations. The CEO also made an external statement in expression of support, and to set out what the Group is doing in response. Such activity includes expansion of a successful reverse-mentoring scheme with senior management, set up during the year ending 30 April 2020, and also using succession planning and appointment processes in the scope of the Board's Nomination Committee.

Emerging and principal risks

The Board has completed a thorough assessment of the Company's emerging and principal risks. Please see pages 45 to 47 of the Strategic report.

Risk management and internal control assessment

The Board has ultimate responsibility for the Group's risk management and internal control. In accordance with Provision 29 of the Code, the Board is responsible for evaluating the effectiveness of risk-management and control systems, ensuring that:

- there is an ongoing systematic process for identifying, evaluating and managing the emerging and principal risks faced by the Company;
- this system has been in place for the current financial year;
- the Board reviews this system continually; and
- the system accords with the FRC guidance on risk management, internal control and related financial and business reporting.

The Board has directly, or through delegated authority to the Risk and Audit Committees, overseen and reviewed the development and performance of risk-management activities, practices and internal control systems in the Group. Further details are contained in the Risk and Audit Committee reports at pages 67 to 72.

Regulation in England and Wales

Unlike the majority of listed companies, that have to comply with the Code, as a legal business we also have to comply with the regulation of the Solicitors Regulation Authority ('SRA') in England and Wales and take account of regulations imposed by other relevant legal regulatory bodies in every country we work in. In particular, that regulatory framework has led to an unusual structure to our Executive Board and to the structure of the Group, as well as to certain restrictions on shareholding.

In addition to the standard requirements of good governance, the applicable regulatory regime imposes three major requirements on the business. The first is that the majority of executive management responsible for the day-to-day running of a legal business must be lawyers. Our business is managed by an Executive Board (see pages 54 and 55) and a majority of its members are lawyers.

The second requirement is a restriction on the holding of certain interests in an SRA-licensed entity, including holdings of 10% or more of the voting rights by a non-authorised person, unless such person has the prior approval of the SRA. If someone does acquire such a holding and is not authorised to do so, then the Company's Articles of Association entitle the Company to impose certain restrictions on all of that person's shareholding, which may include disenfranchisement or compulsory disposal of such shares. Further details are set out in the Directors' report on pages 94 and 95.

The third requirement is set out in the Company's Articles of Association and certain other Group constitutional documents. The Company and the Directors must ensure that appropriate systems are implemented and maintained to enable the provision of legal services by the Group and our people, in accordance with the professional duties of legal practitioners in each jurisdiction in which they practise. To the extent that there is any conflict, or potential conflict, between (i) the Company's and the Directors' statutory and other duties at law and under the Articles of Association of the Company to shareholders and (ii) the professional duties of our people and our Group entities, then those professional duties will prevail.

Relations with shareholders

The Board is committed to open and transparent dialogue with shareholders. The Chairman, Senior Independent Director and other Non-Executive Directors are available to meet with major shareholders on request. You can find further information in relation to our communications with shareholders on pages 16 and 74.

Our second Annual General Meeting as a public company will be held on 21 October 2020. This will be an opportunity for further shareholder engagement, and for the Chairman to explain the Company's progress and, with other members of the Board, to answer any questions.

All Directors will attend the AGM, unless illness or pressing commitments prevent them from doing so. Full details of our 2020 AGM are set out in the accompanying Notice of AGM (which is also available on dwfgroup.com/en/investors).

Nomination Committee report



Jonathan Bloomer
Chair, Nomination Committee

Dear shareholder,

During this first full year in operation, the Committee reviewed the appointment of the second Partner Director and the process to be used in relation to such an appointment. In addition, despite all the Independent Non-Executive Directors being relatively new appointments to the Board, as part of the IPO process, the Committee began a review of the approach to succession planning for both the Board and for senior management, recognising its importance. The Committee, together with the Board, also ensured it has oversight of diversity and inclusion, and appraised the Group's diversity-related commitments.

After the year end, in May 2020, Andrew Leitherland stepped down from his position as CEO and Executive Director, and was replaced by Sir Nigel Knowles. Chris Sullivan stepped up as Interim Chair while this Committee undertook a formal and rigorous process to appoint a new Chair of the Board. On 1 August 2020, I was appointed Chairman of the Board to replace Sir Nigel Knowles in this role and as Chair of this Committee, and Chris Sullivan became Deputy Chair on the same date, alongside his existing role as Senior Independent Director. The Committee ensured we followed a formal, rigorous and transparent procedure for making these recommendations. The Committee also ran the process to recommend the appointment of two new Partner Directors, Seema Bains and Michele Cicchetti, who will take up their new positions on 22 October 2020, and at the same time recommended the change for Matthew Doughty in the position on the Board as Partner Director to Executive Director, to reflect his new role as Chief Operating Officer for the Group, also with effect from 22 October 2020.

The standard process the Committee uses for all Board appointments involves an external search firm identifying candidates outside the Group, and also considers internal candidates. For Partner Director positions, an external search firm is not used and only internal candidates are considered. We undertake detailed assessments of short-listed candidates, followed by interviews with Committee members and other Directors as required. The Committee also takes references before it makes any of its recommendations of appointments to the Board.

Jonathan Bloomer
Chair, Nomination Committee

Nomination Committee members

During FY2019/20, Sir Nigel Knowles chaired the Committee and was also the Chairman of the Board during that time. The Committee is made up of a minimum of three members, a majority of whom are Independent Non-Executive Directors, in accordance with the requirements of the Code. The members of the Committee are listed in the table below. The expertise and experience of each of the members is set out in their biographies on pages 52 and 53. Mollie Stoker is appointed as secretary to the Committee.

Other regular attendees are the CEO, CFO and the Partner Director, and other senior managers as appropriate, to ensure the Committee can better understand the views of the executive management when making its decisions and recommendations, especially on succession planning matters.

Nomination Committee meetings

The Committee meets as required, with a minimum of two meetings a year. The Committee met three times during FY2019/20 and the table below provides details of members' attendance at those meetings. In relation to the meeting scheduled for March 2020, papers were circulated to the Committee members and reviewed by them before the meeting. However, due to the impact of COVID-19 and the related lockdown, the Committee Members and Board made the decision to postpone the majority of the agenda from this meeting to other meetings scheduled during FY2020/21, to ensure the main focus of Board activities at that critical moment related to how the business should manage the impact of COVID-19 and the lockdown.

Following each Committee meeting, the Chair provides a summary of the Committee's activity to the next Board meeting.

Attendance at Nomination Committee meetings held during the period to 30 April 2020

Directors as at 30 April	Number of meetings eligible to attend	Number of meetings attended
Sir Nigel Knowles (Chair)	3	3
Samantha Tymms	3	3
Tea Colaiani	3	3
Vinodka Murria	3	3
Luke Savage	3	3
Chris Sullivan	3	3

The role of the Nomination Committee

The main duties of the Nomination Committee are to:

- regularly review the structure, size and composition of the Board of the Company and to make recommendations to the Board regarding any changes it considers necessary
- keep under review the leadership needs of the Company and make recommendations regarding the formulation of succession plans for appointments to the Board, to maintain an appropriate balance of skills, experience and independence, as well as diversity
- lead the process for Board appointments and make recommendations to the Board on such matters.

The Committee is also responsible for:

- assisting with any evaluation process to assess the overall and individual performance of the Board and its committees
- reviewing the Group's approach to diversity and inclusion, as aligned with its policies on diversity, and progress under the same
- monitoring the implementation of the Code within the Group, as well as reviewing changes to the corporate governance policies and practices within the Group.

Full details about the structure and role of the Committee are contained in its Terms of Reference, available on the Group's website at dwfgroup.com/en/investors.

Key activities during FY2019/20

The Committee discharged its responsibilities during FY2019/20 as follows:

Appointment of Partner Directors

Matthew Doughty has held the position of Partner Director since IPO. There is a requirement under the Articles of Association of the Company that for so long as the partners, in aggregate, hold at least 25% or more of the voting rights, the Board shall appoint two Partner Directors. Each must meet the selection criteria set by the Nomination Committee for a person to be eligible for recommendation as a Director by the Nomination Committee. The requirement, as set out in the Articles of Association of the Company, was to appoint someone who is both a member of DWF Law LLP and a shareholder of DWF Group plc on or before 10 March 2020, being within 12 months of the date of adoption of the Articles of Association.

The Nomination Committee discussed in depth the appointment of the second Partner Director at its meetings held during FY2019/20. The time limit in the Articles of Association was noted by the Committee, but the Committee also recognised that due to the acquisition activity the Group was undertaking during FY2019/20, the composition of the Group was changing considerably, especially in the International division. The Committee agreed it would be appropriate for the second Partner Director to reflect the increasingly global nature of the business and be appointed from a candidate pool made up of senior partners in the International division. However, it was also noted that it would be appropriate for this decision to be made at a later date, once certain acquisition activities were complete, or had been integrated.

Therefore, the Nomination Committee recommended, and the Board approved, that as Andrew Leatherland was already a Director on the Board but also a member of DWF Law LLP and a shareholder, he could stand in as the interim second Partner Director until a time when it would be appropriate to commence a selection process to find a suitable international candidate. On Andrew's departure from the business in May 2020, the Nomination Committee recommended to the Board, and the Board approved, that Sir Nigel Knowles would take on this interim position as he was also a Director on the Board, a member of DWF Law LLP and a shareholder.

The process started in June, and as Matthew Doughty will be changing his position on the Board as Partner Director to Executive Director to reflect his new role as Chief Operating Officer for the Group, a process was also started in July to find a suitable replacement for him as Partner Director from our senior partners in the UK and Ireland. At the date of this report we have been successful in recruiting two new Partner Directors, Seema Bains and Michele Cicchetti, who will be appointed on 22 October 2020.

Board evaluation

The Committee supported an internally facilitated comprehensive Board evaluation led by the Chair, with support from the Company Secretary, which focused on the performance of the Board, its Committees and its individual Directors. More detail on the Board evaluation process is set out in the Corporate Governance section on page 58.

As part of the evaluation, the Committee noted that it had been decided for the initial period following the IPO that all Independent Non-Executive Directors should sit on all the Committees. It was acknowledged that this had enabled each of the Independent Non-Executive Directors to get a comprehensive view of the Group as a result. The evaluation carried out identified that the Audit Committee Chair should be on the Risk Committee and vice versa, that there should be ideally two, but at least one, other Independent Non-Executive Director on each Committee. It was agreed that further discussion about membership of each Committee should take place during FY2020/21.

The findings identified by the FY2019/20 internal evaluation include:

- Quality of Board papers – management should ensure that the Risk Committee receives adequate information on risks that might affect reputation or performance and that information presented is appropriately balanced between the provision of relevant analysis and not unnecessarily voluminous
- Board training – further training would be beneficial for each of the Committees, including in respect of risks the Group faces, for example risk appetite training
- Shareholder engagement – The Chair and the Senior Independent Director (and other Directors as appropriate) should maintain sufficient contact with shareholders to understand their concerns and ensure that the views of the shareholders are communicated to the Board as a whole.

Nomination Committee report continued

Diversity

The Board and the Committee reviewed the Group's current Diversity & Inclusion strategy, which sets out how to make diversity and inclusion part of the way DWF does business, and the transformational milestones achieved. The Committee is proud of the progress made.

Diversity was actively considered by the Committee in all discussions relating to appointments and succession-planning matters.

In July 2019, the Board approved the Group's diversity policy and the following agreed targets relating to diversity for the Board, Executive Board and senior leadership positions. The Committee and Board continue to monitor progress towards them:

1. The Board to maintain its current gender diversity with no fewer than three women on the Board.
2. Female representation on the Executive Board to be raised to at least 33% by 2022.
3. Women to hold at least 30% of senior leadership positions, with each operating division being able to set its own targets for gender diversity in its senior leadership positions.
4. Target to achieve at least 10% BAME representation across senior leadership positions by 2022.
5. The Board to initiate BAME pay gap reporting by the end of 2020.

For meeting targets for gender balance and ethnicity, for the year ended 30 April 2020, the Company has complied with the target recommendations of both the Hampton Alexander Review and the Parker Review, with three female directors out of nine on the Board, and has ethnically diverse directors. However, we recognise that diversity targets below the level of the Board, including those of the Hampton-Alexander review, the Parker review and the McGregor-Smith Review, are as important as the targets at Board level, if not more so. The Nomination Committee recognises the need for developing a diverse pipeline for the succession to senior management within the business itself.

The Nomination Committee and the Board have made a policy commitment that all appointments to the Board are made on merit, in the context of the skills, experience, independence and knowledge that the Board as a whole requires to be effective. However, there is a broad consensus that increasing diversity in the boardroom and in senior leadership encourages new and innovative thinking, maximises the use of talent, and leads to better business decisions and governance.

At DWF, we share an ambition, common with other progressive businesses, to improve diversity on our Board, Executive Board and across our wider senior leadership. Achieving our diversity goals will make a significant contribution to our inclusion agenda, help maintain a competitive advantage, and enable our people to operate in a way that maximises their contribution to our business. Please see pages 37 and 38 in the Strategic report for more information on the Group's Diversity & Inclusion strategy and actions during the year.

Succession planning

The Committee made a decision to begin a review of its approach to succession planning for both the Board and senior management, despite the Independent Non-Executive Directors being relatively new, having joined the Board as part of the IPO process.

A detailed paper was submitted to, and reviewed by, the Committee in late March 2020, although the Committee decided that the detailed discussion on its contents and proposed actions arising should take place during FY2020/21, particularly given the recent changes in Directors on the Board.

The Directors have also undertaken a skills assessment, and the results of this helped inform the appointment process for the new Chair and Partner Directors.

Corporate governance

The corporate governance framework for DWF was up to date at IPO and processes were in place to ensure compliance at that point. The Committee worked with the Internal Audit team to ensure a risk assessment of the corporate governance framework was taken during FY2019/20. As a result, it was agreed that while processes were in place, it was still a relatively new framework and would be reviewed more comprehensively during FY2020/21.

Nevertheless, recent corporate governance developments, their implications and associated actions, were picked up by the Board and the other committees throughout FY2019/20 and those actions were taken as a result. For example, on IPO DWF had introduced a post-cessation shareholding requirement for its Executive Directors of 50% of the pre-cessation holding requirement (or actual shareholding, if lower) for two years from their leaving date. However, during the year, and in order to respond to the latest Investment Association's Remuneration Guidelines, the Remuneration Committee agreed that it would approve the decision to go beyond the existing policy and would operate the extended requirement of 100% of the pre-cessation holding requirement (or actual shareholding if lower) for 2 years post-cessation.

Areas of focus for FY2020/21

During FY2020/21, the Committee has already, or will, focus on:

- the appointment and induction of the new Chair
- the appointment and induction of the Partner Directors
- continuing its ongoing assessment of the configuration of the Board, its committees and its succession planning, and the succession planning for senior management
- continuing its ongoing assessment of progress under the diversity and inclusion policy and towards the agreed diversity targets
- reviewing compliance with the Code.

Audit Committee report



Luke Savage
Chair, Audit Committee

Dear shareholder,

The Audit Committee has now been established for over a year since listing. Its role is to monitor the integrity of the Group's financial reporting, assess the effectiveness of internal control processes, oversee the work and quality of the Group's Internal Audit function, and monitor the quality of audit provided by the Auditor, Deloitte LLP, with particular regard to its effectiveness, objectivity and independence.

To assist with this, the Committee has worked throughout the year with management, including the Chief Financial Officer, Deputy Chief Financial Officer, Group Director of Risk and Head of Internal Audit, as well as with representatives of the Auditor. These individuals are invited to attend all Committee meetings to raise questions, and so the Committee can provide them with an independent perspective on relevant matters.

Committee meetings follow a rolling agenda, providing for effective management of matters, and focused discussions. The agenda covers a number of recurring items, including updates from the Head of Internal Audit, tax matters and evaluations of relevant Company policies, such as the whistleblowing and financial risk management policies. As well as these matters, during the year ended 30 April 2020, the Committee addressed a number of special matters. These included evaluating the operating model for finance and financial control across the Group's international divisions, assessing the first year of application of the new accounting standard IFRS 16 in respect of Leases, the development of a finance roadmap for the Group, taking into account the Solicitors Regulatory Authority accounting rules, and assessing the Group's revenue and work in progress in line with IFRS 15.

As chair of the Audit Committee, I am pleased to present this report for the year ended 30 April 2020. If you would like to ask any questions about our work during the year at the AGM, please see the notes to the notice of AGM which sets out the arrangements for this year.

Luke Savage
Chair, Audit Committee

Audit Committee members

The Committee is chaired by Luke Savage. The Committee is made up of a minimum of three members, each an Independent Non-Executive Director. The members during the year are listed in the table below. The Chair of the Board is not a member of the Committee but may attend its meeting by invitation. For the purposes of the Code, Luke Savage qualifies as a person with recent and relevant financial experience. Each members' expertise and experience is set out in their biography on pages 52 and 53. Mollie Stoker is appointed as Secretary to the Committee.

Audit Committee meetings

The Committee meets at least three times a year, to coincide with key dates in the financial reporting and audit cycle, and otherwise as the Chair requires. To enable it to carry out its responsibilities, the Committee has an annual rolling agenda maintained by the Company Secretary, and regularly reviewed in conjunction with management. The Company Secretary also maintains a tracker of actions arising from meetings. This ensures that the agenda for each meeting aligns with both the financial reporting and audit cycle, as well as particular matters arising throughout the year considered appropriate by the Committee for its scrutiny. At the next scheduled Board meeting, the Chair of the Committee reports formally to the Board on the proceedings of the Committee, including how it has discharged its responsibilities.

The Committee held four scheduled meetings during FY2019/20 and the table below provides details of members' attendance at those meetings. At the invitation of the Chair of the Committee, other regular attendees, who can withdraw as necessary, included at some or all of the meetings: representatives of the Auditor, the Chairman, the Chief Executive Officer, the Chief Financial Officer, the Deputy CFO, the Group Risk Director, the Head of Internal Audit, the Partner Director and the Deputy Company Secretary. The Committee also meets privately with representatives of the Auditor, and the Head of Internal Audit.

Attendance at Committee meetings held during the period to 30 April 2020

Directors as at 30 April	Number of meetings eligible to attend	Number of meetings attended
Luke Savage (Chair)	4	4
Tea Colaianni	4	4
Vinodka Murria	4	4
Samantha Tymms	4	4
Chris Sullivan	4	4

Audit Committee report continued

The role of the Audit Committee

The Committee's main responsibilities include:

Financial reporting:

- reviewing the integrity of the financial statements, including annual reports and half-year reports
- reviewing and discussing judgements on accounting principles and disclosure rules with Company management
- advising whether the Annual Report is fair, balanced and understandable

Risk and control:

- evaluating the effectiveness of the Group's risk management and internal control processes
- overseeing compliance with applicable legal and regulatory requirements, including monitoring ethics and compliance risks

Internal audit:

- approving the annual internal audit plan, ensuring appropriate focus on DWF's internal control environment, strategic priorities and principal risks
- receiving regular reports on the result of the work of internal audit
- evaluating the Internal Auditor's effectiveness

External audit:

- monitoring the quality of audit provided by the Auditor
- reviewing the scope of the audit and non-audit work undertaken by the Auditor
- recommending the appointment or reappointment of the Auditor

Compliance:

- assessing the effectiveness of the Group's processes for compliance with laws and regulations

Full details about the structure and role of the Committee are contained in its Terms of Reference, which are available on the Group's website at dwfgroup.com/en/investors.

Key activities during FY2019/20

The Committee discharged its responsibilities during FY2019/20 through:

Financial reporting:

- assessing the first year of application of the new accounting standard IFRS 16 Leases
- assessing the Company's revenue and work in progress in line with IFRS 15
- assessing the cash controls
- recommending the payment of dividends
- assessing the acquisition accounting
- reviewing the Annual Report and Accounts to ensure they are fair, balanced and understandable
- considering the integrity of the half-yearly financial statements

Internal controls and risk management:

- reviewing the adequacy and effectiveness of internal controls, financial reporting and risk management, working with the Risk Committee to assess the scope and effectiveness of the systems established to identify, assess, manage and monitor financial and non-financial risks
- monitoring the integrity and effectiveness of the Company's internal financial controls by reference to:
 - summaries of business risks and mitigation controls
 - regular reports and presentations from the Group Risk Director and the Head of Internal Audit as well as the Auditor
- evaluating the operating model for finance and financial control across the Group's international divisions
- developing a finance roadmap for the Group taking into account the Solicitors Regulatory Authority's accounting rules

Internal audit:

- approving the Internal Audit plan
- reviewing the work of the Internal Audit function
- monitoring management's responsiveness to findings from internal audit work
- approving the appointment of the Head of Internal Audit
- reviewing the role, resources and effectiveness of the Internal Audit function including access to appropriate skills and expertise

External audit:

- reviewing the Auditor, its terms of engagement, the findings of its work and, at the end of the audit process, reviewing its effectiveness
- reviewing the quantity of non-audit services provided by the Auditor
- assessing the independence and objectivity of the Auditor

Compliance:

- reviewing and updating the Group Whistleblowing Policy
- reviewing and approving any necessary updates to the Non-Audit Services Policy
- discussing and monitoring compliance with applicable external legal and regulatory requirements.

Fair, balanced and understandable

We advised the Board that we supported the statement that this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

External Auditor

The Company's Auditor, Deloitte LLP was appointed by the directors of DWF Group plc to act as reporting accountant and tax advisors in preparing the IPO and was subsequently reappointed to undertake the annual audit for the financial year ending 30 April 2019. Their involvement as Auditor to parts of the Group dates back more than 13 years (as Auditor to DWF LLP), and their original appointment came as a result of a competitive tender process. They were reappointed as our Auditor at the AGM held in September 2019, and the intention, as reported in last year's annual report and accounts, was that we would be undertaking a competitive tender process to appoint an Auditor during 2020, for the audit of the year ending April 2021.

Work was underway in relation to this tender process at the start of the calendar year, but the timing of COVID-19 affected our ability to run an effective tender process.

The Committee therefore recommended to the Board that, to ensure we undertake an effective audit tender process, this audit tender process be delayed for a year so it takes place before the audit for the year ending April 2022.

The Committee assesses the quality and effectiveness of the Auditor on an ongoing basis, having particular regard to:

- the value of the Auditor's understanding and insights into the Group's business
- its independence and objectivity
- how it approached key areas of judgement, the extent of challenge and the quality of reporting
- feedback from management based on their interaction with the Auditor.

The Committee is satisfied that the audit, as carried out by Deloitte, is effective and provides an appropriate, independent and objective challenge to management's thinking.

The Committee has also considered the Company's policy on the engagement of the Auditor for the provision of non-audit services. It sets out rigorous controls intended to ensure the independence of the Auditor is not impaired, and takes into account the changes required by the EU Audit Regulation and Directive (the 'Audit Regulation') and FRC's Ethical Standard. The policy stipulates:

1. the nature of non-audit services the Auditor is not permitted to perform;
2. levels of authority for the Executive to engage the Auditor for approved non-audit services; and
3. that any non-audit services to be provided by the Auditor must be approved in advance by the Committee. For a single permitted project where the fee is no more than £30,000 the non-audit services are considered trivial for the purposes of the Audit Regulation, and can instead be approved by the Chief Financial Officer (or Chief Executive Officer in his absence).

As a result of this policy, and to avoid conflict with its role as Auditor, Deloitte LLP, does not act as Remuneration Advisors to the Company. The Committee also had regard to the Company policy in relation to the recruitment of people from the Auditor, again to manage any potential conflicts of interest.

The audit fees payable to Deloitte for the year ended 30 April 2020 were £448,850 and non-audit service fees incurred were £42,328, the latter being incurred for tax advisory work in Australia (relating to the year ended 30 April 2019).

This equates to a non-audit to audit fee ratio of 10%.

We continue to take steps to ensure the level of non-audit fees is compliant with our 50% non-audit fee cap rule (noting that this cap excludes fees payable for non-audit work required to be carried out by Deloitte by law or regulation or arising from any assessment of the Group's compliance with the Solicitors Accounts Rules). The Group paid fees of £118,100 to Deloitte for such work for the year ended 30 April 2020.

Peter Saunders is the Statutory Auditor who signs the Independent Auditor's report to the members of DWF Group plc for and on behalf of Deloitte LLP. Peter has held this role for three years.

Audit Committee report continued

Internal Audit

The Group's Internal Audit function provides independent assurance over the management of the areas of greatest risk to the Group, and key aspects of DWF's internal control framework. The annual plan is approved by Audit Committee and is determined by a comprehensive risk assessment involving senior management.

The Committee receives reports on the outcomes of Internal Audit's work at each scheduled meeting, and the Committee closely monitors management's response to actions identified in the reports.

The Head of Internal Audit has direct access to, and has regular meetings with, the Audit Committee Chair, and attends the Committee meetings. In addition, the Internal Audit function has unrestricted access to employees and documentation across the Group, to enable it to perform its duties.

The Committee has approved Internal Audit's Terms of Reference and the scope of its work continues to evolve, taking into account changes within the Group's business, as well as emerging best practice. The Committee also reviewed the internal audit activity against good practice as set out in the recent Institute of Internal Audit's Code of Practice.

During the year, the Committee approved the appointment of the Group's first Head of Internal Audit, and the resourcing of the annual plan, including co-source arrangements to enable the function to commission the support of technical experts and additional support where required.

The Committee intends to conduct an assessment of the function during the year ending 30 April 2021, to consider its effectiveness.

Accounting and key areas of judgement

The main areas considered by the Committee in relation to the period to 30 April 2020 are set out below:

- Revenue recognition: valuation of unbilled revenue
- Adequacy of the provision for bad and doubtful debts on trade receivables
- Control environment regarding cash and cash equivalents
- Accounting for acquisitions

Consideration was given to management papers and reports, in conjunction with the external auditors report and work performed, in arriving at the outcome as recorded and disclosed in the financial statements.

Committee effectiveness

An evaluation of the Committee's effectiveness took place during the year, as part of the Board effectiveness review. Overall, the review concluded that it has continued to act in accordance with its Terms of Reference, management was held accountable for its areas of responsibility, and Deloitte provided an effective audit.

Audit Committee priorities for year ending 30 April 2021

Looking ahead to the year ending 30 April 2021, the Committee expects to:

- continue its ongoing assessment of the internal and external audit function
- undertake an audit tender process for a new auditor to be appointed for the audit for the year ending 30 April 2022
- continue to focus on the activities laid out in the financial roadmap for the Group
- continue to focus on effective integration of acquisitions into the Group's control environment
- review the outputs from the agreed internal audit focus areas.

Risk Committee report



Sam Tymms
Chair, Risk Committee

Dear shareholder,

As Chair of the Risk Committee, I am pleased to present this report, which provides insight into the Committee's activities during our first full financial year of operation following the Company's listing. The Committee supports the Board in fulfilling its obligations to ensure a framework of prudent and effective controls, which enable it to assess and manage risks, including those to the long-term success of the Group.

Throughout the year, the Committee has monitored the Group's procedures for managing risk, overseen the risk framework, and determined the nature and extent of the principal risks to the Group, as described further below. In all its deliberations, the Committee has sought to uphold the importance of an integrated approach to the risk taxonomy, risk register and risk assurance activity. The Committee has also focused on, among other things, the Group's cyber and information security risks and the Group's insurance arrangements.

Alongside all my Independent Non-Executive Director colleagues, I sit on each of the Committees of the Board. I particularly value the close and effective monitoring of risk management achieved by my membership of the Audit Committee, as well as the Chair of the Audit Committee's membership of this Committee.

In the very different circumstances the challenges of COVID-19 present, the Committee focuses on, and receives regular updates about, the Group's management of the risks this environment presents, and how we should manage these in the short, and longer, term. Alongside this, the nature of the assurance activity the Group undertakes must also evolve so the Committee can satisfy itself that we continue to consider, manage, measure and report the full range of risks we face, effectively.

Samantha Tymms
Chair, Risk Committee

Risk Committee members

The Committee is chaired by Samantha Tymms. It is made up of a minimum of three members, and each is an Independent Non-Executive Director. The members of the Committee during the year are listed in the table below. The Chair of the Board is not a member but may attend its meeting by invitation. Members of the Committee have experience of risk management issues and practices. Each members' expertise and experience is set out in their biography on pages 52 and 53. Mollie Stoker is appointed as Secretary to the Committee.

Risk Committee meetings

The Committee meets at least three times a year, to coincide with key dates in the financial reporting and audit cycle, and otherwise as the Chair or members require. To enable it to carry out its responsibilities, the Committee has an annual rolling agenda maintained by the Company Secretary, and regularly reviewed in conjunction with management. The Company Secretary also maintains a tracker of actions arising from meetings. This ensures the agenda for each meeting aligns with the financial reporting and audit cycles, as well as particular matters arising throughout the year considered appropriate by the Committee for its scrutiny. At the next scheduled Board meeting, the Chair of the Committee reports formally to the Board on the Committee's proceedings, including how it has discharged its responsibilities.

The Committee held four scheduled meetings during FY2019/20 and the table below provides details of members' attendance at those meetings. At the invitation of the Chair of the Committee, other regular attendees, who can withdraw as necessary, included at some or all of the meetings: the Chairman, the Chief Executive Officer, Matthew Doughty (in his capacity as Partner Director), the Group Risk Director, the Head of Internal Audit and the Deputy Company Secretary.

Attendance at Risk Committee meetings held during the period to 30 April 2020

Directors as at 30 April 2020	Number of meetings eligible to attend	Number of meetings attended
Samantha Tymms (Chair)	4	4
Tea Colaiani	4	4
Vinodka Murria	4	4
Luke Savage	4	4
Chris Sullivan	4	4

Risk Committee report continued

The role of the Risk Committee

The Committee's main responsibilities include:

- advising the Board on the Group's overall risk appetite, tolerance and strategy
- overseeing and advising the Board on the Group's current risk exposures and future risk strategy
- keeping under regular review the Group's overall risk assessment processes
- providing advice to the Board on the assessment of principal risks facing the Group
- approving the remit of the risk management and compliance functions
- considering the major findings of internal investigations and management's response.

There are full details of the Committee's structure and role in its Terms of Reference, available on the Group's website at dwfgroup.com/en/investors.

Risk management governance structure

Board

The Board establishes the risk appetite for the Group, so management can manage, measure and report on risk appropriately across the Group. The Board delegates oversight of risk management activities to the Risk Committee. You can find more detail about the Board's activities on page 61.

Audit Committee

The Audit Committee oversees the development and implementation of the Group's Internal Audit assurance framework and as part of this regularly reviews the effectiveness of the Group's risk management framework and internal control systems. You can find more detail about the Audit Committee's activities on pages 67 to 70.

Risk Committee

The Risk Committee characterises the Group's principal areas of risk through the Group Risk Taxonomy. This ensures oversight of the Group's approach to risk management and the development of management and mitigation approaches, to ensure risks remain, or are quickly brought within, the Group's risk appetite.

The Risk Committee also monitors and reviews the effectiveness of the Group's compliance function, as well as providing oversight and advice to the Board in relation to future risk strategy.

Executive Risk Committee ('ERC')

The Executive Risk Committee is a management committee chaired by the Chief Executive Officer. It comprises senior Group executives including members of the Executive Board and the Group Risk Director. The Committee oversees the operational management of the Group's risks by identifying, assessing, mitigating, and reporting risk.

Key activities during FY2019/20

The Committee discharged its responsibilities during FY2019/20 through:

- further developing the Group's risk framework and taxonomy to inform the Group's Risk Appetite Statement described on page 45, including monitoring the consistency of risk management principles and processes across the Group
- the ongoing assessment of principal risks, including their management and mitigation
- reviewing the second line internal assurance plan and receiving reports on results of assurance activities, including in relation to emerging risks and controls effectiveness
- reviewing the Group's procedures and systems for detecting fraud and financial crime, the prevention of bribery, corruption and money laundering, and compliance with the Market Abuse Regulations
- receiving reports on the plans for effective risk management of major commercial initiatives, including acquisitions, at initiative proposal stage as well as during or after integration
- considering cyber and information security risks facing the Group
- monitoring risks to the Group arising from Brexit uncertainty
- reviewing and advising the Board on the Group response to COVID-19.

Areas of focus for FY2020/21

During FY2020/21, the Committee expects to:

- continue its ongoing assessment and development of the Group Risk Taxonomy and principal risks
- review and develop the Group's overall risk appetite, tolerance and strategy, and advise the Board accordingly
- further establish risk management principles and processes consistently across the Group
- make further progress on strengthening the control framework and the application of strict risk management
- continue to receive reports on how risks affecting the Group are managed, including current and prospective macroeconomic and financial risks, and regularly monitor the Group's compliance with applicable legislation
- receive analysis and recommendations from management on the requirement for, plus scope and terms of, insurance coverage across the Group
- further review and advise the Board on the Group's response to COVID-19, including risks which may arise from the global response to, and management of, the pandemic.

Directors' Remuneration report



Dear shareholder,

I am pleased to present the Directors' Remuneration report for the year ended 30 April 2020. The Remuneration Committee (the 'Committee') had its first full annual cycle since the IPO in this financial year. The Company's first listed-company Annual General Meeting (the 'AGM') took place on 20 September 2019. The Remuneration Policy and Annual Report on Remuneration were approved at this AGM, receiving significant shareholder support (the Annual Report on Remuneration received 98.74% votes in favour and our Remuneration Policy received 98.99% votes in favour. You can find more detail on page 91).

As I write this letter, one of the key focuses of our business has necessarily been in responding to the disruption caused by COVID-19, particularly in the last two months of the financial year we are reporting on. The Remuneration Committee is very aware of its responsibilities in taking account of this in its considerations and decision making for FY2019/20, as well as the current year.

This Directors' Remuneration report sets out the context of, and insight into, our Director pay arrangements, how our remuneration framework is aligned with the rest of the workforce, and the decisions the Committee made as a result of business performance for this year. Where the Committee has exercised its judgement or discretion is documented clearly.

Group performance for the 2019/20 financial year

The implementation of our strategy (as outlined on page 78) for our first full year as a listed company has been measured against the KPIs set out below:

- Revenue growth +10.9% (FY2018/19: +15.2%)
- Underlying organic revenue growth +2.0% (FY2018/19: +12.5%)
- Gross profit margin 47.9% (FY2018/19: 53.5%)
- Cost to income ratio 42.6% (FY2018/19: 42.7%)
- Underlying adjusted EBITDA £21.8m (FY2018/19: £27.8m)
- Underlying adjusted PBT £13.8m (FY2018/19: £20.3m)
- Adjusted EPS 3.0p (FY2018/19: 7.2p)
- Net Partner Joiners 64 (FY2018/19: 20)
- Revenue per partner: £784.3k (FY2018/19: £855.7k)

- Gross lock-up days, debtors days and WIP days 206 days (125 debtor days and 81 WIP days) (FY2018/19: 203 days (122 debtor days and 81 WIP days))
- Free cash flow -£7.2m (FY2018/19: -£18.1m)
- Net debt £64.9m (FY2018/19: £35.3m)
- Employee engagement score 76 (Previous survey: 75)

Trading through the majority of FY20 was strong and the Group made significant investments to support its growth objectives. The sudden and far reaching impact of COVID-19 had a material effect on the final quarter with a resulting impact on profitability. Despite this, we delivered a solid performance with overall revenue growth of 10.9% and organic growth of 2.0%. While we achieved record Group revenue, with an organic growth rate that compares to other global law firms in FY20, it was lower than expected.

The Committee, together with the Board, considered whether the business should utilise the Coronavirus Job Retention Scheme offered by the UK Government. Having taken into account the interests of all of our stakeholders, and in particular our employees, we decided not to do so and continued to pay all our UK staff.

Changes to the Board

Since the year end we are reporting on, there have been a number of changes to our Board.

CEO

The Company announced on 29 May 2020 that Andrew Leatherland had informed the Board of his intention to step down as Group Chief Executive Officer with immediate effect. Andrew Leatherland also stepped down as Managing Partner of DWF Law LLP and DWF LLP.

In responding to the challenges created by COVID-19, the Board considered that strong and experienced leadership was essential. The Board believed that Sir Nigel Knowles, Chairman, would provide this leadership, and as a consequence, the Board asked him to assume the role of Group Chief Executive Officer with immediate effect. Chris Sullivan, Senior Independent Director, was appointed interim Chairman. A committee of independent directors was formed to run a selection process in an effective and timely manner for a permanent Chairperson.

Upon his departure, Andrew's unvested awards under the LTIP lapsed. Andrew held no other incentive awards. He is receiving 12 monthly payments including basic salary pension entitlements and other contractual benefits, in lieu of the 12-month contractual notice period in accordance with the provisions of his service agreement, although he is required to mitigate his loss during the notice period by seeking alternative employment or engagement. In relation to locked-up shares received at IPO in exchange for his ownership interest in the DWF business, these were to be released over a five-year period in five equal tranches. We agreed that Andrew would receive the first two tranches he was contractually entitled to, which will be released on the announcement of the preliminary results for the financial years ended 30 April 2020 and 2021.

Directors' Remuneration report continued

We determined that 50% of the remaining tranches be retained by Andrew in recognition of his contribution to the business during his tenure in office – and these will be released in accordance with the original schedule (in 2022, 2023 and 2024) – but that the remaining 50% be clawed back immediately. You can find more detail on Andrew's leaving arrangements on page 91 of this Report and on the Company's website at dwfgroup.com/en/investors.

The terms of Sir Nigel Knowles' appointment and his remuneration are identical in all respects to those received by Andrew Leitherland as Group Chief Executive Officer and, as such, are in line with the Remuneration Policy. He receives a salary of £530,000 per annum. He has a maximum opportunity of 150% of salary as an annual bonus (with half of the bonus award to be paid out in cash, with the remainder deferred into shares subject to a three-year vesting period). He also has a maximum opportunity of up to 200% of salary in relation to LTIPs. Sir Nigel is required to hold 250% of salary in shares, with a post-cessation shareholding requirement of 100% of the pre-cessation shareholding requirement (or actual shareholding if lower) for two years following cessation of his employment. He is entitled to private medical insurance, private health insurance, life insurance and a pension contribution allowance of up to 7% of salary (aligned with the majority pension contribution applicable to the wider UK workforce).

Chairman and Deputy Chairman

The Company announced on 31 July 2020 that Jonathan Bloomer would join the Board as Chairman, with effect from 1 August 2020. In addition to being Chairman, Jonathan Bloomer chairs the Nomination Committee and is a member of the Remuneration Committee, from 1 August 2020. The Remuneration Committee determined that his total annual fee would be £170,000.

On the appointment of Jonathan Bloomer, Chris Sullivan took on the role of Deputy Chairman, also from 1 August 2020. He continues as Senior Independent Director of the Company and Non-Executive Director representing the employee voice on the Board, and acts as the bridge between the partners in the Group and the Board. Chris continues to be a member of the Nomination, Risk, Remuneration and Audit Committees. The Remuneration Committee determined that Chris would receive an annual fee of £20,000 for the additional roles. This is in addition to his existing fees of £75,000.

COO and Partner Directors

The Company will announce on 8 September 2020 the following appointments with effect from 22 October 2020:

- Matthew Doughty as Group Chief Operating Officer of DWF Group plc. Matthew Doughty will step down as Partner Director at the same time; and
- Following a thorough internal recruitment process, Seema Bains and Michele Cicchetti as Partner Directors of DWF Group plc. The position of Partner Director is designated by the Board as a Non-independent, Non-Executive Director position. A Partner Director represents the partners of DWF Law LLP and DWF LLP and is therefore a partner shareholder representative on the Board.

FY2019/20 bonus

The Committee considered the financial performance of the Company when determining the bonus outcomes for the Executive Directors (being Andrew Leitherland and Chris Stefani). The performance conditions were:

- 70% adjusted PBT; and
- 30% strategic and operational objectives (including improved gross lock-up).

Having noted that the Adjusted PBT and lock-up performance conditions were not achieved for FY2019/20, and following a review of business performance and the current economic situation in relation to COVID-19, the Committee exercised its discretion not to pay any bonus for the partial completion of the Executive Directors' strategic and operational objectives. You can find further details on those strategic and operational objectives on pages 89 to 90 of this report.

LTIP and other share incentives vesting

No Executive Directors' share incentives vested during the year.

LTIP awards for FY2019/20

The Company made its first grant of LTIP awards in August 2019 that will vest in August 2022. The awards were made with the following performance conditions to Andrew Leitherland at 175% of salary and to Chris Stefani at 125% of salary:

- EPS (40% weighting)
- ROCE growth (40% weighting)
- Cash conversion (20% weighting)

You can find further details of these metrics, including targets and rationale, on page 82 of this report.

The Committee decided that Andrew's LTIPs would lapse on his departure from the business.

Salary review

The Remuneration Committee exercised its discretion to defer its review of annual pay for the Executive Directors and senior management, and fee review for the Non-Executive Directors, from May 2020 to December 2020, with rises (if any) to have effect from 1 January 2021. We made this decision in light of the outbreak of COVID-19 and its impact on the business, and to bring the review into line with the wider workforce salary review timetable.

Shareholder considerations

In FY2019/20, I met with some of our major shareholders and proxy advisors to discuss the Remuneration Policy we put forward at the 2019 AGM, and to obtain any specific areas of feedback. On behalf of the Remuneration Committee, I would like to thank the shareholders and proxy advisors who have provided us with feedback. We will continue to maintain transparent and open dialogue with our shareholders. No material issues or concerns were raised during these shareholder meetings.

The Investment Association did however note that in relation to post-cessation shareholding requirements, they expect that Executive Directors should be required to retain 100% rather than 50% of the shareholding requirement (or actual shareholding, if lower), for two years post-cessation of employment. As a result, the Remuneration Committee decided in January 2020 to increase its post-cessation shareholding

requirements for the Company's Executive Directors from 50% to 100% of the shareholding requirement (or actual shareholding, if lower), for two years following cessation of employment.

Wider workforce considerations

When considering executive pay, the Committee takes into account the wider workforce remuneration and conditions.

We believe allowing all our employees to share in the success of the Company is a key performance driver. At IPO, eligible individuals received IPO shares under the Buy-As-You-Earn ('BAYE') scheme with a value of up to 20% of their salary (with 2% of that being sold on their behalf and paid as a cash bonus). During FY2019/20, to further enable this, we also rolled out a BAYE matched-share scheme in the UK, which resulted in 15% of our employees taking part in the scheme. We intend to roll this out to other international jurisdictions during FY2020/21.

At pages 84 to 89 of this report, there are details of the pay conditions of our wider workforce, the Group-CEO-to-employee pay ratio, how we use incentives throughout the business, and our gender-pay statistics.

You can find further detail on the key matters covered by the Committee during the year on page 77.

Looking ahead

The Committee is mindful that like all businesses in our sector and beyond, we face the considerable challenge of navigating an unpredictable global economy that will continue to be affected by COVID-19 for the foreseeable future. COVID-19 had a significant impact on our business but we have taken, and will continue to take, a number of actions to ensure DWF has the strength and resilience to perform not only through this financial year, but for the long term. Despite the challenges FY2020/2021 will undoubtedly bring, we look forward with cautious optimism to the year ahead, and to capitalising on any opportunities that may emerge through our committed and talented workforce and through our differentiated range of services.

To support and enable strong performance, not only through this current financial year but for the long term, the Committee considers how decisions on incentives (bonuses and long-term incentive plans) link with the Group's strategy within the framework of our approved Remuneration Policy.

The Committee has decided that, as with last year, bonus arrangements for Executive Directors are in line with the Remuneration Policy, namely with a maximum opportunity of 150% of salary for the CEO and 100% of salary for the CFO. Performance conditions and weightings continue to be:

- 70% adjusted PBT; and
- 30% strategic and operational objectives (including improved gross lock-up). We will disclose these fully, retrospectively in next year's Remuneration Report.

The Committee also considered the impact on future long-term incentive awards. Having taken advice from its remuneration advisors, the Remuneration Committee:

- concluded that the same performance conditions would apply to long-term incentive awards made in FY2020/21, being:
 - EPS (40% weighting);
 - ROCE growth (40% weighting); and
 - Cash conversion (20% weighting)

- due to the impact on the global economy of COVID-19, the Committee resolved to avail itself of the Investment Association's recommendation to grant awards in the 42-day window after the Company announces its final results on 8 September 2020, but defer target-setting for six months from the date of grant; and

- will ensure that at the time of vesting it will exercise its discretion, where appropriate, in relation to any windfall gains and to adjust unintended outcomes due to these unusual COVID-19 circumstances.

Further detail of how our remuneration for Executive Directors aligns with our strategic priorities, is set out on page 78 of this report.

If you would like to discuss any aspect of this Directors' Remuneration Report, I would be happy to hear from you. You can contact me through the Company Secretary, Mollie Stoker. If you would like to ask any questions in respect of this Report at the AGM, please see the notes to the notice of AGM which sets out the arrangements for this year. I look forward to your support on the Annual Report on Remuneration at the upcoming AGM.

Tea Colaianni

Chair, Remuneration Committee

Included in this report

	Pages
The Remuneration Committee and its activities during the year	76 and 77
Remuneration – At a glance including:	
Business context and how our incentive performance measures align to our strategy	78
Remuneration outcomes for FY2019/20 – At a glance	79 to 81
Remuneration Policy – At a glance	82 and 83
Wider workforce remuneration including:	
Remuneration principles and wider workforce remuneration across the Group	84 to 86
Communication and engagement with employees and partners	86
CEO-to-worker pay ratio	86 to 88
UK Gender and Ethnic pay-gap reporting	88 and 89
Annual report on remuneration	89 to 91

Directors' Remuneration report continued

The Remuneration Committee and its activities during the year

Remuneration Committee members

The Committee is chaired by Tea Colaianni. The Committee is made up of a minimum of three members, each an Independent Non-Executive Director. The members of the Committee during the year are listed in the table below. The Chair of the Board is a member of the Committee and was considered independent on appointment as Chair of the Board. Members of the Committee collectively have appropriate knowledge, expertise and professional experience concerning remuneration policies and practices. The expertise and experience of the members of the Committee is set out in each of their biographies on pages 52 and 53. Mollie Stoker is appointed as Secretary to the Committee.

Remuneration Committee meetings

The Committee meets at least four times a year and otherwise as the Chair requires. To enable the Committee to carry out its responsibilities, the Committee has an annual rolling agenda maintained by the Company Secretary, which is regularly reviewed in conjunction with management. The Company Secretary also maintains a tracker of actions arising out of meetings of the Committee. This ensures the agenda for each Committee meeting aligns with the remuneration strategy, as well as particular matters arising throughout the year considered appropriate by the Committee for its scrutiny. At the next scheduled Board meeting, the Chair of the Committee reports formally to the Board on the proceedings of the Committee, including how it has discharged its responsibilities.

The Committee held four scheduled meetings during FY2019/20, and the table below provides details of members' attendance at those meetings. At the invitation of the Chair of the Committee, other regular attendees, who can withdraw as necessary, included at some or all of the meetings: the Chief Executive Officer, the Chief Financial Officer, Matthew Doughty (in his capacity as Partner Director), the Human Resources Director, the Head of Reward and the Deputy Company Secretary. No Director or member of senior management was present for any discussions that related directly to their own remuneration.

Attendance at Remuneration Committee meetings held during the period to 30 April 2020

Directors as at 30 April 2020	Number of meetings eligible to attend	Number of meetings attended
Tea Colaianni (Chair)	4	4
Sir Nigel Knowles	4	3 ¹
Chris Sullivan	4	4
Vinodka Murria, OBE	4	4
Luke Savage	4	4
Samantha Tymms	4	4

Note

1. Sir Nigel Knowles was unable to attend the meeting held on 29 July 2019 due to an unavoidable diary commitment.

None of the Committee members has any personal financial interest (other than as shareholders) in the decisions made by the Committee, conflicts of interest arising from cross-directorships or day-to-day involvement in running the business.

During the financial year, PwC advised the Remuneration Committee on all aspects of the Remuneration Policy for Executive Directors and members of the Executive Board. PwC also provided the Company with tax and share scheme support work during the year. The Remuneration Committee was satisfied that no conflict of interest exists or existed in the provision of these services. PwC was appointed by the Remuneration Committee, and the Committee is satisfied that the advice provided is independent. PwC is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to remuneration committees. Fees of £81,725 were provided to PwC during the year in respect of remuneration advice received. Our adviser (PwC) attends meetings of the Committee by invitation. PwC does not have any other connection to the Company or its Directors.

The role of the Remuneration Committee

While giving full consideration to the matters set out in the UK Corporate Governance Code 2018 (the 'Code') and any other relevant laws and regulations in the jurisdictions the Group operates in, the Committee's main responsibilities include:

- making recommendations to the Board regarding the Group's framework or broad policy for the remuneration of the Chair of the Board, the Executive Directors and senior management;
- determining the entire individual remuneration packages for the same, including:
 - approving any severance compensation arrangements in accordance with the Remuneration Policy, which are fair, do not reward failure and fully recognise the individual's duty to mitigate any loss; and
 - considering how the pay and work conditions of the Group's wider workforce should be taken into account when determining remuneration;
- consistent with the approach applicable to the wider workforce, determining and administering the Group's share plans and equity incentive plans in respect of the Chair of the Board, the Executive Directors and senior management; and approving awards and performance conditions, including satisfaction of performance conditions and the exercise of any discretion by the Committee;
- regularly reviewing the ongoing appropriateness and relevance of the Remuneration Policy; and
- reviewing remuneration and related policies applicable to the Group's wider workforce.

Full details about the structure and role of the Committee are contained in its Terms of Reference, available on the Group's website at dwfgroup.com/en/investors.

Key activities during FY2019/20

The Committee discharged its responsibilities during FY2019/20 through:

- establishing the Executive Director bonus plan and the business-wide bonus plan for FY2019/20;
- examining the Executive Directors' half-year progress against objectives;
- determining Executive Directors' bonus outcomes for FY2019/20;
- enhancing post-cessation shareholding requirements for Executive Directors;
- setting annual bonus and long-term incentive plan targets and awards for FY2020/21 for Executive Directors, using demanding financial measures designed to align with strategic objectives and shareholder interests;
- considering the selection of remuneration advisors to the Committee and subsequently appointing PwC;
- reviewing remuneration arrangements for senior management;
- forming the Group's approach to good and bad leaver determination, pursuant to lock-up deeds relating to pre-IPO share allocations for certain partners and other individuals, as well as pursuant to the Group's share plans;
- establishing policies for the fair and consistent administration across the wider workforce of the Group's share plans and equity incentive plans;
- overseeing wider workforce remuneration arrangements, including receiving the Company's Gender Pay Gap Report and reports on the Group's employee (including partner) engagement mechanisms;
- approving grants to the wider workforce under the Group's share plans and equity incentive plans;
- receiving reports on engagement with proxy advisors and major shareholders from the Chair of the Committee, Matthew Doughty (as Partner Director) and the Company Secretary;
- receiving presentations from the Committee's remuneration advisors on developments in corporate governance and market trends, to inform the Committee's regular review of the Remuneration Policy, including a report on the potential circumstances in which it might exercise its discretion in the future; and
- considering the potential impact of COVID-19 on remuneration arrangements and decisions to be made by the Committee.

Areas of focus for FY2020/21

During FY2020/21, the Committee has already, or expects to:

- following his standing down as Group Chief Executive Officer, determine the remuneration payable to Andrew Leaiterland;
- determine Sir Nigel Knowles' remuneration on his appointment as Group CEO;
- determine the fees payable to Jonathan Bloomer as Chair and Chris Sullivan as Deputy Chair of the Board;
- determine the individual remuneration package for the COO;
- confirm that no fees are payable to Partner Directors;
- continue to review regularly the ongoing appropriateness and relevance of the Remuneration Policy;
- look to improve pay fairness and transparency by considering wider workforce policies, to ensure alignment with Executive Director and senior management remuneration arrangements;
- develop further the communication with prospective members of the wider workforce on the benefits of the equity element of the remuneration package offered by the Group;
- formulate principles for adjusting incentives for corporate activity such as M&A; and
- oversee the roll-out of the BAYE scheme internationally, where the relevant jurisdictions permit.

Directors' Remuneration report continued

Remuneration – At a glance

This section of the Directors' Remuneration Report provides an overview of:

- the business context and how our incentive performance measures align to our strategy;
- remuneration outcomes for FY2019/20; and
- Remuneration Policy operation in FY2019/20 and intended implementation in FY2020/21.

Business context and how our incentive performance measures align to our strategy

Business context

Trading through the majority of FY20 was strong and the Group made significant investments to support its growth objectives. The sudden and far reaching impact of COVID-19 had a material effect on the final quarter with a resulting impact on profitability. Despite this, we delivered a solid performance with overall revenue growth of 10.9% and organic growth of 2.0%. While we achieved record Group revenue, with an organic growth rate that compares to other global law firms in FY20, it was lower than expected.

The Committee is mindful that like all businesses in our sector and beyond, we face the considerable challenge of navigating an unpredictable global economy that will continue to be affected by COVID-19 for the foreseeable future. COVID-19 had a significant impact on our business, but we have done, and will continue to do, a number of things to ensure DWF has the strength and resilience to perform not only through this financial year, but for the long term. Despite the challenges FY2020/21 will undoubtedly bring, we look forward with cautious optimism to the year ahead and on capitalising on any opportunities that will emerge through our committed and talented workforce and through our differentiated range of services.

How our incentive performance measures align to our strategy

The implementation of our strategy (as outlined on pages 18 to 27) for FY2019/20 was measured against certain KPIs (set out in the table below).

The Committee continually considers the performance measures we use for our incentives, to ensure they support the delivery of our strategy.

Our strategic priorities

Understanding our clients

To provide the best possible service for our clients, we need to understand their needs. Knowing our clients means we can support them in the right way, either through top-quality legal and strategic advice through our Complex Services, Managed Services or any of our Connected Services.

Engaging our people

Our people engagement is built on shared values, clear set goals, behaviour and incentive structures, and we support our colleagues through a culture of innovation and inclusion. This enables us to recruit, retain and develop high-performing and high-quality talent which is vital in providing excellent service, and achieving results and lasting value.

Doing things differently

Innovation allows us to make a differentiated and competitive offering, and our Connected Services are key to this. Providing a greater service and product suite through internal research, development and through acquisition enables us to become our clients' chosen partner for outsourced legal and Connected Services.

Our key performance indicators

Revenue growth	Underlying organic revenue growth	Gross profit margin	Cost to income ratio	Underlying adjusted EBITDA	Underlying adjusted PBT	Adjusted EPS	Net Partner Joiners	Revenue per partner	Gross lock-up days, debtors days and WIP days	Free cash flow	Net debt	Employee Engagement Score
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Annual bonus

PBT

Ensures focus on profitable growth.

Is a key measure of organic growth and is linked to shareholder value.

Strategic and personal (including improved lock-up)

Ensures focus on reducing the time it takes to invoice and collect revenue.

Personal objectives are designed to ensure the Executive Directors focus on operational efficiencies, manage risk effectively, remain client-focused, and are required to drive employee engagement.

Long term incentives

EPS

Links reward to 'in-year' underlying equity returns to shareholders.

ROCE

Promotes disciplined capital allocation by linking reward to investment return.

Supports the strategy of growth, both organic and through acquisitions.

Ensures focus on the efficiency by which earnings are generated.

Cash conversion

Supports focus on cash collection.

Remuneration outcomes for FY2019/20 – At a glance

Directors' Remuneration for the year ending 30 April 2020

Certain details set out on pages 79 to 91 of this Directors' Remuneration report have been audited by the Auditor.

Single total figure of remuneration (audited)

The table below sets out the single total figure of remuneration paid by the Company following its admission to listing on 15 March 2019 ('Admission') to each Executive Director. For FY2018/19, the table reflects the period from Admission to the end of the financial year on 30 April 2019. For FY2019/20, the table reflects the full financial year to 30 April 2020. Figures provided have been calculated in accordance with the UK disclosure requirements: the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (Schedule 8 to the Regulations).

It is the Committee's view that it is important, when considering the remuneration paid in the year under the single figure, to take a holistic view of the Executive Directors' total remuneration linked to the performance of the Company. In the Committee's opinion, the impact on the total remuneration of the Executive Director is more important than the single figure in any one year. This approach encourages Executive Directors to take a long-term view of the sustainable performance of the Company. The ability for the Executive Directors to gain and lose, in alignment with shareholders, dependent on the share price performance of the Company at a level which is material to their total remuneration, is a key facet of the Remuneration Policy.

FY	Salary/fees £		Taxable benefits ³ £		Bonus ⁴ £		LTIP ⁵ £		Pension £		Other £		Total £		Total fixed £		Total variable £	
	19/20 ²	18/19 ¹	19/20	18/19	19/20	18/19	19/20	18/19	19/20	18/19	19/20	18/19	19/20	18/19	19/20	18/19	19/20	18/19
Executive Directors																		
Andrew Leitherland (CEO) ⁷	530,000	64,551	6,677	1,880	0	0	0	NA	37,100 ⁶	4,518	0	0	573,777	70,949	573,777	70,949	0	0
Chris Stefani (CFO)	320,000	38,974	5,368	1,104	0	0	0	NA	22,400 ⁶	2,728	0	0	347,768	42,806	347,768	42,806	0	0
Non-Executive Directors																		
Sir Nigel Knowles	200,000	24,359	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	200,000	24,359	200,000	24,359	NA	NA
Luke Savage	72,500	8,830	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	72,500	8,830	72,500	8,830	NA	NA
Tea Colaiani	72,500	8,830	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	72,500	8,830	72,500	8,830	NA	NA
Vinodka Murria	65,000	8,830	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	65,000	8,830	65,000	8,830	NA	NA
Chris Sullivan	75,000	9,135	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	75,000	9,135	75,000	9,135	NA	NA
Samantha Tymms	72,500	8,830	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	72,500	8,830	72,500	8,830	NA	NA
Matthew Doughty ⁷	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Notes

- For FY2018/19, the table reflects the period from Admission on 15 March 2019 to the end of the financial year on 30 April 2019.
- For FY2019/20, the additional fees for Committee Chairs or the position of Senior Independent Director are included in the Salary/fees column. In FY2018/19 these fees were reported in the Other column on page 76 of the Annual Report and Financial Statements 2019 but they are now included in the FY2018/19 column for ease of comparison. You can find further details on page 83.
- Taxable benefits for the CEO and CFO comprise private medical insurance for the Executive and their spouse or civil partner as well as any dependent children, private health insurance, and life assurance up to four times salary (up to £1m).
- If awarded bonus is paid 50% in cash and 50% in shares.
- LTIPs are made through the Executive Incentive Plan ('EIP'). You can find further details on page 82.
- The pension paid to the CEO was as a cash allowance as he had lifetime allowance protection. Payments were in line with the employee pension scheme and are calculated as a percentage of basic salary. The cash allowance was equivalent to 7% of the CEO's salary. The pension paid to the CFO was partly paid directly into the company provided pension scheme (£5,000) with an additional amount paid as a cash allowance. Together these payments were equivalent to 7% of the CFO's salary.
- Matthew Doughty and Andrew Leitherland acted as Partner Directors during the year. You can find further details on page 65 of the Nomination Committee Report. The position of Partner Director is designated by the Board as a Non-independent, Non-Executive Director position. A Partner Director represents the partners of DWF Law LLP and DWF LLP and is therefore a partner shareholder representative on the Board. Partner Directors do not receive any fees for the position on the Board because remuneration is as a member of DWF Law LLP or DWF LLP (determined by his or her 'home office'), and in some circumstances also by way of a limited salary as an employee of DWF Connected Services Holdings Limited.

Directors' Remuneration report continued

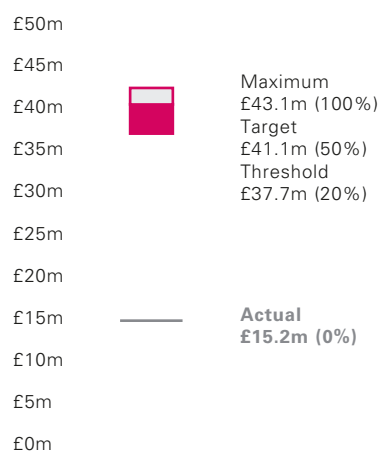
Bonus for the financial year ended 30 April 2020 (audited)

Performance condition	Weighting	Achievement percentage of performance maximum	Achievement percentage of maximum bonus opportunity ¹	Bonus earned as a percentage of salary ²	Bonus outcome
Adjusted PBT	70%	0%	0%	0%	£0
Gross lock-up	10%	0%	0%	0%	£0
Strategic and operational objectives (see pages 89 and 90 for detailed breakdown)	20%	NA	NA	0%	£0
Total	100%	0%	0%	0%	£0

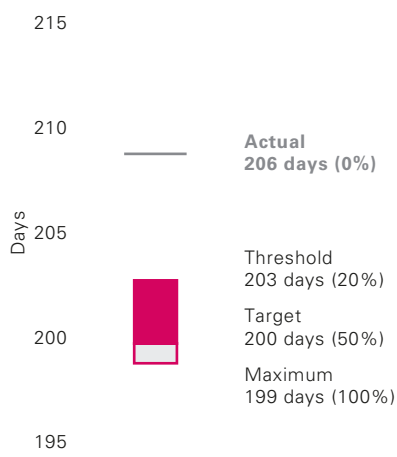
Notes

- Maximum bonus opportunity for the CEO was 150% of salary and for the CFO was 100% of salary.
- The Committee considered the financial performance of the Company when determining the bonus outcomes for the Executive Directors. Having noted that the adjusted PBT and lock-up performance conditions were not achieved for FY2019/20, and following a review of business performance and the current economic situation in relation to COVID-19, the Committee exercised its discretion not to pay any bonus for the partial completion of the strategic and operational objectives.

Adjusted PBT (70%)



Gross lock-up (10%)



Long-term incentive awards made in the financial year ending 30 April 2020 (audited)

The first LTIP awards, which are conditional share awards made through the EIP, were granted on 27 August 2019 and will vest on 27 August 2022.

Executive Director	Award date	% of salary ¹	Shares granted	Face value ²
Andrew Leatherland (CEO) ³	27 August 2019	175%	779,411	£927,500
Chris Stefani (CFO)	27 August 2019	125%	336,134	£400,000

Notes

- Maximum LTIP opportunity for the Executive Directors was 200% of salary.
- Based on the share price of the Company of £1.19 as at 27 August 2019.
- Awards made to Andrew under the Long-Term Incentive Plan granted in 2019 lapsed on his departure.

These LTIP awards have a three-year performance period and then following vesting are subject to a two-year holding period. During this holding period, dividends are payable on the vested shares.

The following table sets out the performance conditions and targets for FY2019/20 EIP grant:

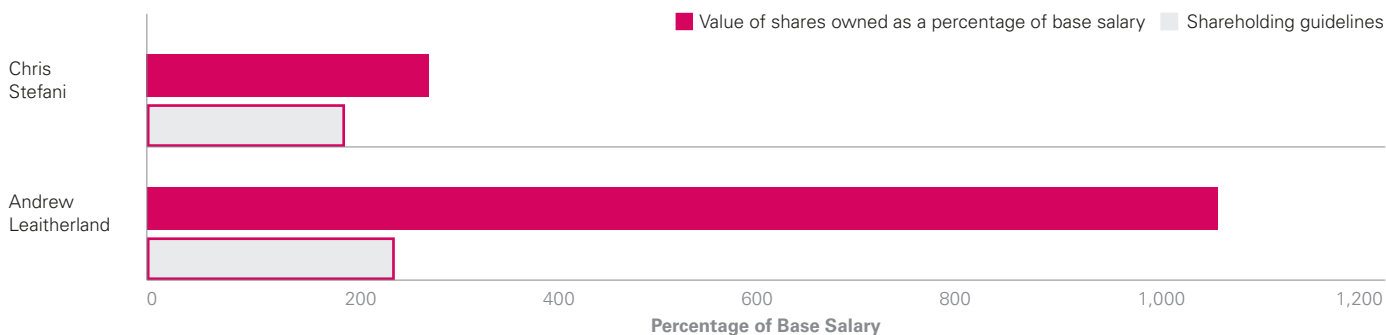
Performance condition and percentage of award opportunity	Threshold (20% vesting)	Target (50% vesting)	Maximum (100% vesting)
Cumulative Three-Year EPS (40% weighting)	38.1 pence	42.2 pence	46.4 pence
Average Annual ROCE (40% weighting)	29.5%	32.8%	36.1%
Average Cash Conversion (20% weighting)	78%	87%	96%

*Straight-line vesting applies between these points.

No other awards were made to Executive Directors during the year.

Achievement of shareholding guidelines as at 30 April 2020

The following chart illustrates the achievement of the shareholding guidelines by the Executive Directors as at 30 April 2020, against the minimum shareholding requirement under the Remuneration Policy (see page 83 for a detailed breakdown). The chart is designed to illustrate the value of their shareholding as a percentage of base salary. Their shareholding for these purposes does not include unvested LTIP awards. For full information on all Directors' interests in shares see table on page 90.



Executive Director	Base salary	Achievement of Shareholding Guidelines beginning of FY2019/20		Achievement of Shareholding Guidelines end of FY2019/20		Change ⁴
		Number	Value ¹	Number	Value ²	
Andrew Leatherland (CEO)	£530,000	7,067,628	£8,537,694	7,067,628	£5,724,779	-32.9%
Chris Stefani (CFO)	£320,000	1,114,009 ³	£1,345,723	1,125,051	£911,267	-32.3%

Notes

- Based on share price of the Company as at 1 May 2019 of £1.21.
- Based on share price of the Company as at 30 April 2020 of £0.81.
- The one-off award made to Chris Stefani at the time of the IPO as described on page 77 of the Annual Report and Financial Statements 2019 is included here. The one-off IPO award was granted to him to create an equity interest at IPO equivalent to what he would have received at IPO if he had been capable of being a member of DWF LLP under the regulations applicable to DWF LLP.
- The percentage change is related to the share price and not a reduction in shares held.

Directors' Remuneration report continued

Remuneration Policy – At a glance

Key features of the Remuneration Policy, operation in FY2019/20 and intended implementation in FY2020/21

Full details of the Remuneration Policy are set out in the 2019 Directors' Remuneration Report on pages 81 to 93, which you can find at dwfgroup.com/en/investors/reports-and-presentations.

The below outlines the key features of our Remuneration Policy as voted on by shareholders at the 2019 AGM. The Policy is intended to remain in place in its current format for at least three years, with its operation in FY2019/20 and intended implementation for FY2020/21 summarised below.

Element	Operation in FY2019/20	Intended operation in FY2020/21
Fixed pay	Base salary – CEO £530,000 – CFO £320,000 Executive Directors received a rise of 0%. Average employee (includes partners) rise 3.5%.	– CEO £530,000 – CFO £320,000 The Company has deferred its annual pay review to December 2020 with any pay rises to have effect from 1 January 2021.
	Benefits	In line with policy
	Pension	In line with policy: – CEO 7% of salary – CFO 7% of salary
Variable pay	Annual Bonus In line with policy Maximum opportunity: – CEO: 150% of salary – CFO: 100% of salary Performance conditions and weightings: – 70% adjusted PBT – 30% strategic and operational objectives See page 80 for details of the performance targets, their level of achievement and the corresponding bonus earned by the Executive Directors.	In line with policy Maximum opportunity: – CEO: 150% of salary – CFO: 100% of salary Performance conditions and weightings: – 70% adjusted PBT – 30% strategic and operational objectives – Weightings and targets of performance conditions are reviewed annually, as well as personal objectives. The actual performance targets set will not be disclosed at the start of the financial year, as they are considered to be commercially sensitive. These will be reported and disclosed retrospectively at the end of the year in order for shareholders to assess the basis for any bonus outcomes.
	LTIPs (made through the EIP) Maximum opportunity: – CEO: 175% of salary – CFO: 125% of salary Measures and weightings: Cumulative three-year EPS (40% weighting): EPS was considered to be an appropriate performance condition to use for the LTIP given the investment case made at IPO on earnings growth, and is simple and well understood by investors. Average annual ROCE (40% weighting): ROCE was considered to be an appropriate performance condition to use to support the strategy of growth, both organic and through acquisitions, and to focus on the efficiency by which earnings are generated. Average cash conversion (20% weighting): Cash conversion was considered to be an appropriate performance condition as improving cash conversion was a key focus of the strategy set out in the prospectus. See table at page 80 for details of the performance conditions and targets.	No change The Committee considered the impact on the global economy of COVID-19, and having taken advice from PwC, its remuneration advisors, the Committee resolved to avail itself of the Investment Association's recommendation to grant awards in the 42-day window after it announces its final results on 8 September 2020, but defer target-setting for six months from the grant date.

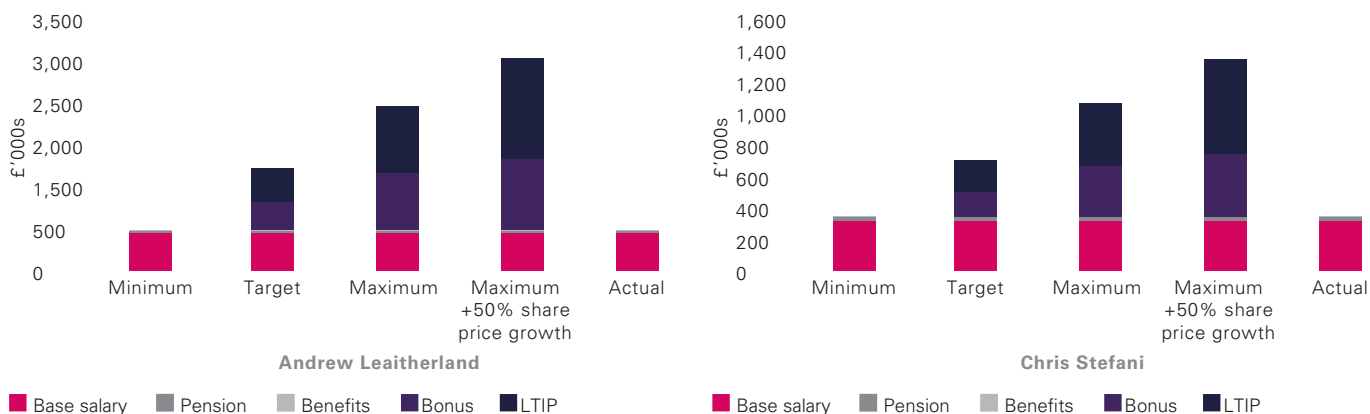
Element	Operation in FY2019/20	Intended operation in FY2020/21
Variable pay	Shareholding requirements	In line with policy
	Chair and Non-Executive Director fees²	<p>– Chairman: £200,000 pa – NED base: £65,000 pa – Senior Independent Director (additional): £10,000 pa – Committee Chair (additional): £7,500 pa – Partner Director¹: £0pa</p> <p>– Chairman: £170,000 pa – NED base: £65,000 pa – Deputy Chairman (additional): £20,000 pa – Senior Independent Director (additional): £10,000 pa – Committee Chair (additional): £7,500 pa – Partner Director¹: £0 pa</p> <p>The Company has deferred its annual fee review to December 2020 with any fee rises to have effect from 1 January 2021.</p>

Notes

- The position of Partner Director is designated by the Board as a Non-Independent, Non-Executive Director position. A Partner Director represents the partners of DWF Law LLP and DWF LLP and is therefore a partner shareholder representative on the Board. Partner Directors do not receive any fees for the position on the Board because remuneration is as a member of DWF Law LLP or DWF LLP (determined by his or her 'home office'), and in some circumstances also by way of a limited salary as an employee of DWF Connected Services Holdings Limited.
- In accordance with the Articles of Association of the Company fees paid to Directors shall not exceed in aggregate £2,000,000 per annum.

Illustrations of application of the Remuneration Policy

The graphs below demonstrate Executive Director pay opportunities under the Remuneration Policy approved by shareholders at the 2019 AGM, and compare them to the single figure for FY2019/20 year on page 79. The single figure includes any actual bonus payments made during the period. As the first LTIP award was granted in the year, with a three-year performance period, there was no LTIP vesting during the year, and therefore there is no LTIP element contained in the single figure provided on page 79.



Assumptions for the scenario charts

Element	Minimum	On-target	Maximum	Maximum (plus 50% share price growth)
Fixed pay	– Base salary of £530,000 for CEO and £320,000 for CFO. – Pension of 7% of salary for CEO and CFO.			
Annual bonus¹	None	50% of maximum award	100% of maximum award	100% of maximum award
LTIPs (made through the EIP)²	None	50% of maximum award	100% of maximum award	100% of maximum award

Notes

- Maximum annual bonus for the CEO is 150% of salary and for the CFO is 100% of salary.
- Maximum LTIP award for the CEO is 175% of salary and for the CFO is 125% of salary.

Directors' Remuneration report continued

Wider workforce remuneration

This section of the Directors' Remuneration Report provides an overview of remuneration principles and wider workforce remuneration across the Group including:

- CEO-to-worker pay ratio; and
- UK gender and ethnicity pay-gap reporting.

Remuneration principles and wider workforce remuneration across the Group

Annually, the Committee receives a report on the remuneration principles and wider workforce remuneration across the Group to enable it to take into account wider workforce pay and practices, and the alignment of incentives and reward with culture, when setting Executive Director remuneration.

Key areas of the report considered by the Committee include:

- Group remuneration principles;
- grading structure;
- basic pay;
- bonus;
- share plans;
- pension;
- benefits; and
- termination policies.

Group remuneration principles

The table below sets out the Group's remuneration principles:

Principle	Detail
Competitive and fair	<ul style="list-style-type: none"> – Salaries set around market median – Benefits reflect best practice and workforce needs – Flexibility in share plans to attract and retain key talent
Rewarding (the right) high performance	<ul style="list-style-type: none"> – We are a high-performing business and when we conduct our end of year reviews, we recognise high performers – We operate an annual performance-review process to ensure we have good performance discussions – We can recognise those who make outstanding contributions through EIP Exceptional Contributor share awards
Simple to understand	<ul style="list-style-type: none"> – We try to avoid unnecessary complexity – We provide accessible and relevant information
Supports DWF values and culture	<ul style="list-style-type: none"> – Incentives, performance-management and recognition approaches support DWF values and culture – Benefits support our inclusive culture

Grading structure

DWF has a centralised approach to grading, with all colleagues (Executive Directors, partners and employees) graded from Career Level 1 to 8. Following acquisitions during the year, a small number of employees and partners are not part of the formal grading structure. We intend to assimilate them.

Overview of findings

The Group's workforce has a unique structure, comprising both employees and members of partnerships. The partners, who represent the principal generators of income for the Group, remain subject to partnership remuneration and benefit arrangements.

Salary

Average salary increases for employees and partners across the Group are being applied on an equitable and objective basis. It is our policy to increase the salaries of the Executive Directors generally by the same percentage increase as employees and partners whose roles have not changed during the year.

Bonus

The majority of our employees and partners can share in the success of the Company through incentive compensation. In line with market practice, the level of incentive compensation and whether it is paid solely in cash or in a mixture of cash and deferred shares, depends on the level of seniority of employee and partners. The incentive approach applied to the Executive Directors aligns with the wider Group policy on incentives, which is to have a higher percentage of at-risk performance pay with seniority of the role, and to increase the amount of incentive deferred, provided in equity or measured over the longer term for roles with greater seniority.

Below Board level, for the year ended 30 April 2020 there were two annual bonus plans in place: a Group-wide bonus structure and a partner bonus:

- **Group-wide bonus:** Non-partners below Board level were eligible to participate in a Group-wide bonus plan which followed a similar structure to the Executive Director bonus plan. Performance measures were broadly aligned with those set for Executive Directors, adjusted appropriately for the individual/team.
- **Partner bonus:** Partners were eligible to participate in a discretionary bonus plan which was equivalent of up to 5% of annual PBT, provided in the form of a discretionary bonus plan. Performance measures were broadly aligned with those set for Executive Directors.

No bonuses were paid to employees or partners under these bonus plans for the year ended 30 April 2020.

For FY2020/21, we have implemented a single bonus plan for everyone below Board level including partners which is structured on a percentage of salary (employees)/total remuneration (partners).

Share plans

Equity participation is offered to all UK employees and partners of the Group through the BAYE scheme, and to senior management and Executive Directors through the LTIP and Deferred Bonus Plans, each of which involves the award of shares. It is the Group's policy to allow employees and partners to share in success by means of equity participation. The Company intends to start to extend BAYE participation internationally during FY2020/21, where the jurisdictions permit. Executive Directors are required to adhere to minimum shareholding guidelines.

The IPO gave DWF the opportunity to offer shares to the wider employee group, thus further aligning an element of remuneration with Company performance, Executive Director remuneration, and the shareholder experience.

On the Company's Admission to listing, all employees who had been rated 'fully achieving' at 31 October 2018 and who were employed for 12 months at the date of Admission and not serving notice (known as qualifying colleagues), were awarded IPO awards under DWF's BAYE scheme. Each IPO allocation was valued (at Admission) at up to 18% of salary. Qualifying colleagues were also awarded a cash bonus on Admission, with a value of up to 2% of salary. The IPO allocations were made as allocations of free shares that vest in two equal tranches on the preliminary announcements of the Group's financial results for the financial years ending 30 April 2020 and 30 April 2021, subject to the participant remaining in employment (unless the participant is deemed a 'good leaver').

The BAYE continues to operate on an annual basis. All qualifying colleagues are invited to participate in the BAYE scheme by acquiring ordinary shares out of deductions from salary, and awarded matching shares in respect of ordinary shares acquired. Each year, all qualifying colleagues will be invited to sign up to buy shares over a 12-month investment period. Matching shares are received on a one-for-two basis, so for every two shares purchased over the 12-month investment period, participants receive one matching share three years from the start of the relevant 12-month investment period subject to certain conditions.

The EIP is in operation for partners and senior employees and offers a number of awards such as promotion awards, lateral hire awards and exceptional contributor awards. These plans are based on a 5-year vesting schedule and are designed to enable the business to attract and retain the right talent for the future sustainability of the Group.

The Group has a Deferred Bonus Plan although there have been no awards made through that plan to date.

Pensions

All UK employees are eligible for enrolment in a Company defined-contribution pension arrangement. The current employee contribution is 3-5% of salary and employer contribution is 5-7% of salary. The contribution for Executive Directors is 7% of salary, in line with the pension contributions applicable to the wider UK workforce. Outside of the UK, pension arrangements for employees are in line with local legal requirements.

Benefits

UK employees and partners are offered a range of benefits including life assurance and health insurance, and flexible benefits by way of salary sacrifice. Elsewhere in the Group, benefits are in line with local market practice.

Termination

An employee or partner must be in employment and not serving notice to be eligible for any bonus payment. The treatment of leavers is governed by the respective share plan rules, agreed leaver status delegated authorities and operating guidelines.

Directors' Remuneration report continued

The following table shows the cascade of incentives throughout the Group:

Career Level	Average annual increase in base salary	Maximum bonus opportunity	Participation in LTIP (made through the EIP)	Participation in other plans under the EIP	Participation in all employee equity plans (BAYE) – UK only
Executive Directors	0%	CEO: 150% of salary CFO: 100% of salary	CEO: 175% of salary CFO: 125% of salary	NA	Yes
CL1 (excluding Executive Directors)	3%	15%	Executive Board Members	Yes	Yes
CL2	2.92%	10%	Executive Board Members	Qualifying Colleagues	Yes
CL3	2.66%	7.5%	NA	Qualifying Colleagues	Yes
CL4	3.01%	5%	NA	NA	Yes
CL5	4.91%				
CL6	2.38%				
CL7	3.13%	3%	NA	Qualifying Colleagues	Yes
CL8	2.22%				

In summary, the Committee is satisfied that the approach to remuneration across the Company is consistent with the Group's principles of remuneration. In the Committee's opinion, the approach to Executive Director remuneration aligns with the wider Group remuneration principles, and there are no anomalies specific to the Executive Directors.

Communication and engagement with employees and partners

The Board is committed to ensuring there is an open dialogue with our employees and partners over various decisions. This year, Chris Sullivan has been the designated Non-Executive Director with oversight of employee engagement. Chris, along with other Board members, has attended various formal and informal people-related events, and meets the business directly through briefings at key points during the year. At these briefings, employees and partners can ask questions about the Group and our People Strategy. The Partner Director is a representative of the partners, a constituent part of our workforce, responsible for reflecting the views of partners to the Board and for consulting partners on important matters, which he has done through both formal and informal channels during the year. The business is kept informed of the Group activities and performance through communications and the circulation of corporate announcements. This is supplemented by updates on Rubix, our intranet, to which all Non-Executive Directors have access.

There are two main committees for employee and partner engagement:

- The Engaging People Executive ('EPE'), created to ensure employee engagement. It is chaired by a member of the Executive Board of DWF Law LLP or DWF LLP, and made up of partners and senior employees across the business.
- The Employee Forum, chaired by the Head of HR Shared Services, and made up of employees at different career levels to those on the EPE, to provide alternative opportunities to obtain the employee voice and showcase employee initiatives and communications.

Additionally, we have created sub-committees chaired by members of the Executive Board of DWF Law LLP or DWF LLP, whose membership comprises employees and partners looking at specific areas such as CSR and our Diversity & Inclusion agenda (further details are set out on page 56).

This section of the Remuneration Committee report is presented to these committees for employee and partner engagement. Members are given an opportunity to ask the Chair of the Remuneration Committee questions on it.

The business engages with every career level to recognise key contributors through our Achievers platform, which also supports our employee and partner engagement Pulse Survey, which occurs every six months. This process includes prompts for line managers to improve points raised in the surveys.

To ensure all employees and partners are well informed about company matters, a weekly newsletter is sent to all employees and partners, as well as Group news and updates shared on Rubix, our intranet.

CEO to worker pay ratio

CEO-to-worker pay ratio as at 30 April 2020

DWF is committed to fairness and equality across the Group, and takes the CEO pay ratio, alongside a number of other factors, into consideration when reviewing pay levels across the Group.

To calculate the CEO pay ratio, DWF used prescribed methodology A to calculate the pay and benefits of all UK employees (including partners) on a full-time equivalent ('FTE') basis for the financial year, to identify the quartiles. The pay and benefits for all UK employees and partners for the relevant financial year is calculated and ranked from lowest to highest, to identify the employees and partners at P25, P50 and P75. We chose methodology A as we felt it comprehensively reflects the pay levels of our employees (including partners).

The salary and total remuneration of UK FTE employees (including partners) at the 25th, 50th and 75th percentile, and the ratios between the CEO and these employees (including partners) are shown in the table below.

Year	Methodology	Salary			Total remuneration		
		P25	P50	P75	P25	P50	P75
2019 amount	A	£23,000	£36,445	£59,400	£24,383	£39,088	£64,487
2019 ratio	A	23:1	15:1	9:1	24:1	15:1	9:1

Explanatory notes

- As the business is in its second year since IPO, no LTIPs have vested and the figures above therefore use like-for-like calculations.
- No CEO pay ratio is provided for 2018, as the pay ratio regulations which came into force on 1 January 2019 require annual disclosures to be made from the end of 2019 onwards. We have not included a comparison to 2018/19 as the business only listed in the last two months of that financial year, and the business model in place prior to the listing was a private-limited-liability partnership, so remuneration is not comparable.

The Company believes the median pay ratio for FY2019/20 is consistent with the pay, reward and progression policies for the Company's UK employees (and partners). We complete a rigorous pay and benchmarking exercise annually on all roles, and adjust appropriately based on performance and affordability, to ensure employees (and partners) are remunerated fairly and in line with the Company's pay philosophy.

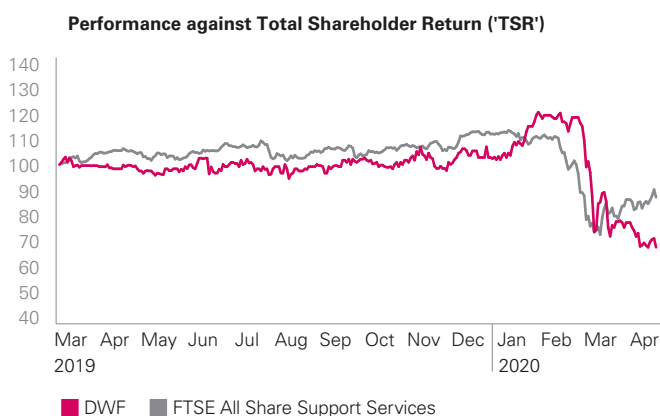
In assessing our pay ratio versus likely ratios from industry peers, we believe we are towards the lower end of the range but note that annual and long-term incentive payments have varied considerably amongst this group. In our case, the CEO single figure comprises fixed pay, taxable benefits, and pension benefits, given that no bonus was paid and no long-term incentive vested in respect of performance in FY2019/20. We also recognise that ratios will be influenced by levels of employee (and partner) pay, which may vary from other sectors.

Over time, we expect there may be significant volatility in this ratio, and believe this will be caused by the following:

- Our CEO pay is made up of a higher proportion of incentive pay than that of our employees (and partners), in line with the expectations of our shareholders. This introduces a higher degree of variability in CEO pay each year, which affects the ratio.
- The value of long-term incentives is disclosed in the year of vesting (after three years), which increases the CEO pay in that year, again affecting the ratio for that year.
- Long-term incentives are provided in shares, and therefore an increase in share price over the three years magnifies the impact of a long-term incentive award vesting in a year.
- We recognise that the ratio is affected by the different structure of the pay of our CEO to that of our employees (and partners), as well as the make-up of our workforce. This ratio varies between businesses even in the same sector. What is important from our perspective is that this ratio is influenced only by the differences in structure, and not by divergence in fixed pay between the CEO and wider workforce. Where the structure of remuneration is similar, as for the Executive Board and the CEO, the ratio is likely to be much more stable over time.

Performance against Total Shareholder Return ('TSR')

The following chart illustrates the Company's TSR performance (share price growth plus dividends paid) from the date of Admission against the performance of the FTSE All Share Support Services, a broad-based index the Company has been a constituent member of since Admission.



Directors' Remuneration report continued

Historic CEO remuneration

Element	FY2018/19 ¹	FY2019/20
Total remuneration	£70,949	£530,000
Annual Bonus as a % opportunity	0%	0%
LTIP as a % opportunity	NA	NA

Note

1. For FY2018/19, the table reflects the period from Admission on 15 March 2019 to the end of the financial year on 30 April 2019. We have not included an annualised comparison figure for FY2018/19 as the business only listed in the last two months of that financial year, and the business model in place prior to the listing was a private-limited-liability partnership, so remuneration is not comparable.

Percentage change in remuneration of the Directors and all employees and partners

FY	£ Salary/fees			£ Taxable benefits ²			£ Bonus ⁴		
	2019/20 ³	2018/19 ¹	change	2019/20	2018/19	change	2019/20	2018/19	change
Executive Directors									
Andrew Leatherland (CEO)	530,000	530,000	0%	6,677	14,917	-55%	0	0	0%
Chris Stefani (CFO)	320,000	320,000	0%	5,368	8,760	-39%	0	0	0%
Non-Executive Director									
Sir Nigel Knowles	200,000	200,000	0%	0	0	0%	0	0	0%
Luke Savage	72,500	72,500	0%	0	0	0%	0	0	0%
Tea Colaiani	72,500	72,500	0%	0	0	0%	0	0	0%
Vinodka Murria	65,000	65,000	0%	0	0	0%	0	0	0%
Chris Sullivan	75,000	75,000	0%	0	0	0%	0	0	0%
Samantha Tymms	72,500	72,500	0%	0	0	0%	0	0	0%
Matthew Doughty ⁵	0	0	0%	0	0	0%	0	0	0%
Average employee (includes partners)	50,330	48,626	3.5%	732	732	0%	358	868	-58%

Notes

- For FY2018/19, for the purposes of calculating the percentage change in remuneration we have annualised the Salary/fees received during the period from Admission on 15 March 2019 to the end of the financial year on 30 April 2019.
- The reduction in taxable benefit costs from FY2018/19 to FY2019/20 is due to changes agreed to partner and executive benefits, specifically permanent health insurance which was reduced from 75% to 50% of earnings and Life Insurance from flat £1m to 4 x Salary or a maximum £1m cap. These changes significantly reduced the cost of our insurance in the Group and this is shown in the table above.
- For FY2019/20, the additional fees for Committee Chairs or the position of Senior Independent Director are included in the Salary/Fees column of the table on page 79. In FY2018/19, these fees were included in the 'Other' column. You can find further details on page 83.
- In FY2018/19, a bonus was paid at IPO to all employees with eligible service. This was equivalent to 2% of salary. This is the reason for the percentage change in the average employee (includes partners) bonus.
- The position of Partner Director is designated by the Board as a Non-independent, Non-Executive Director position. A Partner Director represents the partners of DWF Law LLP and DWF LLP and is therefore a partner shareholder representative on the Board. Partner Directors do not receive any fees for the position on the Board because remuneration is as a member of DWF Law LLP or DWF LLP (determined by his or her 'home office', and in some circumstances also by way of a limited salary as an employee of DWF Connected Services Holdings Limited).

The Committee uses this information to satisfy itself that there is not an increasing gap between the level of fixed pay for the Director and for employees (including partners). Based on the above analysis, the Committee is satisfied that this is the case.

UK gender and ethnicity pay-gap reporting

We reported on our UK gender pay gap for 2019 in April of this year.

The Group's UK gender pay gap

Pay gap ¹	2017	2018	2019
Mean hourly pay gap	50%	48%	39%
Median hourly pay gap	36%	32%	33%
Mean bonus pay gap	51%	45%	37%
Median bonus pay gap	32%	23%	35%

Note

1. The figures above are combined figures for both employees and self-employed partners. For both hourly pay rates have been used.

The full 2019 Gender Pay Gap Report is available on our website at dwfgroup.com.

While we are working hard to speed up the pace of change in our business, there is a gender pay gap due to the fact that we have more men at senior levels in higher-paid roles. We are taking targeted and sustained action where there is currently under-representation, and we are making positive progress. We know that changing decades of imbalance in our business and sector is going to take time, but we are committed to addressing it.

Our latest plan sets out our immediate priorities and you can find more details on this on pages 37 and 38. This sustained focus on meaningful actions will result in a more diverse workforce, supported and empowered through our inclusive culture and values.

Ethnicity pay-gap reporting

As part of our wider inclusion approach, we have worked hard over the past year to build a more accurate picture of our Black, Asian and Minority Ethnic ('BAME') population. However, the current proportion of colleagues who have disclosed their ethnicity remains low at 60% and, as yet, does not allow for meaningful comparison as part of our 2019 Pay Gap Report.

As described on pages 62 and 63, we have a number of strategies to ensure we are as transparent as possible. In particular, our Board has sent a strong signal about the value of diverse talent and inclusion by setting diversity targets at senior levels, and BAME targets in addition to our gender targets, which include a deadline to initiate BAME pay-gap reporting by the end of 2020.

Annual Report on Remuneration

The following table sets out where in the Remuneration Report the information can be found or where it is not relevant a statement to that effect:

Information	Page
Single figure of remuneration for each Executive Director	79
Share interests awarded during FY2019/20	80
Payment to past Directors	91
Statement of Directors' shareholding and share interests	90
Percentage change in remuneration of Directors and all employees (including partners)	88
Pay ratio information in relation to the total remuneration of the Director undertaking the role of the CEO	86 and 87
Statement of the Implementation of the Remuneration Policy in FY2020/21	82 and 83
Consideration of matters relating to Directors' remuneration	76 and 77
Statement of voting at General Meeting	91

Relative importance of spend on pay

The table below shows the percentage change in total salary costs and shareholder distributions (i.e. dividends) from the financial year ended 30 April 2019 to the financial year ended 30 April 2020.

	FY2018/19 £m	FY2019/20 £m	change
Shareholder distributions paid in the year	nil	9.8	NA
Total remuneration cost ¹	126.4	212.2	68%

Notes

1. Total remuneration cost is defined in note 28 of the financial statements. The large increase year on year reflects the change in compensations model that came into effect in March 2019.

Details of 2019 LTIP Grant

Details of the performance conditions and targets of the 2019 LTIP Grant are set out on page 80 in the Remuneration Outcomes at a Glance section of this report.

No Executive Directors' share incentives vested during the year and therefore the Committee did not consider whether any adjustment should be made in respect of share price performance or otherwise.

Details of strategic and operational objectives for FY2019/20

During the year, the Committee approved performance conditions for Executive Directors in relation to their bonuses for FY19/20 as follows:

- 70% Adjusted PBT
- 30% Strategic and operational objectives (including improved gross lock-up).

For more detail on these performance conditions, see page 80 in Remuneration Outcomes for FY2019/20 – At a Glance.

The strategic and operational objectives are made up of a lock-up objective and a number of personal weighted objectives for specific matters to be achieved during the financial year to safeguard the business and contribute to, or form, the essential financial and strategic priorities and outcomes. We outline the key major themes of the objectives and their corresponding performance on page 90.

The Committee noted that these had been partially achieved, as described below. The Committee decided that as the Adjusted PBT and lock-up performance conditions had not been met, it would not be appropriate to make any payment.

Directors' Remuneration report continued

Executive Directors	Market expansion (33% weighting)	People (33% weighting)	Business growth (33% weighting)
CEO Andrew Leatherland	Development and monitoring of various market performance measures such as Net Promoter Score progressed. Revenues from key clients have grown.	There was a net partner headcount increase of 19%. People-performance initiatives in FY2019/20 have brought a marked improvement in performance planning and assessments, and our engagement score is up.	Positive outcomes have been achieved with significant M&A activities, in particular the acquisition of Mindcrest in the USA and India, and RCD in Spain.
CEO attainment	NA ¹	NA ¹	NA ¹
CFO Chris Stefani	Significant developments have been made through improved technology and management Information.	The Finance function has continued to develop its integrated service to the business. This has enabled improved partner engagement and focus on financial fundamentals. Cost to income ratio has reduced by 0.1 ppts from 42.7% to 42.6%. The focus on improving lock-up has been underpinned by the roll out of 3e.	Finance cost reduction and budget were achieved. Managed Services established as a separate business unit and enhanced with the acquisition of Mindcrest.
CFO attainment	Partially achieved	Partially achieved	Partially achieved

Notes

1. As announced on 29 May 2020, when Andrew Leatherland stepped down as Group Chief Executive Officer, the Remuneration Committee determined he would receive no bonus for the financial year 2020.

Directors' share interests (audited)

The Directors' interests in shares as at 30 April 2020 are provided below.

	Number of shares beneficially owned ³	Value of shares beneficially owned as a % salary/fees ¹	Shareholding guidelines	Deferred shares	Shares subject to performance conditions	Total interest in shares
Executive Directors						
Andrew Leatherland (CEO)	7,067,628	1,080%	250%	0	779,411	7,847,039
Chris Stefani (CFO)	1,125,051 ²	370%	200%	0	336,134	1,461,185
Non-Executive Directors						
Sir Nigel Knowles	2,662,211	NA	NA	NA	NA	2,662,211
Luke Savage	32,693	NA	NA	NA	NA	32,693
Tea Colaianni	49,180	NA	NA	NA	NA	49,180
Vinodka Murria	1,586,306	NA	NA	NA	NA	1,586,306
Chris Sullivan	409,836	NA	NA	NA	NA	409,836
Samantha Tymms	0	NA	NA	NA	NA	0
Matthew Doughty	2,654,421	NA ⁴	NA ⁴	NA ⁴	NA ⁴	2,654,421

Notes

1. Calculated using the share price of £0.81 on 30 April 2020.

2. The one-off award made to Chris Stefani at the time of the IPO as described on page 77 of the annual report and financial statements 2019 is included here.

The one-off IPO award was granted to him to create an equity interest at IPO equivalent to what he would have received at IPO if he had been capable of being a member of DWF LLP under the regulations applicable to DWF LLP.

3. On 9 July 2020, Chris Stefani, Sir Nigel Knowles and Matthew Doughty acquired a further 15,000 shares each.

4. Matthew Doughty is a Partner Director. The position of Partner Director is designated by the Board as a Non-independent, Non-Executive Director position.

A Partner Director represents the partners of DWF Law LLP and DWF LLP and is therefore a partner shareholder representative on the Board. Partner Directors do not receive any fees for the position on the Board because remuneration is as a member of DWF Law LLP or DWF LLP (determined by his or her 'home office', and in some circumstances also by way of a limited salary as an employee of DWF Connected Services Holdings Limited).

Service contracts or letters of appointment

The table on the next page provides details of the service contracts or letters of appointment for the Directors. All service contracts and letters of appointment are available for viewing at the Company's registered office. In line with best practice, all Directors are subject to annual re-election at the Company's AGM. The Chairman and the Independent Non-Executive Directors are appointed subject to re-appointment at the AGM for an initial term of three years commencing on the admission of the shares to trading on the London Stock Exchange. The initial period of three years is renewable by one additional period of three years and renewable thereafter at the discretion of the Company. Partner Director letters of appointment provide that their duties as a Director are subject to their professional duties as solicitors authorised by the SRA or equivalent regulatory authority.

	Date appointed	Expiry date	Notice period by Company or Director
Executive Directors			
Andrew Leitherland	10 September 2018	Rolling service-contract with no fixed expiry date. For his role as Partner Director during part of the year, there was no entitlement to receive a fee for undertaking the role.	12 months
Chris Stefani	10 September 2018	Rolling service-contract with no fixed expiry date	12 months
Non-Executive Directors			
Sir Nigel Knowles	1 November 2018	Rolling letter of appointment for an initial term of three years with no fixed expiry date	3 months
Chris Sullivan	1 November 2018	Rolling letter of appointment for an initial term of three years with no fixed expiry date	1 month
Tea Colaianni	1 November 2018	Rolling letter of appointment for an initial term of three years with no fixed expiry date	1 month
Vinodka Murria, OBE	1 November 2018	Rolling letter of appointment for an initial term of three years with no fixed expiry date	1 month
Luke Savage	1 November 2018	Rolling letter of appointment for an initial term of three years with no fixed expiry date	1 month
Samantha Tymms	1 December 2018	Rolling letter of appointment for an initial term of three years with no fixed expiry date	1 month
Matthew Doughty	1 December 2018	Rolling letter of appointment for role as Partner Director on Admission, for an initial term of three years. The Partner Director is not entitled to receive a fee for undertaking the role.	1 month

Payments to past Directors/payments for loss of office (audited)

There were no payments to past Directors or payments for loss of office during the financial year. However, the Company agreed terms with Andrew Leitherland on his cessation of employment on 29 May 2020.

The full details of those terms are set out in the announcement which is available on the Company's website (dwfgroup.com/en/investors/reports-and-presentations) but is summarised below:

- Andrew is receiving 12 monthly payments including basic salary, pension entitlements and other contractual benefits, in lieu of the 12-month contractual notice period in accordance with the provisions of his service agreement. Andrew is required to mitigate his loss during the notice period by seeking alternative employment or engagement.
- Andrew will not receive any bonus for the financial year ended 30 April 2020.
- Awards made to Andrew under the Long-Term Incentive Plan granted in 2019 lapsed on his departure. Andrew held no other incentive awards and no further incentive awards will be made.
- Following the Company's IPO in April 2019, Andrew Leitherland (together with his wife and family trust) held a total of 7,067,628 ordinary shares in the Company, which represented Andrew's pre-IPO ownership interest in the DWF business. These shares are subject to a five-year lock-up period (which is considerably longer than a typical post-IPO lock-up period of 12 months). These shares would normally have been released in equal tranches on the announcement of the preliminary results for the financial years ended 30 April 2020, 2021, 2022, 2023 and 2024 under the terms of a lock-up agreement entered into between the Company and Andrew Leitherland at the time of IPO. Pursuant to this lock-up agreement, the first tranche of shares (20%) is released on announcement of the preliminary results for the financial year ended 30 April 2020, and the second tranche (20%) is due to be released during Andrew's 12-month notice period. The Board determined that 50% of the remaining tranches be retained by Andrew in recognition of his contribution to the business during his tenure in office and these will be released in accordance with the original schedule (in 2022, 2023 and 2024). The Board determined that the other 50% be clawed back immediately into the Company's Employee Benefit Trust in accordance with the terms of the lock-up agreement. The release of each tranche of the retained Shares is also subject to malus provisions.

Shareholder voting at the 2019 AGM

	Votes for	% for	Votes against	% against	Total votes validly cast	Votes withheld
To approve the Directors' Remuneration Policy	106,935,200	98.99	1,091,112	1.01	108,026,312	0
To approve the Directors' Remuneration report	106,665,782	98.74	1,360,530	1.26	108,026,312	0

We appreciate shareholders' overwhelming support for both our Remuneration Policy and Remuneration report, and are keen to take on board any additional feedback raised. Following the publication of our 2019 Directors' Remuneration report, we have increased the post-cessation shareholding required to 100% of an Executive's minimum shareholding requirement (or the actual shareholding at the cessation of employment, if lower) for the two years following cessation of employment, in line with the Investment Association's Principles of Remuneration.

Approved by the Board on 7 September 2020

Tea Colaianni

Chair, Remuneration Committee

Directors' report

The Directors' report, together with the Strategic report on pages 1 to 49, form the Management Report for the purposes of the Disclosure, Guidance and Transparency Rule 4.1.5R.

Statutory or regulatory information contained elsewhere in the Annual Report

Information required to be disclosed in the Directors' report may be found below and in the following sections of the Annual Report:

Information	Section	Page
Directors' details (including changes made during the year)	Corporate Governance report	52 to 63
Directors' interests and that of their families	Directors' Remuneration report	90
Likely future developments in the business	Strategic report	8 and 9
Risk factors and principal risks; going concern and viability statements	Strategic report	45 to 49
Governance arrangements; human rights and anti-corruption and bribery matters	Strategic report	36 to 43
Financial instruments: information on the Group's financial instruments and risk management objectives and policies, including our policy on hedging	Consolidated financial statements	142 and 143
Sustainability	Strategic report	36 to 43
Corporate social responsibility	Strategic report	36 to 43
Financial risk management	Consolidated financial statements	142 and 143
Employee engagement	Strategic report	38 to 40
	Corporate Governance report	62
	Directors' Remuneration report	86
Energy consumption, energy efficiency and Greenhouse Gas emissions	Strategic report	43
	Directors' report	95
Engagement with suppliers, customers and others	Strategic report	16, 17 and 41
Section 172(1) statement	Strategic report	14

Disclosure table pursuant to Listing Rule 9.4.8C

The following table provides references to where the information required by Listing Rule 9.4.8C is disclosed:

Listing Rule	Listing Rule requirement	Page
9.8.4(1)	Interest capitalised by the Group and any related tax relief	Not applicable
9.8.4(2)	Unaudited financial information (LR 9.2.18R)	Not applicable
9.8.4(4)	Long-term incentive schemes	Directors' Remuneration report, 73 to 91
9.8.4(5)	Directors' waiver of emoluments	Not applicable
9.8.4(6)	Directors' waiver of future emoluments	Not applicable
9.8.4(7)	Non pre-emptive issues of equity for cash	Not applicable
9.8.4(8)	Non pre-emptive issues of equity for cash by any unlisted major subsidiary undertaking	Not applicable
9.8.4(9)	Parent Company participation in a placing by a listed subsidiary	Not applicable
9.8.4(10)	Contract of significance in which a Director is or was materially interested	Not applicable
9.8.4(11)	Contract of significance between the Company (or one of its subsidiaries) and a controlling shareholder	Not applicable
9.8.4(12)	Waiver of dividends by a shareholder	Directors' report page 93
9.8.4(13)	Waiver of future dividend by a shareholder	Directors' report page 93
9.8.4(14)	Board statement in respect of a relationship with the controlling shareholder	Not applicable

Directors' indemnities and insurance

At the date of this Annual Report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Articles of Association, in respect of any liability arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company or any of its subsidiaries.

The Company also maintains directors' and officers' liability insurance as provided for in the Articles. The Directors may also obtain, at the Company's expense, external legal or professional advice necessary to enable them to carry out their duties.

Dividends

The Board has declared the following dividends:

- an interim dividend of 1.25 pence per ordinary share, paid on 20 December 2019
- an interim dividend of 1.25 pence per ordinary share, paid on 21 February 2020
- a final dividend of 0.75 pence per ordinary share, subject to shareholder approval at this year's AGM, which will be paid on 5 November 2020 to all shareholders on the register of members at the close of business on 25 September 2020.

There are no guarantees that the Company will pay dividends, or the level of any such dividends in the future.

Waiver of dividends – Listing Rule 9.8.4

The Estera Trust (Jersey) Limited, which recently merged with Ocorian Limited, is trustee of the DWF Group plc Employee Benefit Trust and the DWF Group plc Reward Share Trust. The Employee Benefit Trust and the Reward Share Trust are used in connection with the DWF Group plc Equity Incentive Plan, the DWF Group plc Deferred Bonus Plan, the DWF Group plc Buy As You Earn Plan, both in the UK and for international locations, the DWF LLP Sub Group Equity Incentive Plan, the DWF LLP sub Group Deferred Bonus Plan, and the DWF LLP Sub Group Buy As You Earn Plan. The Estera Trust has agreed to waive dividend on shares in the trust not allocated to plan members.

A shareholder who is a member of DWF Law LLP and DWF LLP has agreed to waive dividends attaching to shares which were erroneously transferred to them.

Substantial shareholdings

At 20 April 2020, the last practicable date prior to the end of FY2019/20, the Company had been notified in accordance with Rule 5 of the Disclosure, Guidance and Transparency Rules or was otherwise aware, of the following interests in the Company's voting rights:

Holder	Number of ordinary shares	% of issued capital
Estera Trust (Jersey) Limited as trustee of the DWF Group plc Employee Benefit Trust	26,765,635	8.25
Premier Miton Group	23,481,692	7.24
Standard Life Aberdeen	14,612,788	4.50
Sand Grove Capital Management	13,770,793	4.24

The percentage of voting rights detailed above was calculated as at 20 April 2020, in accordance with Rule 5 of the Disclosure, Guidance and Transparency Rules.

At 27 August 2020, the latest practicable date prior to publication of this Annual Report, the Company had been notified in accordance with Rule 5 of the Disclosure, Guidance and Transparency Rules or was otherwise aware, of the following interests in the Company's voting rights:

Holder	Number of ordinary shares	% of issued capital
Estera Trust (Jersey) Limited as trustee of the DWF Group plc Employee Benefit Trust	34,287,799	10.56
Premier Miton Investors	22,161,660	6.83
Aberdeen Standard Investments	14,612,788	4.50
Sand Grove Capital Management	13,770,793	4.24

The percentage of voting rights detailed above was calculated as at 27 August 2020, in accordance with Rule 5 of the Disclosure, Guidance and Transparency Rules.

Share capital structure and share rights

Further details of the share capital are shown in note 23 to the consolidated financial statements, which forms part of this Directors' report. Rights attributable to the Company's ordinary shares are as set out in the Company's Articles of Association (which are available on our website at dwfgroup.com/en/investors) and in applicable company law. Holders of the Company's ordinary shares have the right to attend, speak and vote (either in person or by proxy) at a general meeting of the Company, and the right to benefit in any distribution of the Company, which includes, but is not limited to, dividends. No shareholder owns shares with special rights as to control.

The Company operates a number of employee share plans, which are detailed both in the Directors' Remuneration report on page 85 and in note 25 to the consolidated financial statements. The voting rights of shares held in trust for the share plan participants, as beneficial holders, are exercised at the direction of the participant. In respect to any voting rights of shares held in trust that are not allocated to share plan participants, Estera Trust (Jersey) Limited will abstain from voting these shares, unless directed otherwise by the Company, and then only in accordance with Estera Trust (Jersey) Limited's discretion.

Authority to allot and purchase own shares

The Company was authorised by shareholders at the AGM held in September 2019 to purchase its own ordinary shares in the market, up to a maximum of 30,000,000. During the year, no ordinary shares were repurchased.

At the same AGM, the Directors were also granted authority (for the purposes of section 551 of the Companies Act 2006) to allot relevant securities (i) up to an aggregate nominal amount of £1,000,000; and (ii) comprising equity securities (as defined in the Companies Act 2006) up to an aggregate nominal amount of £2,000,000 (after deducting from such limit any relevant securities issued under (i) in connection with a rights issue). These amounts will apply until the conclusion of the AGM to be held on 21 October 2020.

Directors' report continued

The Directors confirm their intention to renew these authorities at the forthcoming AGM, ensuring adherence to the provisions of the Pre-Emption Group's ('PEG') revised Statement of Principles. Further details are set out in the Notice of Annual General Meeting, which you can find on dwfgroup.com/en/investors.

The Directors also confirm their intention to continue to adhere to the PEG Statement of Principles and only allot shares representing more than 5% of the issued share capital of the Company (excluding treasury shares) for cash, where that allotment is in connection with an acquisition or a specified capital investment. Such an acquisition or investment would be announced at the same time as the allotment, or having taken place in the preceding six months and being referred to in the announcement of the issue.

Change of control – significant agreements

There are a number of agreements that take effect, alter or terminate upon a change of control of the Company, including following a takeover bid, such as supplier and service provider agreements and property lease arrangements. The legal risk arising out of such change of control is closely managed by the Company as part of its contractual governance processes.

The Company has an unsecured £80.0m multicurrency revolving loan facility agreement with HSBC UK Bank plc, National Westminster Bank plc and Lloyds Bank plc for general corporate and working capital purposes. If there is a change of control of the Company, any lender, by not less than 30 days' notice to the Company, may cancel its commitment under the facility and declare the outstanding utilisation of that lender's commitment (together with accrued interest) immediately due and payable.

The Company has a secondary unsecured £15.0m multicurrency revolving loan facility with HSBC UK Bank plc and National Westminster Bank plc. The secondary facility operates under the same terms as the unsecured multicurrency revolving loan facility as referred to above.

Australian subsidiaries of the Company are funded by a revolving facility of \$3,000,000 (Australian dollars), and associated capital facilities, from Westpac Banking Corporation. Under the terms of that agreement, where there is, in the lender's opinion, a substantial change (direct or indirect) in management, ownership or control, it may constitute an event of default under that agreement, requiring amounts outstanding and interest to become payable immediately.

The Company's subsidiary, Rousaud Costas Duran SLP, has unsecured multicurrency revolving loan facilities agreements with several local banks for general corporate and working capital purposes. The total value of all such facilities is €12.3m. If there is a change of control of the Company, any lender may cancel its commitment under the facility and declare the outstanding utilisation of that lender's commitment (together with accrued interest) immediately due and payable.

In the event of a change of control, the facilities referred to above would either require repayment or renegotiation. Further details on banking facilities are set out in note 19 to the consolidated financial statements on page 141.

The Directors are not aware of any agreements between the Company and its Directors or employees which would pay compensation in the event of a change of control. The rules of the Company's share plans generally provide for accelerated vesting or release of the share awards in the event of a change of control of the Company.

Restrictions on transfer

As part of the Group, DWF Law LLP, is regulated by the Solicitors Regulation Authority ('SRA'), the Company and shareholders are subject to statutory ownership restrictions pursuant to the Legal Services Act 2007.

It is a cardinal principle of the Company that a 'Non-authorized Person' shall not hold, nor take steps to acquire, any 'Restricted Interest' in the Company other than in compliance with the Legal Services Act 2007 and the arrangements, rules and regulations of any 'Relevant Licensing Authority', which includes the SRA and, where applicable, other designated regulators of the legal professions in England and Wales.

A Non-authorized Person includes any person who is not approved to carry on legal activities by the SRA or another Relevant Licensing Authority.

A Restricted Interest in the Company exists where a person (alone or with their associates):

- a) holds at least 10% of the shares in the Company
- b) is able to exercise significant influence over the management of the Company by virtue of their shareholding in the Company
- c) is entitled to exercise, or control the exercise, voting power in the Company which, if it consists of voting rights, constitutes at least 10% of the voting rights in the Company
- d) is able to exercise significant influence over the management of the Company by virtue of the person's entitlement to exercise, or control the exercise of, voting rights in the Company.

If a member (or prospective member) who is a Non-authorized Person proposes to acquire a Restricted Interest in the Company, that member (or prospective member) shall not take any steps to acquire such Restricted Interest until after it has:

- a) notified the Company and the Relevant Licensing Authority in advance of its proposal to acquire such Restricted Interest
- b) received the necessary approvals from the Relevant Licensing Authority, as may be required under the Legal Services Act 2007 and Regulatory Arrangements.

It is a criminal offence under the Legal Services Act 2007 for a Non-authorized Person to fail to comply with these obligations.

If the Company believes the Divestiture Condition may be satisfied in relation to a Non-authorized Person (a 'Defaulting Person'), the Company may give notice to the Defaulting Person that all of the restrictions referred to below shall apply to all of that Non-authorized Person's shares in the Company (the 'Relevant Shares'):

- a) subject to a compulsory disposal provision set out below, a transfer of or agreement to transfer the Relevant Shares, or in the case of unissued shares, the transfer of (or agreement to transfer) the right to be issued with them, is void
- b) no voting rights are to be exercisable in respect of the Relevant Shares
- c) no further shares are to be issued in right of the Relevant Shares or in pursuance of any offer made to their holder
- d) except in liquidation, no payment is to be made of any sums due from the Company on the Relevant Shares whether in respect of capital or otherwise
- e) any restriction the SRA or Relevant Licensing Authority may impose in respect of the Relevant Shares in accordance with the Legal Services Act 2007.

A Divestiture Condition includes where a Non-authorized Person holds a Restricted Interest in the Company by virtue of holding shares in the Company in any of the following circumstances:

- a) as a result of the person taking a step in circumstances that constitutes an offence under paragraph 24(1) of Schedule 13 to the Legal Services Act 2007 (whether or not the person is charged with, or convicted of, an offence under that paragraph)
- b) in breach of conditions imposed under paragraph 17, 28, or 33 of Schedule 13 to the Legal Services Act 2007
- c) in contravention of an objection by the Relevant Licensing Authority under paragraph 31 or 36 of Schedule 13 to the Legal Services Act 2007.

For so long as the restrictions set out above apply to a Defaulting Person, the Company may (in its absolute discretion) notify the Defaulting Person that, within seven days of the date of service of the notice, they must dispose of such number of their shares representing the Relevant Shares in the Company that will result in the Defaulting Person no longer holding a Restricted Interest in the Company (the 'Disposal Shares').

If the Defaulting Person does not dispose of the Disposal Shares, the Company shall arrange to sell the Disposal Shares as soon as is reasonably practicable. The Company shall not be liable to the Defaulting Person for any alleged deficiency in the amount of sale proceeds in respect of, or any other matter relating to, the Disposal Shares. The Company may make any arrangements it deems necessary or desirable to sell the Disposal Shares. The Defaulting Person will receive the net proceeds from the sale of the Disposal Shares.

Other than as set out above, where imposed by law or regulation, or where the Listing Rules require certain persons to obtain clearance before dealing, there are no restrictions regarding the transfer of shares in the Company. The Company is not aware of any agreement which would result in a restriction on the transfer of shares or voting rights.

Annual greenhouse gas emissions (include SECR)

The release of greenhouse gases ('GHG'), notably carbon dioxide ('CO₂') generated by burning fossil fuels, has an impact on climate change that, either directly or indirectly, represents considerable risks both to the business and the planet. The Group will monitor and, where practicably possible, reduce its GHG emissions.

The data below has been created using the following scopes:

Scope 1:

All direct emissions from the activities of an organisation or under their control, including fuel combustion on site, such as gas boilers, fleet vehicles and air-conditioning leaks.

Scope 2:

Indirect emissions from electricity purchased and used by the organisation. Emissions are created during the production of the energy eventually used by the organisation.

Scope 3:

All other indirect emissions from activities of the organisation, occurring from sources that they do not own or control. These are usually the greatest share of the carbon footprint, covering emissions associated with business travel, procurement, waste and water.

	FY 2018/19 (tonnes)	FY 2019/20 (tonnes)	YoY Increase (tonnes)	YoY Increase %
Biomass	0	0	0	0
Scope 1	215	229	13.59	6.32%
Scope 2	1,390	1,457	67.14	4.83%
Scope 3	2,169	2,593	424.06	19.55%
Total	3,774	4,279	504.79	13.38%
Based on an average headcount of:	3,050	3,647		
Tonnes per person per year	1.24	1.17		

Some of the data for March and April 2020 are based on assumptions, as it has not been possible to obtain final data from some utility companies due to COVID-19.

In order to record and calculate this information, DWF utilises a third party system (Accuvio) in which a record of energy, travel etc. is recorded on a monthly basis. Invoices are received from the utility supplier, preferred travel partner and the expenses system from which the data is then recorded. The third party system then breaks down this data into the correct scopes for reporting purposes. Data records travel and energy usage globally with the exception of some international offices which are serviced offices. The analysis uses an operational control approach which means that where there are serviced agreements for utilities, the data is not included in the report. Scope 3 has been included on a voluntary basis.

Directors' report continued

Political donations

The Group did not make any political donations or incur any political expenditure during the year.

It is the Company's policy not to make what are commonly regarded as donations to political parties, and it is not intending to change that policy. The Companies Act 2006 includes very broad definitions of political donations and expenditure which may have the effect of covering a number of normal business activities that would not be commonly thought to be donations to political parties. These could include support for bodies engaged in law reform or Government policy review, involvement in seminars and functions that may be attended by politicians, and job exchanges between industry and Government.

At the Annual General Meeting to be held on 21 October 2020, and to avoid an inadvertent breach of the Companies Act 2006, the Company will seek authority for itself and its subsidiaries and subsidiary undertakings to make political donations not exceeding £100,000 in total.

Research and development

DWF Ventures is DWF's research and development arm, serving as a vehicle to invest in and nurture new service lines that don't easily fit into the conventional and regulated practice group-based business model. Ventures was launched in October 2017 as an arms-length limited company within Connected Services, and provides services to internal teams as well as clients, with a focus on generating ideas, delivering R&D requirements and nurturing early-growth services.

Rules on appointment and replacement of Directors

A Director may be appointed by ordinary resolution of the shareholders in a general meeting following nomination by the Board or a member (or members) entitled to vote at such a meeting. In addition, the Directors may appoint a Director to fill a vacancy or as an additional Director, provided that the individual retires at the next AGM. A Director may be removed by the Company in certain circumstances set out in the Company's Articles of Association or by an ordinary resolution of the Company. All Directors will seek re-election at the AGM in October 2020 in accordance with the Company's Articles of Association and the recommendations of the Code.

Articles of association

The Company's Articles of Association may be amended only by passing a special resolution of the shareholders of the Company. The Articles of Association are available on our website at dwfgroup.com/en/investors.

Annual General Meeting

This year's Annual General Meeting will be held at DWF Group plc, 20 Fenchurch Street, London, EC3M 3AG on 21 October 2020 at 2.00pm. The Notice of Annual General Meeting is available on our website dwfgroup.com/en/investors.

Important events affecting the Group since the end of FY2019/20

Please see pages 73 and 74 in respect of the departure of Andrew Leatherland as Chief Executive Officer with effect from 29 May 2020. Sir Nigel Knowles was appointed as Chief Executive Officer on 29 May 2020 and Chris Sullivan was appointed as Interim Chair on the same date. On 1 August 2020, Jonathan Bloomer was appointed as Chair and on the same date, Chris Sullivan was appointed as Deputy Chair alongside his role as Senior Independent Director. Please see pages 64 to 66 of the Corporate Governance report for further information in respect of Board changes since the end of FY19/20.

Please see page 30 in respect of the discontinued operations in our International division.

Please also see Note 31 Events after the reporting period in the notes to the consolidated financial statements on page 152.

Disclosure of information to the Auditor

Having made the requisite enquiries, so far as each of the Directors is aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the Company's Auditor is unaware, and the Directors have taken all the steps they ought to have taken as Directors to make themselves aware of any relevant audit information, and to ensure the Company's Auditor is aware of that information.

Going concern

Having assessed the financial forecasts of the business, the principal risks and other matters discussed in connection with the viability statement on pages 48 and 49, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements, as the Company will generate sufficient cash to meet its ongoing obligations for at least 12 months from the date of signing the financial statements.

The Directors' report was approved by the Board and has been signed on its behalf by the Group General Counsel and Company Secretary.

By order of the Board

Mollie Stoker

Group General Counsel and Company Secretary
7 September 2020

Directors' responsibility statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 7 September 2020 and is signed on its behalf by:

Sir Nigel Knowles
Chief Executive Officer
7 September 2020

Chris Stefani
Chief Financial Officer
7 September 2020