

◆ Gateley (Holdings) Plc



Gateley Group Corporate Governance Statement

2018

gateleyplc.com

Chairman's Statement

The Board is committed to achieving high standards of governance commensurate with the size and stage of development of the Company and is continually developing the processes within the Group to support this. As a business operating predominantly in the legal services market, it is subject to a highly regulated environment and regular review by its professional body.

In my capacity as Chairman of the Company, I am responsible for ensuring that we formally adopt and implement a recognised corporate governance code in accordance with the AIM Rules. The Board considers the Quoted Companies Alliance (QCA) code is the most appropriate for the Company and this was adopted by Gateley (Holdings) Plc on 9 July 2018.

The QCA Code identifies ten principles of good governance to support companies in delivering growth in long term shareholder value, encompassing an efficient, effective and dynamic management framework accompanied by good communication to promote confidence and trust. The Board has considered the application of the ten principles set out in the Code to the Group and has concluded that it complies with these principles.

The statement below sets out the ways in which the Group applies the ten principles of the QCA Code in support of the Group's medium to long-term success. More detailed information is also provided in our Annual Report.

During the course of the current financial year the Board will continue to work with the Group to further embed these principles.

Nigel Payne
Executive Chairman

Application of QCA Corporate Governance Code 2018 Principles

Principle 1

Establish a strategy and business model which promote long-term value for shareholders

Business Description

The Gateley Group provides commercial legal services together with complementary non-legal professional services including acting as independent trustees to pension schemes (via Entrust Pension Limited), specialist tax incentive advice (via Gateley Capitus Limited), specialist property consultancy advice (via Gateley Hamer Limited) and human capital consultancy services (via Kiddy & Partners Limited and Global Mobility service lines).

The Group sells its services through 20 business lines, grouped into five operating segments. Dependent on a client's requirements, any given mandate or assignment can involve more than one business line with fee-earning staff being provided across one or more geographical office locations.

The Group's services are tailored to those required by local, regional and national clients and are provided from nine offices across the UK and one in Dubai. Gateley also maintains informal, non-exclusive, relationships with a number of law firms (30+) around the world, enabling it to provide clients access to a global legal solution.

Strategy

Gateley became an Alternative Business Structure ("ABS") with effect from 1 January 2014. Non-lawyers are permitted to own and invest in ABS law firms. The Board believes a combination of the ABS structure and admission to trading on AIM provides a platform for the continued profitable growth and future development of the business. It enables the business to DIFFERENTIATE itself from its competition through an enhanced service-offering and (currently) unique career opportunity, to DIVERSIFY its revenue streams through the acquisition of additional complementary legal and non-legal professional services businesses and finally to INCENTIVISE its people offering wider and earlier ownership to staff of a more modern, dynamic legal business. The Group's current areas of focus are:

- ◆ Enhanced opportunities to grow Gateley organically
- ◆ Making selective acquisitions, including (i) other legal firms which offer geographical expansion or additional specialist services and (ii) professional service businesses offering complementary services
- ◆ Alignment through share participation of the interests of shareholders (including employee shareholders) with those of the business, aiding retention of staff and enhancing Gateley's recruitment appeal.

Organic growth strategy

The UK legal services market continues to exhibit growth and clear opportunities exist for Gateley to continue to differentiate its service offering and grow organically, in particular from:

- ◆ The retention of existing employees, working together to deliver 100% client satisfaction by looking after our clients' businesses as if they were our own
- ◆ Attracting new talent wishing to be a part of a pioneering law-led professional services group
- ◆ Collaborative group-wide and cross service working
- ◆ Continued strengthening of our national network, offering a quality, value-for-money legal service to mid-market clients in the markets in which they trade
- ◆ Continuing to build upon our straight talking mid-market corporate service offering
- ◆ Maintaining and building upon Gateley's bank panel representation and "own account" work for banks
- ◆ Extending Gateley's relationships with the UK's leading house builders and in particular in those divisions and regions where Gateley does not currently act
- ◆ Securing further instructions from Pension trustees to act as independent trustee on large schemes with deficits
- ◆ Expansion of specialist areas such as regulatory and private client into other geographical areas
- ◆ Developing Gateley's project litigation offering and taking advantage of the offshore work this generates
- ◆ Establishing a market leading human capital service offering to advise clients moving employees across international borders.

Acquisitive growth

Gateley believes that it can strengthen its business by broadening its offering through the acquisition of complementary legal and non-legal, professional services businesses. A broader set of services creates additional channels to market, increases sales potential, facilitates a more flexible sales model and enhances client retention.

We provide an attractive platform for target businesses to support their continued growth by drawing upon our established national office network and existing "sales force" of partners and other lawyers, and by providing back-office infrastructure and access.

Gateley will expand by:

- ◆ being well positioned, as a result of its more flexible corporate structure, to take advantage of anticipated consolidation within the UK legal services industry
- ◆ acquiring legal teams or firms offering new niche services, sector specialism, or an opportunity to enter new geographic markets deemed strategic
- ◆ acquiring complementary professional services businesses (facilitated by the Group's alternative business structure).

Incentivisation

Gateley has introduced a range of employee share schemes that ensure all staff have the opportunity to acquire shares and participate in the financial success of our business.

The aim of encouraging earlier and widespread equity ownership in the business is to attract, retain and motivate talent and to ensure all employees can benefit from the Group's longer term success.

Principle 2

Seek to understand and meet shareholder needs and expectations

The Board welcomes discussions with shareholders both formally and informally. Formal opportunities include the annual general meeting and twice yearly investor presentations. Following the annual general meeting and at other times during the year, the Directors are also available for informal discussions should a shareholder wish.

Many shareholders are employees of the Group and this allows regular dialogue regarding the expectations of those shareholders.

Throughout the year, the Chairman is in regular contact with institutional shareholders and the Company has appointed an investor relations officer who seeks feedback on a regular basis from shareholders and potential shareholders. Michael Ward (CEO), Neil Smith (FD) and Nick Smith (partner) present to city analysts and institutional investors following the interim and annual results announcements as well as on an ad hoc basis (where requested by fund managers). The Company also encourages its brokers to interact with shareholders and provide feedback from those discussions so that the Company can respond accordingly. Shareholder communication is answered, where possible or appropriate, by Directors, the Company's Financial PR advisors or the Company's brokers.

The Company supports the availability of independent third party research to ensure information is disseminated effectively. The Group also pays for research to educate its shareholders to help keep all its shareholders and potential shareholders informed on the Company's positioning and prospects, which is available on the Company's website.

The Company also endeavours to maintain a dialogue and keep shareholders informed through its public announcements and Company website. Gateley's website provides not only information specifically relevant to investors (such as the Group's annual report and accounts and investor presentations) but also regarding the nature of the business itself with considerable detail regarding the services it provides and the manner in which it carries on its business.

The Annual General Meeting of the Company, normally attended by all Directors, provides the Directors with the opportunity to report to shareholders on current and proposed operations and developments, and also enables shareholders to express their views of the Group's business activities. Shareholders are encouraged to attend and are invited to ask questions during the meeting and to meet with the Directors after the formal proceedings have ended.

The Company has not historically announced the detailed results of shareholder voting to the market. However, the Board intends to do so going forward.

Principle 3

Take into account wider stakeholder and social responsibilities and their implications for long term success

Stakeholder Relations

The Board recognises that the Company's continued growth and long-term success is largely reliant on its relations with its stakeholders, both internal (employees and shareholders) and external (clients, regulators, shareholders, suppliers, business partners and advisors).

Internal stakeholders

As a professional service-led business, our employees are a key factor in delivering successful growth and as such we support open and friendly dialogue throughout our workforce. We undertake employee reviews and assessments to identify and assist employees with training and career progression. We aim to keep our workforce informed on our progress for example holding regular monthly "Meet the Board" discussions in each office that are well attended and open to all levels of staff to attend. The Board meets senior executives and heads of departments on a regular basis and through its reporting structures receives information on key clients and supplier relationships. The Company also operates an internal intranet system to help keep employees informed on key issues. Employees also participate in the Company's share option scheme giving them a stake in the Company's long-term success. We conduct regular employee engagement surveys and during 2017 we encapsulated these in our Employee Value Proposition.

We hold an annual state of the firm address in every office to share with all staff details of the prior year, future activities and events of strategic significance. We publish a monthly management cascade information briefing which is communicated from the senior management team to all team leaders across the business in order to share business activities and news.

The Chief Executive Officer (CEO) reports to the Board on all regulatory matters and our Nominated Advisor, is in regular dialogue with our Finance Director (FD) on stock exchange regulatory matters to ensure that any market related regulatory concerns are raised with the Board.

External stakeholders

The Group maintains a regular dialogue with its external stakeholders to drive business development.

Our clients and prospective clients are of course crucial to the growth and long-term success of the Group and we believe in being a service-led business placing client care and interaction at the heart of our business. We conduct regular client surveys and have introduced a client engagement programme to better understand our clients' experience of the service we provide.

We seek to build strong long term relationships with our suppliers working alongside them as business partners for the benefit of all.

The Company works closely with its advisors to ensure it operates in accordance with the market regulations.

The CEO and FD have regular meetings with the Company's Relationship Manager at the Solicitors Regulatory Authority (SRA), the organisation that oversees the regulation of the legal services sector.

Environment, Social and Governance (ESG) matters and Corporate Social Responsibility (CSR)

As a provider of legal and other professional services, the maintenance of the highest ethical standards is core to our business and the services we provide to our clients. But the provision of client focussed services does not come at the expense of the needs of the wider society and our environment. The Board takes collective responsibility for ESG and CSR matters. Our policy is to support communities and charities local to our offices but our activities also provide support to national and international communities and charities. We constantly review our practices to better protect the environment and have implemented processes for example to reduce, reuse and recycle materials wherever possible.

Many of these principles have been formalised and documented in both the staff handbook and our compliance manual.

Where regulations have been introduced we have taken appropriate steps having for example policies relating to Modern Slavery, Tax Avoidance and Bribery all supported by a Whistleblowing Policy. Our annual Modern Slavery Act Statement is published on our website.

Principle 4

Embed effective risk management, considering both opportunities and threats, throughout the organisation

By its very nature the Group is well placed to identify and manage risk. Its employees are predominantly lawyers who have been professionally trained to be aware of risk and to respond accordingly. In addition the business has adopted layers of formal risk management processes.

The Board understands the importance of managing its risks and the necessity to fulfil its compliance obligations. This commitment is reflected in the seniority of people who are the members of our risk related committees and who are appointed to the risk management roles within the business. These are not simply nominated positions administered by others less senior; these functions are carried out in person.

Whilst the Strategic Board considers the strategy and direction of the Group in conjunction with the PLC Board, executives underneath our two main boards also sit on an Operations Board and our Risk Committee. The Risk Committee includes two members of the Strategic Board, Michael Ward CEO/Compliance Officer Legal Practice ("COLP") and Neil Smith FD/Compliance Officer Finance and Administration ("COFA") along with senior members of the business in key risk related roles. The Risk Committee meets quarterly to consider the key risks of the business. The risks are identified and assessed in accordance with the Group's Risk Policy which includes guidance on categorising risks. All employees of the business are encouraged to raise any risk related items with the Risk Committee for consideration. Risks are recorded in a risk register and reviewed at each meeting of the Risk Committee if there has been no intervening event to require earlier review. The Risk Committee considers each risk and determines whether it must be avoided, can be mitigated or will be tolerated.

Key risks currently identified by the business include compliance with applicable regulatory standards, reputational risk, security of operational IT systems, the effective integration of acquired businesses and the recruitment and retention of highly skilled staff. Each member of the Risk Committee works with other specialist managers in the business (e.g. MLRO, Lexcel Officer, HR Director, IT Director, Head of Learning & Development and Head of Facilities and IT) in relation to these risks and actions taken to monitor and manage these. These managers report monthly to our Operations Board where decisions can be made and implemented as appropriate to manage our risks. After each of its meetings, the Risk Committee reports to the Audit and Risk Committee who review and interrogate the risk register.

Risk items are included in the agenda for meetings of both the Audit and Risk Committee and the Board.

The Audit and Risk Committee (see principle 5 for members and number of meetings) has introduced an internal audit function within the organisation. Although this is in an early stage of development, it is expected that this will further embed the organisation's appetite for continuous self-assessment and improvement. The Group's system of internal control is designed to manage, rather than eliminate, risk of failure to achieve business objectives. It is recognised that such a system can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Audit and Risk Committee Report describes the internal control functions and the Committee has reviewed and monitored the effectiveness of the internal controls for the year ended 30 April 2018 concluding that there was a satisfactory process in place to identify and manage such risks.

A comprehensive budgeting process is completed once a year and is reviewed and approved by the Board. The Group's results, compared with the budget, are reported to the Board on a monthly basis.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors in the course of their roles and in respect of material loss or claims against the Group. The insured values and type of cover are comprehensively reviewed on a periodic basis.

A summary of the principal risks and uncertainties facing the Group, as well as mitigating actions, are set out in the [Group's 2018 Annual Report](#).

Principle 5

Maintain the board as a well-functioning, balanced team led by the chair

The Company operates in complex and challenging areas and as such has put in place a senior management structure that can best provide the strategic advice and leadership required. The senior management structure consists of a PLC Board, a Strategic Board and an Operations Board.

The PLC Board contains a balance of Executive and Non-Executive Directors, including a Non-Executive Chairman who is responsible for dealing with the strategic direction and long-term success of the Company. The Board meets at regular intervals throughout the year and at any other time deemed necessary for the good management of the business. Meetings are held in the Group's offices on a rotating basis.

Gateley has a diverse board with the Directors bringing varied experience gained from working within a range of sectors.

There are six Directors on the PLC Board, three independent Non-Executive Directors and three Executive Directors. The Non-Executive Chairman of the Board is Nigel Payne with Joanne Lake being the Senior Independent Director. There are three committees of the Board whose members comprise the Non-Executive Directors:

- ◆ the Audit and Risk Committee, chaired by Joanne Lake;
- ◆ the Remuneration Committee chaired by Suzanne Thompson; and
- ◆ the Nominations Committee chaired by Nigel Payne.

The members of the Board invite the Executive Directors to attend Committee meetings when appropriate. Where relevant to the subject matter of the meetings of the Board and the Committees, experts from within the business are invited to attend a meeting to present to or advise the Non-Executive Directors - for example the IT Director, Information Security Officer, Group HR Director and Director of Client and Market Development have been invited to attend meetings to report on matters such as information security, remuneration arrangements and brand development. Members of the Board have also attended meetings of Gateley Plc to jointly discuss and consider critical projects for the business. External advice is also sought when required for example from the Company's auditors Grant Thornton and from Deloitte in relation to remuneration policies.

Notwithstanding any other roles they may have either within the business or externally, the members of the Board believe that they have sufficient time available to fulfil their roles as Directors of Gateley.

The Board has considered the time availability that Nigel Payne has to carry out his duties as Chairman of Gateley (Holdings) Plc. The Board considers (following discussion with Nigel) that his other company duties leave him ample time to fully carry out his duties as Chairman of the Group.

The Board has also considered the time availability that both Joanne Lake and Suzanne Thompson have to carry out their duties as Non-Executive Directors of Gateley (Holdings) Plc. The Board considers that Joanne's other public company duties leave her sufficient capacity for her to carry out her duties as a Non-Executive Director of the Group. Suzanne has a full time role as the CEO of Oystercatchers and member of the EXCO, Centaur Media Plc. She has been given permission by the board of Centaur Media Plc to be a Non-Executive Director of Gateley and as such the Board considers she has sufficient capacity to carry out her duties as a Non-Executive Director of the Group.

All of the executive directors have full time roles within the Group.

In accordance with the Articles of Association, all new Directors appointed by the Board are required to seek election by shareholders at the next general meeting of the Company following their appointment and all Directors are required to retire by rotation in line with the provisions of the Articles of Association.

The Board meets throughout the year and in the financial year ending on 30 April 2018 it met eight times as a Board. Details of the attendance of Directors at board meetings during the period is noted below, Papers relevant to the business of the meeting are provided in advance and include financial, staff, risk, regulatory and development information.

The following table sets out the Board and Committee meetings scheduled and attendance during the financial year 2017/2018:

1 May 2017 to 30 April 2018	Board	Audit Committee	Remuneration Committee	AGM 2017
Number of meetings	8	2	2	1
Nigel Payne	8	2	2	1
Joanne Lake	8	2	2	1
Suzanne Thompson (from appointment at AGM on 27 September 2017)	3	1	2	1
Michael Seabrook (until resignation at AGM on 27 September 2017)	3	1	2	1
Michael Ward	7	2*	2*	1
Peter Davies	8	1*	2*	1
Neil Smith	8	2*	2*	1

Several informal Board Committee meetings were held during the year to prepare for or finalise and approve substantive work carried out in a formal Board meeting. These are not listed above.

Notes to table

Note 1 - No Nominations Committee meetings were held in the year under review. It is anticipated that the Committee will meet during the current financial year.

Note 2 - Where an asterisk is shown that Director was invited to attend a Committee meeting although not a member of the Committee to make proposals in relation to or to advise on agenda items.

The Strategic Board comprises eight individuals including the CEO, COO, Group FD, Group HR Director and four executives of Gateley Plc from a cross section of the Group's professional service lines.

The Operations Board comprises nine individuals including the COO, Group FD, Group HR Director and other individuals from across both the professional and support function departments of the Group as deemed appropriate and is responsible for the day to day running of the business. The Operations Board meets monthly and reports to the Strategic Board.

Board independence

In assessing the independence of Non-Executive Directors at the date of this report, the Board took account of their experience, character and judgement, and their dependence on, or relationships with the Group. In all cases the Board felt the Directors were independent in character and judgement, Account was taken of market guidance regarding factors that impact upon independence for example the holding of a previous executive position within the Group or a material business relationship with the Group including a shareholding, as these are considered to impair the perceived independence of the Non-Executive Director.

Conflicts of interest

The Companies Act 2006 (the Act) imposes a duty on directors to avoid a situation in which they have or could have a conflict of interest or possible conflict with the interests of the Company. Directors are aware of their duty to promote the Company's success and are required to disclose all actual and potential conflicts of interests to the Board as they arise for consideration and approval. "Declarations of Interest" is an agenda item at every meeting of the Board. If an interest is declared the Board may impose restrictions or refuse to authorise such conflict if it considers that it conflicts with the interests of the Company. Only Directors not involved in the conflict or potential conflict participate in the decision process.

All Directors of both Gateley (Holdings) Plc and Gateley Plc are reminded annually of their obligations to notify any changes in their statement of interests and also to declare any benefits received from third parties in their capacity as a Director of the Company.

Each new Director on appointment is required to declare any potential conflict situations.

The register of conflicts is formally reviewed annually and the Board has concluded that the process has operated effectively during the period. No Director has declared receipt of any benefits during the year in his capacity as a Director of the Company.

Principle 6

Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Company operates in a complex and challenging professional environment and the Board is mindful that in order to deal effectively with the challenges of the business and to maximise its growth opportunities it has to incorporate a broad range of skills and diversity.

The members of the Board have considered the skills and experience that the Board requires to enable it to manage the business effectively.

These are set out below:

Board Skills Matrix

General experience

Leadership	Successful leadership at a senior executive level in a large business
Strategy and growth	Senior executive experience in developing and delivering successful strategies and meaningful business growth outcomes in a large business
Financial Acumen	Senior executive experience and understanding of accounting, financial reporting, corporate finance and financial controls in a large business
Governance and Risk Management	Senior executive experience in a large business that is subject to rigorous governance, relevant regulatory risk and general business risk management standards

Specialist experience

Industry Experience	Senior executive experience in a professional services "people" business
Client service, marketing and Innovation	Senior executive experience in client relationship management and delivering growth through commercialising innovative services and solutions
Stakeholder management	Senior executive experience in stakeholder management within a large business
Mergers and Acquisitions	Successful track record of delivering strategically sound and value adding mergers and acquisitions as an enabler of corporate strategy
International Experience	Senior executive experience of a range of geographic, political, cultural, regulatory and business environments
Experienced CEO	Successful track record as a CEO of a listed entity or an equivalent large business enterprise
Remuneration	Board remuneration committee membership or senior executive remuneration experience in a large business enterprise

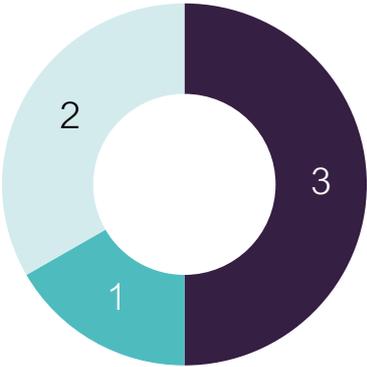
Members of the Board are believed to possess these skills and to have the necessary experience. Details of the Directors including brief biographies are set out at <https://investors.gateleyplc.com/home/board-of-directors/>

The Executive Directors participate in all of the regulatory training programmes of the Group and the Non-Executive Directors are invited to participate as appropriate.

The Board maintains a skills, diversity and experience matrix which is detailed below, and which will be periodically reviewed at Board meetings to evaluate current and future requirements.

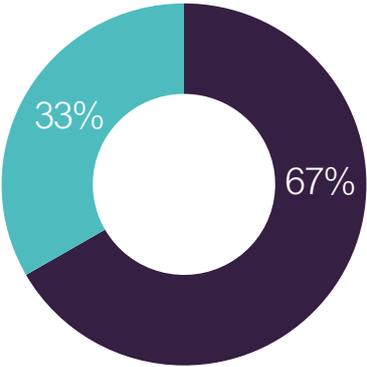
The Board and its committees will also seek external expertise and advice where required.

Tenure (years)



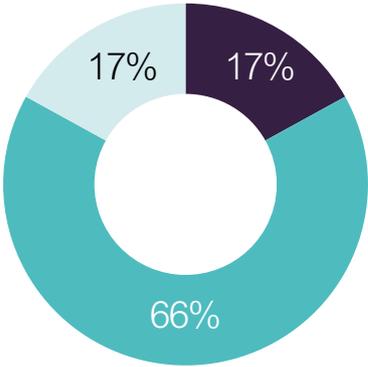
- 0 - 3 years
- 3 - 6 years
- 6+ years

Gender %



- Male
- Female

Age %



- 40 - 50 years
- 51 - 60 years
- 60+ years

Principle 7

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Board considers evaluation of its performance and that of its Committees and individual directors to be an integral part of corporate governance to ensure it has the necessary skills, experience and abilities to fulfil its responsibilities. Having joined AIM in June 2015, the Board now considers it has reached an appropriate stage in its development to introduce a formal evaluation process over the course of the next 12 months. Details regarding the anticipated evaluation process are set out below.

The objective of the evaluation process will be to identify and address opportunities for improving the performance of the Board and to solicit honest, genuine and constructive feedback. The evaluation process will focus on the improvement of Board performance, through open and constructive dialogue and the development and implementation of action plans. The Board will report on its evaluation and actions.

The Board considers the evaluation process is best carried out internally at this stage of the Company's development. The Board will, as a whole or in part as appropriate, undertake the evaluation process aided by the Chairman, CEO and other Non-Executive Directors or external advisors as necessary. The Chairman is responsible for ensuring the evaluation process is 'fit for purpose', as well as dealing with matters raised during the process. As the Company grows, the Chairman will keep under review the frequency, scope and mechanisms (including the use of external evaluation reviews) for the evaluation process and amend the process as required.

The internal evaluation process is expected to include:

Board Evaluation

Review	Period
Board composition in terms of skills, experience and balance	Annually or as required
Board cohesion	Annually or as required
Board operational effectiveness and decision making	Annually
Board meetings conduct and content and quality of information	Annually or as required
The Board's engagement with shareholders and other stakeholders	Annually
The corporate vision and business plan	Annually

Committee Evaluation

Review	Period
Composition in terms of skills, experience and balance	Annually or as required
Terms of Reference	Annually
Effectiveness	Annually

Individual Director Evaluation

Review	Period
Executive Director performance in executive role	Annually
Executive Director contribution to the Board	Annually
Non-Executive Director performance and contribution to the Board	Annually
Non-Executive Director's independence and time served	Annually
All Directors' attendance at Board and Committee meetings	Annually

The Chairman will carry out an annual appraisal of the Board, the Committees and the individual Directors including a review of the fees paid to Non-Executive Directors. The Board (excluding the Chairman) will meet annually to consider the fees of the Chairman. The formal evaluation process will allow any matters to be addressed in a timely way. The appraisal of the Chairman will be led by Michael Ward (CEO) who will seek the views of the other Directors. The findings of the evaluation process (including the review of the fees paid to the Non-Executive Directors) will be reported to the Board annually.

Where areas for development are identified these will be addressed in a constructive manner. Where necessary individual Directors will be offered mentoring and training. If areas for development are identified within the Board as a whole, then changes or additions to the Board will be considered in conjunction with the Nominations Committee.

The Chairman will oversee succession plans for the Board over the next five years. Succession planning is a vital task for boards and the management of succession planning represents a key measure of the effectiveness of the Board and a key responsibility of both the Nominations Committee and wider Board.

Principle 8

Promote a corporate culture that is based on ethical values and behaviours

The business operates in a highly regulated sector with demanding professional standards. The legal profession requires all of its members to maintain high ethical standards and to comply with its code of conduct. In addition the business has been accredited with the Law Society's quality standard, Lexcel, with which all legal and non-legal parts of the business are required to comply.

The Group has established formal risk management processes and is developing an internal audit function to report upon risk management.

The Group maintains a register of the interests of staff outside the business which includes those of the Directors to help it manage potential conflicts of interest. The Directors do not hold any external positions which conflict with the duties owed to the Company. Disclosure of any potential conflicts of interests is invited at each meeting of the Board.

The Group's success is largely dependent on recruiting, retaining, and developing the best professionals. To achieve this the Group seeks to ensure that working conditions are of a high standard and has in place good and effective management and staff communications, with the ability for staff to engage in decisions.

The Group also encourages participation in the success of the business through share options and has a range of benefits to support staff, including ill health protection and life cover. The Group is committed to equal opportunities for promotion, with appropriate consideration being given to applications for employment from disabled persons.

The Group aims to remunerate staff in line with market practice, to provide development opportunities and to encourage staff motivation and retention.

The Board's policy on diversity continues to be to seek to appoint the best qualified person to a particular role regardless of gender or other diversity criteria and therefore it has not adopted any measurable objectives in relation thereto.

The business as a whole is committed to creating an inclusive environment where staff can develop and contribute fully without discrimination on the basis of gender, sexual orientation, age, race, nationality, disability or political or religious beliefs.

Principle 9

Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board sets the Company's strategic aims and ensures that necessary resources are in place in order for the Company to meet its objectives. All members of the Board take collective responsibility for the performance of the Company and all decisions are taken in the interests of the Company. Whilst the Board has delegated the day to day operational management of the Group via the Strategic and Operations Boards to the Executive Directors and other senior managers, it has formal terms of reference identifying those specific matters which remain subject to decision by the Board. These include the appointment and removal of Directors, terms of reference for Board Committees and membership thereof, approval of strategy including acquisitions and disposals, annual financial budgets, investments and capital projects, projects of a capital nature and all significant contracts. The Non-Executive Directors have a particular responsibility to constructively challenge the strategy proposed by the Executive Directors; to scrutinise and challenge performance; and to ensure appropriate remuneration and succession planning arrangements are in place in relation to Executive Directors and other senior members of the management team.

The Chairman is responsible for leadership by the Board and ensuring its effectiveness in all aspects of its role. The Chairman with the assistance of the CEO sets the Board's agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues.

The Chairman promotes a culture of openness and debate by facilitating the effective contribution of Non-Executive Directors in particular and ensuring constructive relations between Executive and Non-Executive Directors. The Executives enjoy open access to the Non-Executive Directors. The Chairman is also responsible for ensuring that the Directors receive accurate, timely and clear information. The positions of Chairman and CEO are held by different individuals.

The CEO is responsible for running the business and implementing the decisions and policies of the Board. The CEO is also responsible for ensuring the Company's communication with shareholders is timely, informative and accurate with due regard to commercial sensitivity and regulatory requirements.

The FD is responsible for the Group's finances and the COO is responsible for the operations and technical requirements of the Group. The role of Company Secretary is undertaken by the FD.

The Non-Executive Directors are appointed to provide independent oversight and constructive challenge to the Executive Directors but have been specifically chosen as a result of their ability to provide strategic advice and guidance.

All Directors are able to allocate sufficient time to the Company to discharge their duties. There is a formal, rigorous and transparent procedure for the appointment of new directors to the PLC Board. The search for PLC Board candidates is conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board.

The Board is responsible for ensuring that a sound system of internal control exists to safeguard shareholders' interests and the Group's assets. It is responsible for the regular review of the effectiveness of the systems of internal control. Internal controls are designed to manage rather than eliminate risk and therefore even the most effective system cannot provide assurance that each and every risk, present and future, has been addressed. The key features of the system that operated during the year are described below.

The Board has a formal agenda of items for consideration at each scheduled meeting but will also meet at additional times when required. It receives detailed papers in advance of meetings and verbal reports at each meeting from the executive management covering the financial performance of the Group, updates on share performance, people matters, business development, matters affecting the general trading conditions and operational issues, including risk and compliance. The Board also receives verbal reports from the Chair of each Committee on matters which relate to the Committee's responsibilities.

The Board has established the following Committees to assist with oversight and governance carrying out the necessary work required for the business to operate effectively and efficiently, and to comply with all the regulatory requirements. The Board has delegated certain specific areas of responsibility to each of the Committees. The Board sees minutes of all Committee meetings and the Chairman of the Committee reports to the Board on any significant matters.

Audit & Risk Committee	Nominations Committee	Remuneration Committee
Joanne Lake (Chairman)	Nigel Payne (Chairman)	Suzanne Thompson (Chairman)
Nigel Payne	Joanne Lake	Nigel Payne
Suzanne Thompson	Suzanne Thompson	Joanne Lake

Audit & Risk Committee

The Audit & Risk Committee is chaired by Joanne Lake, and also comprises Nigel Payne and Suzanne Thompson. The Audit & Risk Committee has agreed terms of reference and assists the Board in discharging its responsibilities for corporate governance, risk management, financial control and internal controls by reviewing and monitoring risk and internal controls throughout the business.

It oversees and reviews the Company's financial reporting and internal control processes, its relationship with external auditors and the conduct of the audit process together with its process for ensuring compliance with laws, regulations and corporate governance. It is composed entirely of non-executive directors but other individuals such as the Company's FD and CEO and representatives of the finance team are invited to attend all or any part of any meeting when deemed appropriate. The Company's external auditors are invited to attend meetings of the Committee on a regular basis.

[Terms of reference available here](#)

Remuneration Committee

The Remuneration Committee has general oversight of all remuneration arrangements for Executive Directors and it considers all material elements of remuneration policy, remuneration and incentives with reference to independent remuneration research and professional advice. Recommendations are made to the Board on the framework for executive remuneration including the design and implementation of equality based incentive schemes.

[Terms of reference available here](#)

Nominations Committee

The Nominations Committee is responsible for all aspects of the appointment of Directors, succession planning and appointments to the Board, considering and recommending the reappointment of retiring Directors of the Company together with evaluation of Directors' performance and effectiveness.

[Terms of reference available here](#)

In addition to the above sub Committees, the Group has an operational Risk Committee. Members include the CEO, the FD, MLRO, Lexcel Officer and individuals responsible for the oversight of key risk areas. The purpose of the Risk Committee is to perform centralised oversight of risks affecting the Group and risk management activities and to provide communication to all Group Boards regarding important risks and related risk management activities.

As complementary non-legal businesses join the Group, separate "new" company Boards are formed, with suitably experienced individuals from the Gateley group and the newly acquired business being appointed as directors. The primary role of these boards is to oversee the transition into the Group for the benefit of all stakeholders. The minutes of each Group company's monthly Board meeting are shared with the Operations, Strategic and PLC Boards.

The Group has established management committees to address specific areas of the Group's business activities. Details of these Committees and their functions can be [found on the Company's website](#).

Principle 10

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining good communication and having constructive dialogue with all of its stakeholders, including shareholders, providing them with access to information to enable them to make informed decisions about the Company. The Investor Relations section of the Company's website provides all required regulatory information as well as additional information shareholders may find helpful including: information on Board Members, Advisors and Significant Shareholdings, a historical list of the Company's Announcements, its Financial Calendar, Corporate Governance information, the Company's publications including historic Annual Reports and Notices of Annual General Meetings, together with Share Price information and interactive charting facilities to assist shareholders analyse performance.

Results of shareholder meetings are publicly announced through the regulatory system and displayed on the Company's website. Information regarding any actions undertaken as a result of any significant votes against resolutions will be provided.

Information on the work of the various Board Committees and other relevant information are included in the Company's Annual Report.

◆ Gateley (Holdings) Plc

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 [gateleyplc.com](https://www.gateleyplc.com)