

Gateley (Holdings) Plc

*Corporate
Governance
Statement*

2020

Gateley

Chairman's *statement*

In July 2018 we reported that we had adopted the Quoted Companies Alliance (QCA) code being the most appropriate corporate governance Code for Gateley (Holdings) Plc and the Gateley group of companies.

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 continues to work with the Group to further embed these principles and is committed to continuing to do so during the current financial year.

The Board believes that the Group continues to comply with the ten principles set out in the Code. 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.

In addition to the requirements of AIM, shareholders should also be aware that as a business operating predominantly in the legal services market, the Group operates in a highly regulated environment and is subject to regular review by its professional body.

The Board continues to be 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.

Nigel Payne

Non-Executive Chairman
30 October 2020



Nigel Payne
Non-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 professional consultancy 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 (incorporating Persona Associates) and Gateley Vinden Limited) and human capital consultancy services (via Kiddy & Partners Limited, T three Limited and Global Mobility service lines).

The Group sells its services through 23 business lines, grouped into six 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 12 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 and joined the AIM market in June 2015. As Gateley enters its sixth year post admission to AIM, the Board has re-considered the growth strategy adopted at admission and has concluded that the market for its services continues to support this strategy.

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 professional consultancy services businesses and finally to INCENTIVISE its people offering wider and earlier ownership to staff of a more modern, dynamic legal and professional services group.

The Group continues to pursue a strategy of:

- pursuing opportunities to grow Gateley organically
- making selective acquisitions, including (i) other legal firms which offer geographical expansion or additional specialist services and (ii) professional consultancy services businesses offering complementary services; and
- aligning the interests of shareholders (including employee shareholders) with those of the business through share participation to support retention of staff and enhance our 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 look after our clients' businesses as if they were our own
- Attracting new talent wishing to be part of a pioneering legal and 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 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 housebuilders 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
- Extension of the expertise in Guildford relating to the sale of UK developments to international clients to other offices
- Development of our expertise and reputation for the provision of surety and bond advice
- Establishing a market leading human capital service offering to advise clients moving employees across international borders.

Over the last 12 months the total number of staff has continued to increase and is now approximately 1,130. Recruitment has once again been active during the year at all levels with 18 apprentices joining in September 2019 and the recruitment of senior professionals continuing (including 11 new laterally hired partners joining within the legal business across offices and disciplines).

Acquisitive growth

Gateley believes that it can strengthen its business by broadening its offering through the acquisition of complementary legal and professional consultancy 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 foundation for target businesses to support their continued growth by drawing upon our established national office network and existing "sales force" of lawyers and professional services consultants, and by providing back-office infrastructure and access.

Since our admission to AIM in 2015 we have acquired a number of professional consultancy businesses, Gateley Capitus, Gateley Hamer, Persona Associates and Gateley Vinden (all specialist surveyor practices), Kiddy & Partners and T three (both human capital consultants specialising in assessment, talent management and leadership development) and in the legal sector, GCL Solicitors. We also have a relationship with Gateley Tweed in Ireland, a niche legal business specialising in reputation, media, privacy and related litigation.

The Board has introduced the concept of "Platforms". These are market-facing structures within the Group upon which we cluster appropriate legal and consultancy services focussed upon specific sectors or markets. The Platforms are a representation of the Group's diversified and differentiated business model. To date, the Group has created two Platforms via the aggregation of legal and consultancy services pointed at the Property market and the Human Capital market. The Board's strategy is to continue to grow these Platforms and to create new Platforms across the Group's other operating regimens.

The Board will continue to seek to grow the group 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; and
- 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. Our CEO, previously Michael Ward and from 1 May 2020, Rod Waldie, 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 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. Historically shareholders have been (and when circumstances permit will be again) encouraged to attend and ask questions during the meeting and to meet with the Directors after the formal proceedings have ended.

In 2019 the Company announced the results of shareholder voting to the market (including proxy votes lodged in advance of the meeting) in accordance with recommended practice and proposes to continue to do so.

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. Internal communications and engagement have been of utmost importance during the remote working necessitated by the coronavirus. We have endeavoured to ensure that all of our staff have appropriate equipment and systems to allow them to participate fully albeit remotely, in all business activities whether client work, training programmes or social activities during this period.

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 discussions in each office that are 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 at least monthly on an informal basis and more formally quarterly. The Company's internal intranet system provides a responsive and interactive source of information relating to the business helping to keep employees informed on key issues. Employees also participate in the Company's Share Option Schemes enabling them to have a stake in the Company's long-term success.

We conduct regular employee engagement surveys and use these to inform many of our decisions, particularly in relation to retention and recruitment. We hold an annual Gateley Leadership Overview in every office to share with all staff details of the prior year, future activities and events of strategic significance. We publish a regular 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) and Chief Operations Officer (COO) report 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.

To ensure that we maintain communications with our external shareholders during the constraints arising as a result of the coronavirus we have given a series of presentations remotely via video conference and provided an opportunity for shareholders to raise questions in those presentations or in anticipation of the Annual General Meeting. Feedback has been sought from shareholders following the presentations and this will be taken into account in future presentations.

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 STELLAR, to better understand our clients' experience of the service we provide. A number of clients benefit from this extra level of attention and support which is overseen by a dedicated team that is committed to enhancing the client experience and ensuring our lawyers are delivering a STELLAR experience that meets – if not exceeds – our clients' expectations.

We utilise a number of client management tools and processes that we have developed from best practice with other clients and within our industry including regular client listening in order to check satisfaction throughout the client relationship.

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 members of the Plc and Strategic Boards, Rod Waldie (CEO), Michael Ward (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. Members of the Risk Committee work with other specialist managers in the business (e.g. 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 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. Audits have been undertaken in relation to each area of risk identified in the business and as the reports become available, consideration is given to the recommendations of the auditors and actions agreed and implemented. The SRA requires regular audits of legal matters and these audits have recently been revised to focus on particular areas of risk associated with increased levels of remote working.

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 2020 concluding that there was a satisfactory process in place to identify and manage such risks. It should be noted that 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 mis-statement or loss.

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. To read a copy of our annual report visit the reports and presentations section of our website.

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. Prior to the implementation of remote working practices to address coronavirus, meetings were held in the Group's offices on a rotating basis. Due to the pandemic, meetings are now held remotely.

Gateley has a diverse Board with the Directors bringing varied experience gained from working within a range of sectors. From 1 May 2020 there are seven Directors on the Plc Board, three independent Non-Executive Directors and four 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 Nomination 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 Marketing Director have been invited to attend meetings to report on matters such as information security and remuneration arrangements (including the job retention scheme). 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 that Nigel Payne has available to carry out his duties as Chairman of Gateley (Holdings) Plc. The Board considers that Nigel's other public company duties take on average no more than five working days per month leaving ample spare capacity for him to carry out his duties as Chairman of the Group. This is reassessed on an annual basis.

The Board has considered the time 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 take on average no more than eight working days per month leaving ample spare capacity for her to carry out her duties as Non-Executive Director of the Group. Suzanne has a full-time role as the Chief Executive Officer of Oystercatchers and member of the EXCO, Centaur Media Plc. She has been given permission by the board of Centaur Media Plc to fulfil her duties as Non-Executive Director of the Group and as such the Board considers she has sufficient capacity to carry out her duties. The Board reassesses the time availability of both Joanne and Suzanne on a regular basis.

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 2020 it met seven 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 2019/2020:

1 May 2019 to 30 April 2020	Board	Audit Committee	Remuneration Committee	Nomination Committee	AGM 2019
Number of meetings	7	2	1	1	1
Nigel Payne	6	1	1	1	1
Joanne Lake	6	2	1	1	1
Suzanne Thompson	6	2	1	1	1
Michael Ward	6	1*	-	-	1
Peter Davies	7	-	-	-	1
Neil Smith	7	2*	1*	-	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: 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.

For the financial year ending 30 April 2020 the Strategic Board comprised nine 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. One member of the Strategic Board retired from the Board with effect from 1 May 2020.

The Operations Board now comprises ten 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. One member of the Operations Board stepped down from the Board at the end of the last financial year with two new members joining in his place. The Operations Board provides an opportunity for senior members of the business to gain greater exposure to the management of the business and to develop their management skills.

Succession

Succession planning is an important part of Gateley's corporate governance and is key to ensuring that the prosperity and collaborative culture of the business is maintained in the long term. The Nomination Committee regularly considers the Group's succession plans, most recently in relation to the role of CEO in view of Michael Ward's decision to step down as CEO in 2020. This has been undertaken to enable a managed and orderly handover to take place. As part of its deliberations, the Board conducted a thorough review of the attributes required of a new CEO and agreed that an internal appointment was the best way to ensure the continuation of the Group's sustainable growth strategy, as well as preserving its culture. Rod Waldie was appointed as CEO and a member of the Board with effect from 1 May 2020.

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. A register of such interests is maintained.

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

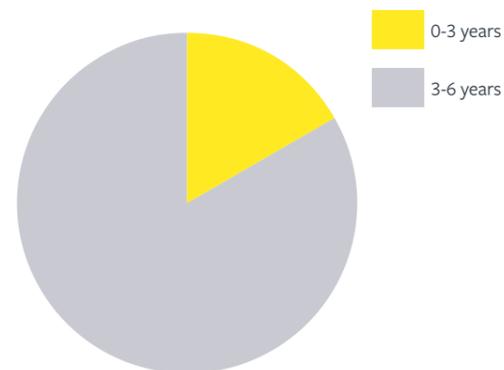
Specialist experience

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

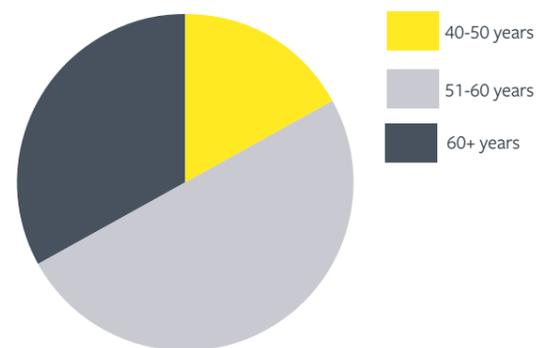
Members of the Board are believed to possess these skills and to have the necessary experience. Details of the Directors including brief biographies are set out at <https://gateleyplc.com/investors/investor-overview/board-directors/>.

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 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.

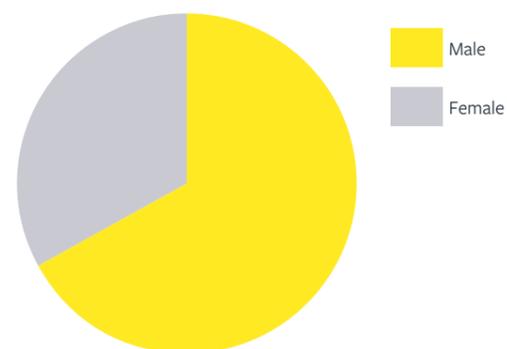
Tenure (years)



Age



Gender (%)



(Information as at 30 April 2020)

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. The objective of the evaluation process is to identify and address opportunities for improving the performance of the Board and to solicit honest, genuine and constructive feedback.

The Board considers the evaluation process is best carried out internally at this stage of the Company's development. However, the Board will keep this under review and may consider independent external evaluation reviews in due course as the Company grows.

The internal evaluation process includes:

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
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 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. The Chairman will keep under review the frequency, scope and mechanisms for the evaluation process and amend the process as required.

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 Nomination Committee.

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 in its Annual Report.

The Chairman carries 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) meets annually to consider the fees of the Chairman. The formal evaluation process is supported by regular contact between the Chairman and the other Directors to allow any matters to be addressed in a timely way. The appraisal of the Chairman was led by Michael Ward (CEO until 1 May 2020) who sought the views of the other Directors. The findings of the evaluation process (including the review of the fees paid to the Non-Executive Directors) were reported to the Board in September 2020. It was agreed that the Chairman should continue to 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 Nomination 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 parts of the business are required to comply. These standards are also applied across the other parts of the business where applicable. Gateley Plc has also sought and received CQS, LMS and Cyber Essentials accreditations. Members of the Group have other accreditations including ISO27001 as required for their business.

The Group has established formal risk management processes and is embedding 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.

Diversity, inclusion and well-being (DIW) is an important part of our culture and the values that underpin it. We are committed to a fully inclusive, diverse and healthy working 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. We have established four networks; Unity, Inspire, Thrive and Pride.

- Unity recognises, celebrates and supports employees from all different cultures, religions, backgrounds and those with disabilities. Our Unity network group highlights and celebrates events across all our offices to ensure we have an environment where all employees have room to breathe and feel comfortable bringing their full selves to work.
- Our Inspire network group has been set up to nurture, develop and provide support to all of our talent with a particular focus on career milestones and enabling our people to carve the careers they want successfully.
- Our Thrive network group supports the health and wellbeing of all employees to promote high levels of performance both physically and mentally across the group. The Thrive committee runs a series of events and training programmes throughout the year to raise awareness and to inspire our people to take care of themselves and those around them.
- The Gateley Pride network group provides a welcoming, supportive, safe and confidential space for staff affected by sexual orientation and gender identity matters.

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 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. Since the onset of the coronavirus pandemic, the Board, the Strategic Board and the Operations Board have increased the frequency of their meetings to enable them to regularly review the situation and its impact on the business and to determine appropriate measures in response. Meetings have been held remotely and board papers continue to be circulated electronically in advance.

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 and Risk Committee	Nomination 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 and risk Committee

The Audit and risk Committee is chaired by Joanne Lake, and also comprises Nigel Payne and Suzanne Thompson. The Audit and 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 equity-based incentive schemes.

Terms of reference available here

Nomination Committee

The Nomination 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 overseeing 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 Gateley 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.

Principle 10 - Communicate how the company is governed and is performing by maintaining a dialogue with 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 and details of votes cast are publicly announced through the regulatory news system and displayed on the Company’s website and suitable explanations of any actions undertaken as a result of any significant votes against resolutions will be included when relevant.

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

