

DAS Law Limited's Section 172(1) Statement for year end 2019

The below Section 172 (1) Statement was approved by the Board of DAS Law Limited ("the Company") for disclosure on the Company's website on 2 April 2020 in respect of the 2019 year end.

Section 172(1) Statement

The Directors of the Company must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006, which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;*
- the interests of the company's employees;*
- the need to foster the company's business relationships with suppliers, customers and others;*
- the impact of the company's operations on the community and environment;*
- the desirability of the company maintaining a reputation for high standards of business conduct; and*
- the need to act fairly as between shareholders of the company.'*

All members of the Board recognise their duty to the Company. The Company is a subsidiary of DAS UK Holdings Limited and is managed on a unified basis with that company's other subsidiaries. The following paragraphs summarise how the Directors fulfil their duties:

Consequences of any decisions in the long term

Each year, the Board undertakes a review of the Company's strategy and the business plan for the following four years. Once approved by the Board, the plan and strategy form the basis for financial budgets, resource plans and investment decisions, and also the future strategic direction of the Company. In making decisions concerning the business plan and future strategy, the Board has regard to a variety of matters including the interests of various stakeholders, the consequences of these decisions in the long term and its long-term reputation.

The Chief Executive is responsible for delivering the plans and strategy agreed by the Board, with authority delegated to executive managers but subject to all decisions being made on the basis of the values and standards mandated.

As the Company is a law firm, it is regulated by the Solicitors Regulation Authority ('SRA') and is therefore required to gain a full understanding of all of its risks and put in place a robust risk management and governance system which continually evolves. In a large organisation such as DAS, the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision-making to employees of DAS UK Group.

The Company manages its business risks and uncertainties via the DAS UK Group's Enterprise Risk Management Framework ('ERMF'), which includes risk identification, assessment,

steering & mitigation, monitoring & reporting; risk appetite setting & management and incident & loss management processes. The SRA requires the Company to appoint a Compliance Officer for Legal Practice ('COLP') and Compliance Officer for Finance and Administration ('COFA'). Both offices are held by the same individual who is responsible for ensuring the correct systems and controls are in place to ensure regulatory and legislative compliance. Risk management for the Company ultimately falls under the direction of the COLP, and although supported by the DAS UK Group's risk function, this cannot be discharged to the DAS UK Group. The Company also falls within the remit of the DAS UK Group's Audit and Risk Committees.

The principal risks and uncertainties identified within the business are reviewed and documented by the COLP, COFA and the Company's Board of Directors. Some risks will be wholly owned by the Company but it is worth noting that DAS UK Group risks will often be attributable to all DAS UK Group companies. The COLP reports on risk and uncertainty to the Board on a quarterly basis and also attends DAS Law Board Meetings. In addition, to ensure that the COLP has the opportunity to escalate concerns outside of the Board form, the COLP has a quarterly meeting with the CEO prior to the Board Meeting.

All risks are monitored regularly and risk registers reviewed and updated on a quarterly basis or as and when it is necessary to do so. The COLP also reports to, and attends, group risk forums including the Executive Management Risk Committee and the Compliance and Conduct Committee at which both DAS Law risks and DAS UK Group risks are discussed.

Interests of the Company's employees

There are no individuals employed directly by the Company; all staff within DAS UK Group are employed by a fellow subsidiary.

Business Relationships

The Company needs to be aligned to its main business partner, DAS Legal Expenses Insurance Company Limited ('DAS LEI'), as it is an integral part of the value chain offered to the end customer by DAS LEI.

Community and Environment

The Company's approach is to use its position of strength to create a positive change for the people and communities with which it interacts. The Company wants to leverage its expertise and enable colleagues to support the communities around it.

Business Conduct

The Company is regulated in terms of its conduct by the SRA. Robust controls are in place to ensure that the Company meets the necessary conduct standards. All members of the Board recognise their duty to the Company in respect of the Company's conduct.

Acting fairly

The Company only has one shareholder, its intermediate parent undertaking, DAS UK Holdings Limited. The Company's parent company and the wider ERGO and Munich Re Groups are considered in business decisions, although all members of the Board recognise their duty to the Company.