

BOARD DIVERSITY AND INCLUSION POLICY

1. Purpose and Scope

- 1.1 The Board Diversity and Inclusion Policy (the “Policy”) sets out The Law Debenture Corporation p.l.c.’s (“Law Debenture” or the “Corporation”) approach to ensuring diversity and inclusion at the Corporation’s Board level.
- 1.2 The Policy does not apply to the Executive Management team or the remainder of the workforce of Law Debenture’s Independent Professional Services business (“IPS”), which are covered by the Group Diversity and Inclusion Policy. However, pursuant to the Hampton-Alexander and Parker reviews, the Board will be kept updated on progress on diversity and inclusion at those levels.
- 1.3 The Board believes that a diverse and inclusive membership would result in optimal decision-making and assisting in the development and execution of strategy, which promotes Law Debenture’s success for the benefit of its shareholders as a whole, having regard to the interests of other stakeholders.
- 1.4 The Board commits to driving Law Debenture’s corporate values ‘We are Better Together’, ‘We Never Stop Learning’, ‘We Make Change Happen’ and ‘We Believe it is Possible’, as rolled out in 2021, when considering diversity and inclusion in this context.

2. The Policy

- 2.1 Law Debenture endorses the principles and provisions set out in the Financial Reporting Council’s UK Corporate Governance Code (the “Code”) and recommendations made by various UK government agencies regarding diversity and inclusion. The Board recognises that having a diverse and inclusive culture is essential to its long-term success.
- 2.2 Board appointments will be made based on merit and against objective criteria taking into consideration the diversity of the existing Board’s and candidates’ skills, knowledge, experience, ethnic background, cognitive and personal strengths, outlook, approach and gender.
- 2.3 The Corporation’s Nomination Committee (the “Committee”) is responsible for, among other matters:
 - evaluating on an annual basis, the composition of the Board, including diversity and inclusivity, and making recommendations to the Board regarding changes and the appointment of new Directors where necessary;
 - overseeing the development of a diverse pipeline of talent leading up to the Board and the Executive Management team;
 - reviewing the Policy and progress made against the objectives set out herein; and
 - disclosing in the Corporation’s annual report, Law Debenture’s policy on diversity and inclusion, the objectives set out herein and their link to the Corporation’s strategy, how the Policy has been implemented and progress on achieving those objectives.
- 2.4 All Board appointments will be subject to a formal, rigorous, and transparent process as set out in the Board’s Tenure and Succession Planning Policy.

3. Diversity and Inclusion Objectives

To achieve diversity and inclusion, the Board is committed to the following objectives:

- 3.1 To continue to adopt a formal, rigorous and transparent process, taking into account diversity and inclusion, when considering the appointment of Directors. The Board is committed to using search firms that access talent from wide and diverse pools and whose values and approach in identifying and proposing suitable candidates, are aligned with the Policy.
- 3.2 To achieve and maintain, with respect to gender and ethnic diversity at Board level, the recommendations of the Davies, Hampton-Alexander and Parker reviews, recognising that unexpected changes in Board composition may result in temporary periods when this balance is not achieved.
- 3.3 To be kept updated on the Executive Directors' progress in ensuring the proportion of direct reporting roles to the Board and the Executive Management team, held by women and persons from ethnically diverse backgrounds, are compliant with the Hampton-Alexander and Parker review recommendations.
- 3.4 To continue to facilitate a culture of inclusivity among Board members and to encourage active contributions from all Directors, recognising that a clear tone and example must be set at Board level.

4. Monitoring, Reporting and Review

- 4.1 Supported by the Committee, the Board commits to the annual evaluation of the Board's composition and diversity. Results will be considered by the Board as a whole and as required by statute, reported in the Corporation's annual report, against the diversity and inclusion objectives set out herein.
- 4.2 The Committee will review the Policy annually and recommend any revisions to the Board for approval, where it considers necessary.

The Executive Management team consists of the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer.

Approved by the Board on 16 December 2021