



This Letter is important and requires your immediate attention. If you are in any doubt about the Acquisition, the contents of this Letter, or what action you should take, you are recommended to seek your own personal financial, tax and legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom, or if not, from another appropriately authorised independent adviser in the relevant jurisdiction.

15 August 2023

Dear Participant,

DWF Share Plans, and the recommended cash acquisition of DWF Group plc by Aquila Bidco Limited (a newly incorporated wholly owned subsidiary of funds advised by Inflexion Private Equity Partners LLP)

As you will be aware, DWF Group plc (“**DWF**”) and Inflexion Private Equity Partners LLP (“**Inflexion**”) announced on 21 July 2023 that they had reached agreement on the terms of the recommended cash acquisition by Inflexion, through its newly incorporated wholly owned subsidiary Aquila Bidco Limited (“**Bidco**”), of the entire issued and to be issued ordinary share capital of DWF (the “**Acquisition**”).

Please read everything in this document, including the appendices (together the “**Letter**”) carefully.

1. Why are we writing to you?

We are writing to you to explain how the Acquisition will affect one, or more, outstanding share awards (“**Awards**”) that were granted to you by DWF under one, or more, of the following share plans:

- the DWF Group plc Buy-As-You-Earn Plan or the DWF LLP Sub-Group Buy-As-You-Earn Plan (the “**BAYE Plan**”);
- the DWF Group plc Deferred Bonus Plan 2019 or the DWF LLP Sub-Group Deferred Bonus Plan 2019 (the “**DBP**”);
- the DWF Group plc Equity Incentive Plan 2019 or the DWF LLP Sub-Group Equity Incentive Plan 2019 (the “**EIP**”),
(together the “**DWF Share Plans**”).

2. What do I need to do?

You do not need to take any action with respect to the vesting of your Awards in conjunction with the Acquisition. Any subsisting Award(s) that you hold at the time will vest automatically on Court Sanction, as explained in Section 5, and (unless you elect a Partial Securities Alternative) you will receive all-cash Proceeds as more particularly set out in Section 7.

In relation to the Delay Proposal, which only applies to any tranche of awards due to vest in August 2023, you do not need to take any action unless you wish to object to the Delay Proposal (for further details see Section 6 below).

You will receive a separate communication from Ocorian (or Equiniti if you hold Purchased Shares under the BAYE Plan) setting out details of how to submit your vote or voting preference in due course (for further details see Section 8 below).

Section 11 below gives further details in relation to each of the above matters.



3. How will the Acquisition work?

The Acquisition will be carried out through what is called a “scheme of arrangement” (the “**Scheme**”). The Scheme must be approved by DWF shareholders at a Court meeting for general shareholders, as well as a Court meeting for employee shareholders, and also at a separate general meeting for all shareholders (together the “**DWF Shareholder Meetings**”), which are due to be held on 12 September 2023. Once approved by DWF shareholders, the Scheme will only become effective if it is approved by the Court (the “**Court Sanction**”). It is expected that the Scheme will become effective during the fourth quarter of 2023 subject to the satisfaction (or where applicable, waiver) of certain conditions.

Further information about the Scheme is set out in the scheme document dated 15 August 2023 (the “**Scheme Document**”), which is available on the DWF website at <https://dwfgroup.com/en/investors/offer-for-dwf-group-plc> . This Letter should be read with the Scheme Document.

4. What is the recommended offer price?

Under the terms of the Acquisition (which are set out in full in the Scheme Document) each DWF shareholder will be entitled to receive **100 pence** for each DWF share they own, comprising for each DWF share:

cash consideration of **97 pence** (the “**Cash Offer**”)

and a special dividend of **3 pence** (the “**Special Dividend**”)

(together the “**Proceeds**”).

The DWF directors intend to declare and pay the Special Dividend to all DWF shareholders on the register of members of DWF at what is known as the “**Scheme Record Time**” (which is intended to occur at 6:30 p.m. on the business day after Court Sanction). The Special Dividend is conditional upon, and only payable if, the Acquisition becomes effective (which usually happens approximately two working days after Court Sanction and is referred to as the “**Effective Date**”).

Alternatively, DWF shareholders may elect one of the following forms of consideration:

- the “Rollover Alternative”; or
- the “Reinvestment Alternative”, (each a “**Partial Securities Alternative**”).

A summary of the Partial Securities Alternatives, including information on the potential tax implications of accepting a Partial Securities Alternative, is included in Appendix 1 of this Letter. Full details can be found in the Scheme Document.

5. What impact will the Acquisition have on my Award(s)

Subject to the Delay Proposal described in Section 6 below, between now and Court Sanction, your Awards will continue to subsist in accordance with their terms and the rules of the respective DWF Share Plan. Any unvested Award(s) that you hold on Court Sanction, will vest on Court Sanction, and the extent of such vesting is detailed on the Equiniti share plan portal which can be found here: <https://www.esp-portal.com/clients/SSO/esp/dwf>. Please log on to the portal to find out how your Award(s) will be treated. If you are unsure of your login details, please contact EquinitiPremier1@equiniti.com.



To the extent any portion of your Award does not vest on Court Sanction, it will lapse for no other payment or compensation on Court Sanction.

Your grant letter (which can be found on the share plans portal here <https://www.esp-portal.com/clients/SSO/esp/dwf>) includes details of the unvested Award(s) that you currently hold, including the type of Award, and the DWF Share Plan under which it was granted.

6. Proposed August 2023 vesting delay for EIP Awards

Certain Awards (or tranches thereof) granted under the EIP are scheduled to vest on (i) the announcement of DWF's financial results, which is scheduled to take place on 25 August 2023 and (ii) 27 August 2023 (with respect to IPO Awards) (together, the "**August 2023 Awards**").

Usually, on vesting, a portion of the shares subject to your vested Award would be sold by DWF on your behalf, and the proceeds of such sale would be used to cover your income tax and social security liability (to avoid you needing to pay this liability in cash at vesting) (the "**Withholding Liability**"). However, in light of the Acquisition, and due to the normal vesting date of the August 2023 Awards being close to the proposed date of Court Sanction, it will not be possible to sell such shares on your behalf in time to settle the Withholding Liability.

Even if a sale was possible, if the August 2023 Awards vest on their normal vesting dates and, following settlement of the Withholding Liability, the resulting shares are subsequently sold to Bidco on the Effective Date, it is likely this would result in two separate tax events for many participants – income tax and social security contributions payable on vesting of the August 2023 Awards, and a potential capital gains tax liability and a tax filing obligation in respect of the disposal of the resulting shares under the Acquisition.

Therefore, by way of practical solution, the DWF Remuneration Committee has proposed that the forthcoming normal vesting date of the August 2023 Awards be delayed until the earlier of (i) the date of Court Sanction, and (ii) the Long Stop Date (as defined in the Scheme Document¹) (the "**Delay Proposal**").

If the Delay Proposal is accepted, your August 2023 Awards will remain unvested until shortly before Court Sanction (or the Long Stop Date, as applicable), when they will vest, subject to performance, in the usual way. Please note that the terms of the August 2023 Awards will otherwise remain unchanged, and the Proceeds per share sold to Bidco under the Scheme will also be the same, regardless of whether the August 2023 Awards vest on their original vesting dates, or the delayed vesting date (as per the Delay Proposal).

If you hold an August 2023 Award:

- i. to indicate that you approve the Delay Proposal, you **DO NOT** need to take any action, or
- ii. to indicate that you reject the Delay Proposal, you should contact delayproposal@dwf.law expressing your rejection by no later than 5 p.m. on 21 August 2023.

For the avoidance of doubt, if you do not indicate that you reject the Delay Proposal, you will be deemed to have indicated that you approve it. In accordance with the rules of the EIP, if the Delay Proposal is approved by a majority of August 2023 Award holders who have so indicated, the delay will be implemented for all August 2023 Awards and no further action will need to be taken. If the Delay Proposal is not so approved, August 2023 Award holders will be contacted separately.

¹ This date is currently **21 July 2024**, but may be extended to such date as DWF and Bidco may (with the consent of the Takeover Panel and, if required, the consent of the Court) agree.



If you are not sure whether you hold an August 2023 Award, you should refer to the share plans portal here: <https://www.esp-portal.com/clients/SSO/esp/dwf>.

7. When will I receive my Proceeds?

The legal title to the shares you become entitled to on the vesting of your Award(s) on Court Sanction will be held by either Ocorian (in the case of EIP Awards, DBP Awards and BAYE Awards (other than Purchased Shares acquired under the BAYE Plan) or Equiniti (in the case of Purchased Shares acquired under the BAYE Plan) as nominee on your behalf (each a "Nominee").

The shares that you become entitled to on vesting of your Award(s) will be acquired by Bidco under the terms of the Scheme and the Nominee will become entitled to receive, on your behalf, the Proceeds payable with respect to these shares on the Effective Date in accordance with the terms of the Scheme. Under the Scheme, Bidco has agreed to settle all Proceeds within 14 days following the Effective Date. This means your Proceeds will be paid to DWF (at the direction of the Nominee) within this time frame. Upon receipt, DWF will then arrange for settlement to be made to you, as follows:

- (i) If you normally receive share awards proceeds via payroll, your Proceeds will be paid to you in the same way. This may be by way of a special payroll run as soon as is practicable following receipt of the Proceeds from Bidco or form part of the Group's next regular payroll run. The Proceeds will be paid via payroll after the deduction of applicable withholdings for income tax and social security contributions, or the overseas equivalents, where relevant.
- (ii) If you do not normally receive share awards proceeds via payroll, you will be contacted closer to the Effective Date to confirm details of how the Proceeds will be paid to you following receipt by DWF on your behalf.
- (iii) If you have elected to receive the Partial Securities Alternative, the associated securities will be issued in your name (or the name of a nominee on your behalf selected by Bidco in its absolute discretion) in accordance with the terms of the Scheme. As soon as practicable thereafter, you will receive a certificate evidencing the holding of your new securities. See Appendix 1 for further details.

For further tax information, please see the Tax FAQs, which are available here <https://rubix.dwf.law/Interact/Pages/Section/Default.aspx?Section=14461>. Please note that neither DWF nor its advisers can give you personal tax or financial advice. If you are in any doubt about your personal tax position, and/or you are subject to taxation in more than one jurisdiction, please seek advice from an independent financial advisor or tax expert without delay. You are solely responsible for ensuring all your personal tax liabilities and similar rules and regulations are fully complied with.

The Proceeds payable to you with respect to any Purchased Shares you have acquired under the BAYE Plan will be paid to you directly by Equiniti (as they will not be subject to any withholdings for income tax and social security contributions).

8. Can I vote on the Acquisition?

If you hold an Award that is a "restricted share award" (in respect of which you are the beneficial owner of the shares subject to the Award from grant, but such shares are subject to forfeiture provisions up until vesting) (a "RSA"), you are entitled to vote with respect to the shares subject to that Award at the applicable DWF Shareholder Meetings. You will receive a separate communication from Ocorian, the trustee of the Trust in which your share awards are currently held, setting out details of to how to submit your vote(s).



If you hold an Award that is a “conditional share award” (in respect of which you will only become the beneficial owner of the shares that are subject to the Award on vesting) (a “CSA”), you will be given the opportunity to express your voting preference at the applicable DWF Shareholder Meetings. You will receive a separate communication from Ocorian setting out details of how to submit your preference(s).

If you are not sure whether your Award(s) are in the form of an RSA or CSA, you should refer to the share plans portal here <https://www.esp-portal.com/clients/SSO/esp/dwf>.

If you hold Purchased Shares acquired under the BAYE Plan, you are entitled to vote with respect to these shares at the applicable DWF Shareholder Meetings. You may also express a voting preference in respect of any Matching Awards you hold. You will receive a separate communication from Equiniti and/or Ocorian setting out details of to how to submit your vote(s)/voting preference(s).

If the Scheme becomes Effective, it will be binding on all DWF shareholders (including you), irrespective of whether or how they voted.

9. What happens if I leave DWF before the Scheme becomes effective?

If you leave the DWF Group before the Scheme becomes effective, the leaver provisions in the respective DWF Share Plan will apply to your outstanding Award(s) at that time. Your Award(s) may lapse, or vest earlier than anticipated and the number of shares subject to your Award(s) may be reduced. You will receive further information if this applies to you.

10. What if the Scheme does not become effective?

If, for whatever reason, the Acquisition does not complete (i.e., the Scheme does not become effective), your Awards will remain on their existing terms, and will vest on their normal vesting date (or for August 2023 Awards, the delayed vesting date, if the Delay Proposal is approved), subject to and in accordance with the rules of the applicable DWF Share Plan. In these circumstances you will not, for the avoidance of doubt, receive any Proceeds (or Partial Securities Alternative).

11. What do I need to do?

Vesting of Award(s) and receipt of all-cash Proceeds:

You do not need to take any action with respect to the vesting of your Award(s) in conjunction with the Acquisition. Your Award(s) will vest automatically on Court Sanction, to the extent set out in Section 5, and (unless you elect a Partial Securities Alternative) you will receive your all-cash Proceeds automatically as set out in Section 7.

Approving the Delay Proposal:

Please see Section 6 for further detail. **You do not need to take any action** if you either (i) do not hold any August 2023 Awards, or (ii) wish to indicate that you approve the Delay Proposal with respect to your August 2023 Awards. If you want to indicate that you reject the Delay Proposal with respect to your August 2023 Awards, you should contact delayproposal@dwf.law expressing your rejection by no later than **21 August 2023**.

Voting or submitting a voting preference:

Please see Section 8 for further detail. You will receive a separate communication from Ocorian (or Equiniti if you hold Purchased Shares under the BAYE Plan) setting out details of how to submit your vote or voting preference.

Electing to receive a Partial Securities Alternative:

If you are considering accepting a Partial Securities Alternative, please see Appendix 1 for further details.



12. What if I have questions?

If you have any questions that relate to your Awards in the context of the Acquisition, please refer to the FAQs which are available here: <https://rubix.dwf.law/Interact/Pages/Section/Default.aspx?Section=14461>.

If you have further queries, please email transactionqueries@dwf.law. Please note that neither DWF, Inflexion nor Bidco will be able to give you legal, financial or tax advice in relation to your Awards. If you are in any doubt as to any course of action you should take, or your tax position, you should seek your own independent professional advice.

If there is any inconsistency between the FAQs and this Letter, this Letter will prevail.

Yours faithfully,

**Sir Nigel Knowles, for and on behalf of
DWF Group plc**



Appendix 1 Partial Securities Alternative

If you wish to receive your Proceeds in cash only, you do not need to make a Partial Securities Alternative election and you need take no action in relation to the information provided below.

Summary of the Rollover Alternative

Under the terms of the Acquisition, instead of receiving your Proceeds in cash only, you may accept the Rollover Alternative with respect to the entire vested portion (and not some) of your Award, whereby you elect to receive a type of security, either in the form of a: (i) “loan note”, which will be issued by Aquila Midco 1 Limited (a company within the Bidco group) (“**Midco 1**”), or (ii) a “preference share” which will be issued by Aquila Topco Limited (another company within the Bidco group) (“**Topco**”), in lieu of 65% of your Proceeds (with the remaining 35% of your Proceeds being paid in cash (including the Special Dividend)).

Summary of the Reinvestment Alternative

Alternatively, under the terms of the Acquisition, you may accept the Reinvestment Alternative with respect to the entire vested portion (and not some) of your Award, whereby you elect to receive the Proceeds, and then commit to reinvesting 40% of your gross Proceeds by subscribing for either (i) loan notes issued by Midco 1, or (ii) preference shares issued by Topco, with the cash required for such subscription being withheld from the Proceeds owed to you on completion of the Acquisition (and with the remaining Proceeds being paid in cash (including the Special Dividend)).

If you are considering accepting a Partial Securities Alternative, you should be aware that this may result in you receiving an amount of cash Proceeds which is less than the tax liability due on the vesting of your Award(s). Subject to the below, you are responsible for confirming your individual tax position, filing your tax return and paying for all tax and social security contributions due by the necessary deadlines.

If you make a Partial Securities Alternative (instead of receiving your full Proceeds in cash), DWF may, in its sole discretion, reject your Partial Securities Alternative if, by making such an election, the cash which you would receive under the Partial Securities Alternative would not be sufficient to meet any income tax or social security contributions liability arising on the vesting of your Award(s) for which DWF (or your employer in the DWF Group if different) is required to withhold and account to the relevant tax authority.

Making an election

Holders of BAYE Plan Purchased Shares: If you wish to accept a Partial Securities Alternative with respect to your BAYE Plan Purchased Shares, you should populate and return (using the pre-paid reply envelope) the hard copy Partial Securities Alternative election form of instruction, which will shortly be posted to you **by Equiniti**, in accordance with the instructions set out therein. Please note, if you hold any other DWF shares, you must make the same decision with regard to whether to accept the Partial Securities Alternative with respect to your BAYE Plan Purchased Shares, to the one you make in relation to those existing DWF shares you hold.

Holders of all other Awards: If you wish to accept a Partial Securities Alternative with respect to the DWF shares you acquire on the vesting of your Award(s) (which are not BAYE Plan Purchased Shares), you should reply to the Partial Securities Alternative election email, which will shortly be sent to you **by Ocorian**, in accordance with the instructions set out therein. Please note, you may make a different decision with regard to whether to accept the Partial Securities Alternative in relation to the shares you acquire on the vesting of your Award(s), to the one you make in relation to any existing DWF shares you hold.



Please note that, no acknowledgements of receipt will be given in relation to any Partial Securities Alternative made.

You must also print, sign and send to Equiniti a duly executed “Beneficial Holder Power of Attorney”, so that it arrives by no later than the deadline set out the Equiniti election form of instruction or Ocorian email referred to above.

The form of Beneficial Holder Power of Attorney can be downloaded from DWF's website at <https://dwfgroup.com/en/investors/offer-for-dwf-group-plc>.

Holders of BAYE Plan Purchased Shares can return their Beneficial Holder Power of Attorney to Equiniti in the pre-paid reply envelope they receive from Equiniti as part of the hard copy Partial Securities Alternative election form of instruction. Holders of all other Awards should post their Beneficial Holder Power of Attorney to the following address:

Corporate Actions, Equiniti,
Aspect House,
Spencer Road,
Lancing,
West Sussex
BN99 6DA

By executing the Beneficial Holder Power of Attorney, you appoint Bidco or a person authorised by Bidco as their attorney and/or agent, to execute all documents necessary or desirable to give effect to the Rollover Alternative or the Reinvestment Alternative (as applicable) on your behalf. If you fail to deliver such duly executed Beneficial Holder Power of Attorney, your election for the Partial Securities Alternative in respect of the applicable shares will be invalid unless the relevant beneficial holder has otherwise entered into a power of attorney in favour of Bidco in a similar form to the Beneficial Holder Power of Attorney, and you will receive the cash consideration as if you had not elected for the Partial Securities Alternative.

You may make a different decision regarding whether or not to make a Partial Securities Alternative with respect to any existing DWF shares you already hold, and any DWF shares you acquire as a result of your Award(s) vesting on Court Sanction. If you wish to make a Partial Securities Alternative with respect to existing DWF shares you already hold, you will need to follow the separate election instructions set out in the Scheme Document.