

**1 November 2018**

**Ian Filby: Section 430(2B) Companies Act 2006 Statement**

DFS Furniture plc ("DFS" or "the Group") confirms that Ian Filby stepped down as Chief Executive Officer of DFS and ceased to be a Director of the Group on 31 October 2018. The following information is provided in accordance with section 430(2B) of the Companies Act 2006.

The following arrangements will apply in respect of Ian Filby's stepping down from the Board of Directors:

1. Ian will remain an employee of the Group until 31 October 2019 at which time he will retire.
2. Ian will be eligible to receive a pro-rated annual bonus in respect of the 2019 Financial Year to reflect time served as Chief Executive Officer during the 2019 Financial Year. The bonus will be based on objectives set by the DFS Remuneration Committee and will be paid at the usual bonus payment date.
3. Subject to Ian remaining an employee and retiring from the Group, Ian will be treated as a "good leaver" for the purposes of the Long-Term Incentive Plan (LTIP) on the relevant date of cessation of employment. Awards made to Ian under the LTIP in 2016 and 2017 will vest at the normal vesting date, subject to the achievement of the relevant performance conditions. The awards will be pro-rated for time until 31 October 2019 to reflect Ian's continued employment within the Group.
4. The table below sets out all unvested LTIP awards held by Ian Filby as at 31 October 2018:

Plan	Date of grant	Vesting date	Number of shares granted	Maximum number of shares capable of vesting (pro-rated to 31 October 2019)
2016 LTIP	15/11/2016	15/11/2019	249,612	246,192
2017 LTIP	16/11/2017	16/11/2020	298,593	194,514

5. All incentive awards will continue to be subject to malus and clawback provisions in accordance with the DFS Remuneration Policy.
6. Outstanding options held under the all-employee Sharesave may be exercised in accordance with the rules of the Sharesave plan.
7. Ian has not and will not receive any payments for loss of office.

The Group's Directors' Remuneration Report for the 2019 Financial Year will include details of remuneration earned by Ian as an Executive Director during the relevant period.

**Chairman of Sofology – remuneration arrangements**

As stated in the RNS announcement on 22 May 2018 and in the 2018 Annual Report and Accounts Ian will not remain a Director of the Group but he will continue to provide the Group with his extensive business experience and expertise by taking on the role of Chairman of Sofology. The acquisition of Sofology has helped transform the Group over the past twelve months and represents a significant growth opportunity for the Group going forward. Ian's role will focus on leading the continued integration of Sofology into the Group.

During the period that Ian is employed as the Chairman of Sofology, he will receive the following:

- **Fixed remuneration:** For the period 1 November 2018 to 31 December 2018, Ian will provide support to the Group on full-time basis as the Chairman of Sofology as well as providing transitional support to Tim Stacey, the new CEO. During this time, Ian

will continue to receive the same DFS base salary as from 1 August 2018 (£449,670 p.a.) and contractual benefits (including pension). Thereafter, until 31 October 2019, Ian will reduce his time commitment and provide support on a part-time basis as the Chairman of Sofology. During this time, Ian will continue to be available to provide Tim Stacey with support on special projects. Ian's base salary will reduce to £250,000 p.a. to reflect his reduced time commitment.

- **Performance-based remuneration:** Ian will be eligible to receive a short-term performance-based cash incentive in respect of his role at Sofology based on specific performance targets relating to DFS, Sofology and personal objectives. Given the fixed-term nature of this role, Ian will not receive any equity-based incentives.

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