

CORPORATE GOVERNANCE

The Directors recognise the importance of good corporate governance and are committed to business integrity, high ethical values and professionalism in all its activities. To this end the Directors have chosen to adopt the Quoted Companies Alliance Corporate Governance Code 2018 (the 'QCA Code'). To see how the Company addresses the key governance principles defined in the QCA Code please refer to the table below.

This disclosure was last reviewed and updated on 31 March 2021.

The principles of the Quoted Companies Alliance Code

QCA Code Principle	Application (as set out by QCA)	What we do
1. Establish a strategy and business model which promote long term value for shareholders	The Board must be able to express a shared view of the company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future	The business model and strategy are explained within the Chairman's Statement on pages 3 to 6 of the 2020 Annual Report and Financial Statements. In addition, page 5 of the Chairman's Statement details the four high level KPIs which the Group has revised and extended to 31 December 2023 to enable the Board to monitor progress in fulfilling its medium-term strategy. The key risks and challenges to the Group and how the Board seeks to address these are detailed in pages 9 to 13 of the Strategic Report of the 2020 Annual Report and Financial Statements.
2. Seek to understand and meet shareholder needs and expectations	Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base. The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.	The Company recognises the importance of communicating with its shareholders, including its employee shareholders, to ensure that its strategy and performance are understood. This is achieved principally through the Interim Report, the Annual Report, the AGM, and information on the website. The Chairman, Chief Executive and the Chief Financial Officer are primarily responsible for investor relations. Feedback from major shareholders is reported to the Board and discussed at its meetings. The Board recognises that the AGM is the principal forum for dialogue with private shareholders. All directors normally attend the AGM and are available to answer any questions that shareholders may wish to raise. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. Shareholders vote on a show of hands, unless a poll is validly called and after each such vote the

		number of proxy votes received for and against the resolution is announced.
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success	Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations. Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to the long-term, then those matters must be integrated into the company's strategy and business model.	The Group is committed to the sustainability of its success. Key stakeholders are identified by the Directors as its customers, suppliers, employees and the environment. Where issues are raised by any of these stakeholders these are discussed and acted upon by the senior management team.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation	The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end- customer. Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).	The main risks to the Group are disclosed in the Strategic Report on pages 9 to 13 of the 2020 Annual Report and Financial Statements. Significant risks are discussed in Board meetings with a risk register set up which is reviewed by senior management. The risk register and the effectiveness of the Company's risk management is also reviewed during the Audit Committee meetings.
5. Maintain the board as a well-functioning, balanced team led by the chair	The board members have a collective responsibility and legal obligation to promote the interests of the company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board. The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight. The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement. The board should be supported by committees (e.g. audit, remuneration,	Full details of the Board, including an assessment of the independence of the non-executive directors, and its sub-committees are provided in pages 26 to 29 of the 2020 Annual Report and Financial Statements. The Chief Executive and Chief Financial Officer work full time. The Chairman and the Senior Independent Director contribute approximately 8 days per month and 2 days per month respectively, but this can vary from time to time.

	<p>nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively. Directors must commit the time necessary to fulfil their roles.</p>	
<p>6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The board must have an appropriate balance of sector, financial and public market skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as part of its composition. The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board. As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change.</p>	<p>The Board invites senior managers to attend its Board meetings at various times during the year to provide a different perspective and enable challenging discussions on the progress of the Company. Certain details of the directors and their relevant experience, skills and personal qualities and capabilities can be found within the Directors' Report on page 20 of the 2020 Annual Report and Financial Statements. Training needs are assessed on an ad-hoc basis as the need arises.</p>
<p>7. Evaluate board performance on clear relevant objectives, seeking continuous improvement</p>	<p>The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors. The board performance review may be carried out internally, or ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team. It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable.</p>	<p>The Board carries out an annual, internal evaluation of its performance. This covers the effectiveness of the Board as a whole, its individual members, and its committees. Given the size of the Company's Board the Directors have best determined that Board and director effectiveness is best assessed by each individual director, plus senior managers that have attended Board meetings, contacting the Chairman individually to summarise areas that have worked well and areas for improvement. These individual responses are summarised by the Chairman and feedback given including any suggestions for change. The annual evaluation of the Chairman is run by the Senior Independent Non-Executive Director using the same process. Due to constraints imposed by Covid-19 restrictions the 2020 process was completed in January and February 2021 and did not reveal any substantive issues. This appraisal process has evolved over the last couple of years away from a prescribed questionnaire and the Board believes this now gives a more relevant evaluation process.</p>
<p>8. Promote a corporate culture that is based</p>	<p>The board should embody and promote a corporate culture that is</p>	<p>The Group is committed to business integrity, high ethical values and</p>

<p>on ethical values and behaviours</p>	<p>based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage. The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the company. The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company. The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company.</p>	<p>professionalism in all of its activities. As an essential part of this commitment the Group supports the highest standards in corporate governance. The Directors' Report on page 21 of the 2020 Annual Report and Financial Statements details the environmental and social responsibility policies of the Group. The key risks and challenges to the Group are detailed on pages 9 to 13 of the Strategic Report in the 2020 Annual Report and Financial Statements. All employees have an induction on commencing their employment with the Group. This includes the ethical standards that the employee is expected to maintain and compliance with all applicable laws and regulations. A whistleblowing policy is also in place for employees to report serious matters of concern.</p>
<p>9. Maintain governance structures and processes that are fit for purpose and support good decision- making by the board</p>	<p>The company should maintain governance structures and processes in line with its corporate culture and appropriate to its size and complexity; and capacity, appetite and tolerance for risk. The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company.</p>	<p>Details of the Company's governance structure are detailed within the Corporate Governance Section of the 2020 Annual Report and Financial Statements. In addition, full terms of reference of the Company's remuneration nomination, and audit committees and their terms of reference can be found on the Company's website. The board continually monitors its governance and will evolve this in line with best practise as appropriate.</p>
<p>10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p>	<p>A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company. In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist:</p> <ul style="list-style-type: none"> • the communication of shareholders' views to the board; and • the shareholders' understanding of the unique circumstances and constraints faced by the company. 	<p>As set out in the Section 172(1) Statement in the Company's 2020 Report and Financial Statements covering the discharge of directors' duties, the Company encourages two-way communication with its shareholders. Regular dialogue is had with the Group's major shareholders as well as the AGM being used for any shareholder to attend and raise questions. A report is given at each Board meeting of correspondence that any Director has had with a shareholder. Thought is regularly given, and action taken, for the development of new and more effective ways of improving our dialogue with shareholders. This is particularly applicable to the</p>

It should be clear where these communication practices are described (annual report or website).

Company's website and to direct shareholder contact. The Company communicates how it is governed and is performing through its annual report and accounts and regulatory announcements. The results of voting on all resolutions in general meetings are announced via RNS, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders.