

## Disclosure of compliance with the QCA Code principles

| QCA principle  | Disclosure  |
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| 1. Establish a strategy and business model which promotes long-term value for shareholders.                      | See the strategic report section of the annual report.  |
| 2. Seek to understand and meet shareholder needs and expectations.   | <p>The board recognises the importance of communication with its shareholders.</p> <p>The executive chairman and group finance director have primary responsibility for investor relations (IR) and lead a regular programme of engagement. This includes presentations following the announcement of the financial results, which are also published on the group's IR website to ensure they can be accessed by all shareholders. The IR programme maintains ongoing communication with shareholders and helps to ensure that the board is aware of shareholders' views.</p> <p>The board also normally receives feedback twice each year from its corporate brokers on investors' and the market's perceptions of the company.</p> <p>The senior independent director is also available to meet shareholders if required and provides an alternative contact point for shareholders.</p> <p>In addition, the company makes announcements using the regulatory news service (RNS) throughout the financial year.</p> <p>The annual general meeting of the company, which is generally attended by all directors, provides an opportunity for all shareholders to ask questions and to meet the directors.</p> |
| 3. Take into account wider stakeholder and social responsibilities and their implications for long term success. | <p>The group operates with regard to the wider interests of all of its stakeholders and works towards delivering a sustainable business which has due regard to its:</p> <ul style="list-style-type: none"> <li>• Workforce – the group values all of its people and is an equal opportunities employer. It follows a policy to recruit, promote, train and develop its people by reference to their skills, abilities and aspirations. Engagement is encouraged through a variety of means including corporate intranets, team meetings, and regular dialogue with employees.</li> <li>• Clients – key client relationships are managed by our client facing teams who monitor and review services provided by the group to ensure that clients' expectations are met.</li> </ul>  |

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| <p>4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.</p>          | <p>The board encourages an appetite of measured risk-taking in the delivery of its strategic objectives, which is balanced by a process of risk identification, evaluation and management.</p> <p>The board has ultimate responsibility for the group's risk management process and is supported in this by the audit committee. The executive directors and operational management teams are responsible for the identification and evaluation of risks and the subsequent implementation of specific risk management activities.</p> <p>The group's controls are designed to manage rather than eliminate risk and can only provide reasonable and not absolute assurance against material misstatement or loss.</p> <p>The principal risks and uncertainties faced by the group together with mitigating activities are detailed within the strategic report section of the annual report.</p> |
| <p>5. Maintain the board as a well-functioning, balanced team led by the chair.</p>  | <p>The responsibilities of the board are detailed in the corporate governance statement on the website.</p>   |
| <p>6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities.</p>          | <p>See the board biographies on the website and within the annual report.</p>   |
| <p>7. Evaluate all elements of board performance based on clear and relevant objectives, seeking continuous improvement.</p> | <p>An evaluation of board performance was conducted in April 2022 facilitated by the company secretary.</p> <p>This involved reviewing developments since the previous board evaluation session in July 2020 through the completion of a score based questionnaire which focused on the board's agreement with certain statements associated with the ten principles of the QCA Code. This enabled progress made by the board from previous years to be accurately assessed.</p> <p>During the year the group continued to make progress in the areas of shareholder and employee engagement, as well as ensuring the successful integration of the recent acquisitions to the group.</p>   |
| <p>8. Promote a corporate culture that is based on sound ethical values and behaviours.</p>                                  | <p>As a specialist professional services consultancy the group's revenue generating activities are by their nature regulated by externally governed codes of practice and ethical behaviour. These regulatory professional standards are reinforced by the board which sets the culture of the group in promoting entrepreneurial growth against the background of sound regulatory compliance. The group engages directly with its regulators to ensure that it discharges its responsibilities.</p> <p>The group prides itself as a business of professionals and has governance structures and staff policies in place to ensure that it discharges its legal and regulatory obligations in an ethically compliant and responsible way whilst also promoting the group's aim of delivering dynamic and innovative solutions to its stakeholders.</p>   |

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| <p>9. Maintain governance structures and processes that are fit for purpose and support good decision making by the board.</p>  | <p>The roles and responsibilities of the board and its corporate governance committees are detailed in the corporate governance statement.</p> <p><i>Role of the executive chairman</i></p> <p>Ric Traynor, who established the business and led the group's introduction to AIM, fulfils the role of executive chairman being responsible for the workings and leadership of the board together with managing the business with the support of the other executive directors.</p> <p>Whilst the QCA Code requires the chairman to have adequate separation from the day to day business, the board believe the current role is appropriate and in the best interests of the group. In recognition of this non-compliance with the QCA Code the board comprises a majority of non-executive directors, to offer robust and independent challenge of all board decision making, and has appointed Graham McInnes, one of its non-executive directors, as a senior independent director.</p> <p><i>Non-executive directors with more than nine years' service</i></p> <p>Both John May and Graham McInnes have respectively held positions as non-executive directors of the group for periods in excess of nine years. The QCA code identifies that this could hinder the objectivity of such directors. The board maintains the view that all of its non-executive directors continue to exercise their own independent challenge and review of management decisions which contribute to the group's balanced board composition. As a good practice measure the group seeks the re-election of those non-executive directors who have served for more than nine years on an annual basis.</p> |
| <p>10. Communicate how the company is governed by maintaining a dialogue with shareholders and other relevant stakeholders.</p> | <p>The outcome of votes at our last annual general meeting is disclosed on the website.</p> <p>Annual reports and notices of all general meetings over the last five years are disclosed on the website.</p>  |

Date on which this information was last reviewed: 18 July 2022