

## Governance Philosophy

The Company is committed to achieving and maintaining high standards of corporate governance and has adopted the QCA Code. The QCA Code identifies ten corporate governance principles that companies should follow.

Set out below is a description of how the Company complies with the new, updated QCA Code. At this point the Board is not aware of any areas of non-compliance. The Directors of the Company (the Board) remain committed to evolving the Company's corporate governance arrangements as the business develops.

### Deliver Growth

#### **Establish a purpose, strategy and business model which promote long-term value for the shareholders**

The Company's strategy is to create a platform for organic growth and potentially for acquisitions where the opportunity exists to create significant shareholder value through high growth and/or a well-executed consolidation strategy. The Board is responsible for setting the strategy, ensuring it is implemented in a timely manner and tracking the progress towards our strategic goals.

#### **Seek to understand and meet shareholder needs and expectations**

The Company has been committed to maintaining an open dialogue with its shareholders to develop a good understanding of the needs and expectations of shareholders and will continue to communicate the Company's strategy at appropriate intervals as progress is made. The Executive team meets with investors and analysts on a regular basis throughout the year. All shareholders have the opportunity, and are encouraged, to attend and vote at the Annual General Meeting of the Company, during which the Board will be available to discuss matters affecting the Company. David Hitchcock will be the primary point of contact for shareholder liaison. The Company's website contains information on the Company, including the year-end and interim results announcements as well as all Annual Reports, notices of Annual General Meetings and general meetings, proxy voting details, circulars sent to shareholders and any other information sent to shareholders. It also includes information on the Audit Committee and Remunerations Committee terms of references.

#### **Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long term success**

The Company has identified our main stakeholders which include customers, associates, employees, shareholders and our communities. The Company engages with these stakeholders through direct dialogue and relies on their feedback through meetings, conversations and formal feedback processes. The Board continually assesses the impact of business decisions on all stakeholder groups. The Board has developed a carbon reduction strategy to minimise the Company's environmental impact through targeted operational initiatives and collaboration with its stakeholders.

#### **Embed effective risk management, internal**

Going forward, the Board and Audit Committee intend to conduct regular reviews of its system of internal control to ensure

**controls and assurance activities, considering both opportunities and threats, throughout the organisation**

compliance with best practice, while also having regard to its size and the resources available. The review will cover all material controls, including financial, operational and compliance controls and risk management systems. The Board is responsible for ensuring the Company has effective and robust systems of internal controls and these controls are designed to manage, but not eliminate, the risk of failure to achieve business objectives and provide reasonable, but not absolute, assurance against material misstatements and loss. The Company maintains appropriate insurance cover in respect of actions taken against the Board and/or the Company.

**Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture**

The Remuneration Committee evaluates Executive Director performance based on annual financial, non-financial and personal objectives. Details of the remuneration policy can be found in the remuneration committee report in the Company's annual report. New (or significant amendments to existing) share schemes will be put to a shareholder vote.

**Maintain a dynamic management framework**

**Establish and maintain the Board as a well-functioning, balanced team led by the Chairman**

The Board currently comprises a Non-Executive Chairman, three Executive Directors and two Non-Executive Directors (both of whom are considered to be independent). Each member of the Board will seek re-election annually. The Board is responsible to the shareholders for the proper management of the Company and meets regularly to discuss the strategy of the Company and review potential opportunities in a structured and orderly manner. The Executive Directors are required to dedicate appropriate time, being the Company's normal business hours and such other hours required, to the Company. The two Non-Executive Directors and the Non-Executive Chairman are each required to dedicate appropriate time, being one day (or equivalent) per month, to the Company. The Board is aware of the other commitments and interests of its members, and changes to these commitments and interests are reported to and, where appropriate, agreed with the Board. The Company has put in place an Audit Committee and a Remuneration Committee, summaries of the terms of reference for each are set out on the Company's website. The Board has a wealth of knowledge and experience, as illustrated by the biography of each Board member, which can be found on the Company's website. The Board believes that it has the appropriate mix of experience, expertise, personal qualities and skills in order to effectively implement its strategy. Board meetings have been held in person where possible, and where this has not been practically possible, via video conference. During the course of the year, the Board continues to receive updates from its nominated adviser and legal advisers in relation to corporate governance matters. Each Director takes responsibility for maintaining his or her own skill set, which includes roles and experience with other Boards and organisations as well as formal training and seminars.

This will be reviewed by the Board periodically. Each member of the Board can take independent professional advice in the continuance of their duties, if necessary, at the Company's expense. In addition, the Board has direct access to the advice and services of the Company advisers, Company Secretary and Finance Director.

**Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

The Board recognises the importance of regularly evaluating its own performance and effectiveness, and that of individual Directors and Board Committees, as required under the QCA Code. Whilst the Board did not undertake a formal evaluation process during the financial year, it remains committed to high standards of governance and continuous improvement.

Since IPO, the Company has implemented a number of changes to the composition and structure of the Board, reflecting an ongoing focus on strengthening governance capabilities, enhancing skills and experience, and ensuring the Board remains effective in supporting the Company's strategic ambitions. These developments demonstrate that the Board is operating with a culture of continuous development and improvement, and the Board therefore considers itself to be compliant with the spirit of this QCA Code principle. The Board intends to introduce a more formalised evaluation process as the Company continues to mature.

**Promote a corporate culture that is based on ethical values and behaviours**

The Board has put in place an effective corporate governance and compliance framework. The Board has established a corporate culture based on sound ethical values and behaviours and intends to lead from the front in promoting the adoption of this culture throughout the Company.

**Maintain governance structures and processes that are fit for purpose and support good decision making by the Board**

The Board is responsible for the overall management and control of the Company. The Board reviews its strategy regularly and is responsible for determining the strategic focus of the Company. As set out above, the Board meets regularly to review, formulate and approve the Company's strategy, budgets and corporate actions, as well as oversee the Company's progress towards its goals. The Company has established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities and written terms of reference. Consideration will be given by the Board to future succession plans for members of the Board as well as consideration as to whether the Board has the skills required to manage the Company effectively. The Board continues to review succession planning for key roles to ensure orderly transitions and the retention of critical skills. This includes identifying potential internal and external candidates and supporting the development of future leaders to maintain strong governance and long-term strategic continuity. The Board discusses and reviews all matters and issues which are important to the business. Certain decisions are reserved for the Board, and they can be found on the Company's website.

## **Build Trust**

### **Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders**

The Company communicates with its shareholders through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting and meetings/discussions with the Company's major existing or potential shareholders. The Company will communicate principally by way of the release of regulatory and other announcements as and when information is available to disclose. The Company's website, [www.rcfornax.co.uk](http://www.rcfornax.co.uk), is regularly updated. The Company's Annual Report and Accounts are located under the 'Documents' section of the website. Notices of the general meetings of the Company will be located under the 'Financial Calendar' section of the website. The results of voting on all resolutions at general meetings are posted to the website on a timely basis, including any actions to be taken as a result of resolutions of which votes against have been received by a significant proportion of voters.