

Corporate Governance Statement

Northamber plc (“the Company”) is an AIM quoted Company and is committed to high ethical values and professionalism in all its activities. As an essential part of this commitment the Directors acknowledge the importance of high standards of Corporate Governance and, given the Group’s size and the constitution of the Board, have decided to apply the principles set out in the Corporate Governance Code for small and mid-sized companies published by the QCA in April 2018 (“QCA Code”). The Board is accountable to the Company’s shareholders for good Governance.

The Company’s objective is in alignment with the purpose of the Code in that it is to deliver growth in long-term shareholder value and to deliver benefits to other stakeholders, accompanied by good communication to promote confidence and trust.

Set out below are the 10 principles of the QCA Code and the Company’s approach to compliance with the Code, in support of its medium to long term success. In some areas, further development is required internally to more fully comply with the Code and as these take place this website will be updated.

Links are shown where specific reference is made to the Annual Report for the year ended 30 June 2023.

1. Strategy for long term shareholder growth

The Company’s strategy is set out in full in the Annual Report on page 7. Whilst the basic strategy remains the same, changes to its implementation from time to time to meet changing circumstances are determined by the Board as necessary. The management team, reporting to the Board, is responsible for implementing the strategy and managing the business at an operational level.

2. Meeting shareholders’ needs and expectations

As set out on page 14 of the Annual Report under Substantial Shareholdings, 82.08% of the shares are held by 5 parties of which A.M Phillips holds 63.00%, leaving only 19.08% in other shareholders hands. The Chairman is in contact with shareholders from time to time and via the Company’s brokers issues the Half-yearly Statements and other statutory information. In addition, the holding of an Annual General Meeting at a convenient time and place enables contact between shareholders and Directors. Notice of the Annual General Meeting is circulated to all shareholders at least 21 days prior to the meeting. Directors attend the AGM and will be available to answer shareholders’ questions.

Shareholders may, at any time, communicate with the Company either via the Company Secretary or through the Company’s brokers.

The Company intends to announced the detailed results of Shareholder voting at the AGM to the market, 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.

3. Stakeholder and Social responsibilities

The Board recognises the need to maintain effective working relationships across a range of stakeholder groups, including shareholders, employees, partners and suppliers.

The Company’s operations and working methodologies take account of the need to balance the needs of all of these stakeholder groups while maintaining focus on the Board’s primary responsibility to promote the success of Northamber for the benefit of its members as a whole.

4. Effective Risk Management

The Board is responsible for the systems of risk management and internal control and for reviewing their effectiveness. The internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. The Company’s detailed approach to the management of risk is set out in the section on Principal Risks and Uncertainties on pages 8 to 10 in the Annual Report. There is a risk assessment carried out by the Board at regular intervals.

The Board maintains full control and direction over appropriate strategic, financial, organisational and compliance issues and has put in place an organisational structure with formally defined lines of responsibilities and delegation of authority. There are established procedures for planning, capital expenditure, information and reporting systems and for monitoring the company's business and its performance. The Board has delegated to executive management the implementation of the systems of internal control within an established framework that applies within the Company.

5-7 Effective, well-functioning Board, with up to date skills and experience

The Board normally comprises 5 executive and 2 independent non-executive Directors.

The biographies of the Directors are set out on page 28 of the Annual Report. Similarly the method of establishing the effectiveness and appropriateness of the Board is set out on page 25-26. This process includes the assessment of the range of skills and an evaluation of the effectiveness of each Director.

All Directors have access to the advice and services of the Company Secretary and the board has established a procedure whereby any Director may seek independent professional advice in the furtherance of his duties at the Company's expense. All Directors are able to allocate sufficient time to the company to discharge their responsibilities.

As required by the Company's articles of association, in every year at least one-third of the Directors offer themselves for re-election at the Annual General Meeting.

The Board is responsible to the shareholders for the proper management of Northamber and meets at least four times a year to set the overall direction and strategy, to review operational and financial performance and to advise on management appointments. All key operational and investment decisions are subject to Board approval. The Board also regularly discusses matters informally through the year. Any Board member may request the Company Secretary to report on any specific matter and prepare information for discussion at the Board meetings.

In addition to the Main Board there is an Audit Committee and Remuneration Committee, in each case chaired by a non executive Director. Further details regarding the responsibilities of these committees can be found on pages 23 to 24 of the Annual Report.

In view of the size of the Company and its share and Board structure it has determined that the appointment of a Nominations Committee is not warranted.

Below the Main Board there is an Operations Committee comprising the executive Directors and senior management of the Company.

The Director's attendance at board meetings is shown on page 23 of the Annual Report.

The role of the Board is to ensure that the Company is managed to optimise the benefits to its stakeholders including shareholders, staff, customers, suppliers and the community at large. To achieve this objective the Board reserves to itself certain matters such as the formulation of strategy, the assessment of risk, and the setting of internal control systems. Certain areas of responsibility of the Board are dealt with by committees of the Board such as the audit committee and the remuneration committee reporting back to the Main Board.

The implementation of the decisions of the Main Board is delegated to the senior management of the company through the Operations Committee chaired by the Operations Director.

During the year, the Board reviewed each aspect of its role to ensure that it was fulfilling its role effectively and that each Director was individually making a full and effective contribution to the process. This was carried out by the Chairman reviewing the individual and collective contribution of the Board members against objectives and by the audit committee reviewing the performance of the chairman.

The result of that review was that, having reviewed each Director's contribution and the requirements of the Company as a whole, each Director was effective and that the composition of the Board was appropriate and more than adequate for the time being.

The Chairman, in conjunction with the executive team, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to financial and governance matters, its operational environment and to the Directors' responsibilities as members of the Board. During the course of the year, Directors received updates from the Company Secretary and various external advisers on a number of corporate governance matters.

8. Corporate Culture and Ethical Structures

The corporate culture and ethics is based on honesty and integrity in all matters and relating to all parties. There are policies in place within the working practices within the Company to ensure compliance with the high standards set. Whistleblowing provisions are also in place

to deal with any infringements of the policies. The policies are regularly reviewed, updated and communicated to all staff.

The Company has adopted a share dealing code for the Directors and certain employees, which is appropriate for a company whose shares are admitted to trading on AIM (including relating to the restrictions on dealings during close periods in accordance with MAR and with Rule 21 of the AIM Rules for Companies). The Company takes all reasonable steps to ensure compliance with the share dealing code by the Directors and any relevant employees.

9. Governance Structures and Processes

The Corporate Governance structure and processes are set out in the Annual Report on pages 19 to 26.

The Board is led by the chairman and is responsible for the overall direction and strategy of the Company. The non-executive Directors are responsible for bringing independent and objective judgment to Board decisions, bringing a range of views and experience from different fields. As part of their role, the non-executive Directors constructively challenge and develop proposals on strategy.

The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

The Board has established an Audit Committee and a Remuneration Committee, each with formally delegated duties and responsibilities.

The Audit Committee, which meets at least twice a year, is responsible for keeping under review the scope and results of the audit, its cost effectiveness and the independence of the auditor.

The Remuneration Committee, which meets at least once a year, is responsible for considering the remuneration packages for executive Directors and making recommendations as appropriate.

The Directors' Remuneration Report is set out on page 18 of the Annual Report.

Detailed processes and procedures are in place and available to all employees on a dedicated in house system to ensure that all operations, actions and decisions made by the employees are fully compliant and avoid undue risk.

The internal procedures are reviewed and updated regularly to maintain the highest level of standards.

10. Communication

The Board places a high priority on regular communications with its various stakeholder groups and aims to ensure that all communications concerning Northamber's activities are clear, fair and accurate. In addition to the statutory published information, the Company

regularly updates its website for the benefit of shareholders, customers and suppliers. Communications with employees are maintained both by personal interaction with the Directors and senior management on a daily basis and through formal procedures. Communications with professional advisers ensure that the Company maintains and complies with up to date regulations regarding both internal and external communications.

The results of voting on all resolutions in future general meetings will be posted to the website, 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.

9th January 2024

