

## Rosenblatt Group PLC – QCA Code Disclosures

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These disclosures are made in accordance with the London Stock Exchange's recent changes to the AIM Rules for Companies requiring all AIM-quoted companies to adopt a recognised corporate governance code, and explain how the company complies with that code's requirements and identify and explain areas of non-compliance.

The Company has elected to adopt the Quoted Companies Alliance Corporate Governance Code ("QCA Code" or the "Code"). The Directors recognise the importance of sound corporate governance commensurate with the size and current nature of the Company and the interests of shareholders and remain committed to evolving the corporate governance as required. The below sets out in broad terms how the Company complies with the QCA Code and explains the areas of non-compliance where relevant.

### **Principle 1: Establish a strategy and business model which promotes long term value for shareholders**

The principal strategy of the Group is to build a group of professional legal services companies operating to commercial principles with a strong focus on profit performance and ensuring employees, fee earners and management alike are incentivised and rewarded on the earnings performance of the Group.

### **Principle 2: Seek to understand and meet shareholder needs and expectations**

The Company is committed to maintaining an open dialogue and engaging in constructive conversations with both current and potential shareholders. All shareholders have the opportunity, and are encouraged, to attend and vote at the ("AGM") of the Company during which the Board will be available to discuss issues affecting the Company. The Board stays informed of shareholders' views via regular meetings and other communications with shareholders, and through of institutional shareholders' views via its Nominated Adviser ("Nomad").

Corporate information (including all Company announcements) is available to shareholders, investors and the public on the Company's website, <https://investors.rosenblatt-law.co.uk>.

Nicola Foulston, Chief Executive Officer ("CEO") of the Company, is primarily responsible for shareholder liaison, and can be contacted, as required, via the Company's financial PR advisers, Redleaf Communications, on +44(0)203 757 6860 Email: [Rosenblatt@redleafpr.com](mailto:Rosenblatt@redleafpr.com).

Additional Contact Details:

Cenkos Securities plc, the Company's Nomad and Broker may be contacted using the details below:

Stephen Keys

Tel: +44(0)207 397 8900

The Company registrar, Computershare Investor Services PLC, can also be contacted for shareholder queries.

**Principle 3: Take into account wider stakeholder and social responsibilities and their implications on long term success.**

The Board is regularly updated on wider stakeholder feedback to stay abreast of stakeholder insights into the issues that matter most to them and our business, and to enable the Board to understand and consider these issues in decision-making.

Employee's feedback is sought at monthly briefings designed to keep everyone aware of the progress of the Group and upcoming events and projects. In addition, the Company's HR team conducts a bi-monthly meeting with department heads via the Management Meetings to discuss any issues.

The Board understands that its long term success relies on it maintaining a good relationship with its regulator the SRA. To do this the Board ensures it remains compliant with all rules, regulations as well as good practice and guidance as received from time to time. The Board reviews this quarterly.

**Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation**

The Board has overall accountability for ensuring that risk is effectively managed across the Group and the Audit Committee has responsibility for reviewing the effectiveness of the Group's risk processes. The Board has overall responsibility for the Group's policies and procedures and for ensuring that they are in line with regulations and are sufficiently robust to ensure appropriate internal controls are maintained, while also providing a suitable framework within which the Group's function can operate.

The Group, in common with all businesses, could be affected by risks and uncertainties that may have a material effect on its business operations and achieving its strategic objectives including its business model, future performance, solvency or liquidity. Similarly, the risk management process and systems of internal control are designed to manage rather than eliminate the risk of failures to achieve the Group's objectives. Where possible, the Group seeks to mitigate these risks through these internal controls, but this can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Company has established internal financial controls, the effectiveness of which is regularly reviewed by the executive Board and the Audit Committee, in light of an ongoing assessment of significant risks facing the Company.

The Directors utilise a large number of detailed performance indicators to manage the business.

- The Board is responsible for reviewing and approving overall Company strategy, approving revenue and capital budgets and plans, and for determining the financial structure of the Company including treasury, tax and dividend policy (if applicable). Weekly and monthly results and variances from plans and forecasts are reviewed by the Board.
- The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper financial controls, and liaises with the Company's auditors in respect of both the half-yearly and year-end results.
- Procedures are in place for budgeting and planning, for monitoring and reporting to the Board business performance against those weekly and monthly budgets and plans, and for forecasting expected performance over the remainder of the financial period. These cover

profits, cash flows, capital expenditure and balance sheets. Weekly and monthly results are reported against budget and compared with prior periods, and forecasts for the current financial year are regularly revised in light of actual performance. Both weekly and daily figures are circulated to the Board.

- The Group operates a litigation funding subsidiary which brokers non- recourse third party funding for the Group, its clients and other litigation funders. Such risks arise from the provision of cash funding for client’s legal disbursements and the Group’s own financial investment which is capped at 25% of each case to ensure sufficient spread of funders in each matter. The Board reviews the risks posed by such non- recourse funding to ensure the exposure to the Group of potential write offs and adverse costs are minimised to no more than 25% of the Group’s net assets.

Detailed descriptions of the risks faced by the Group can be found in its admission document, on the Company’s website.

#### **Principle 5: Maintaining the Board as a well-functioning, balanced team led by the Chair**

The Board is made up of a non-executive Chairman, Stephen Davidson, one executive director, Nicola Foulston and an independent non-executive director Victoria Hull. The Company intends to add another independent non-executive director in the near future.

The Board is satisfied that it has an appropriate balance between independence on the one hand, and knowledge of the Company and sector experience on the other, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational.

#### **Board and committee meetings**

The Board meets approximately six times per annum, with one AGM, three audit committee meetings, two remuneration committee meetings and two Nomination Committee meetings per annum. The Disclosure Panel holds ad-hoc meetings as and when it needs to make decisions regarding inside information and/or price sensitive information. Attendance of each director at each Board meeting is contained in the table below:

#### **Attendance**

##### **Audit Committee**

Date	Board member
Monday 17 September 2018	Stephen Davidson and Victoria Hull.
Tuesday 4 December 2018	-
Tuesday 23 April 2019	-
Thursday 19 September 2019	-
Thursday 28 November 2019	-
Tuesday 21 April 2020	-

##### **Remuneration Committee**

Date	Board member
Tuesday 4 December 2018	-

Tuesday 23 April 2019	-
Thursday 28 November 2019	-
Tuesday 21 April 2020	-

#### **Nomination Committee**

Date	Board member
Tuesday 23 April 2019	-
Thursday 19 September 2019	-
Tuesday 21 April 2020	-

#### **The time commitment required from directors**

The Board has set out, in the contract for non-executive directors, the time commitment required and asked for confirmation that the director can devote sufficient time to meet the expectations of the Board.

The Board currently anticipates a minimum time commitment of one day per month for non-executive directors and one day per week for the chairman and further days as required for the satisfactory fulfilment of duties. This includes attendance at six board meetings per annum including attendance at five in person, the AGM and any general meetings.

The Board also requires each director to disclose any other significant time commitments and to obtain the agreement of the Chairman, or in the event that the Chairman has a conflict of interest in relation to such matter, obtain the agreement of one of the Company's independent non-executive directors, before accepting additional commitments that might affect the time to devote to the role as a non-executive director of the Company.

#### **Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities**

The Board has a wealth of knowledge and experience as illustrated by the Directors biographies below. The Board believes that it has the appropriate mix of experience, expertise, personal qualities and skills to support the business of the Group. The addition of an independent non-executive director will further strengthen this as the Company continues to grow.

- **Stephen Davidson** - Stephen has over 18 years as a director of both publicly listed and private companies. He is Non-Executive Chairman of Actual Experience plc, Datatec Limited and PRS For Music Limited. He is also Non-Executive Director of Informa plc and Restore plc. In his earlier career Stephen was Chief Financial Officer and then Chief Executive Officer of Telewest Communications plc and Vice Chairman of Investment Banking at WestLB Panmure.
- **Nicola Foulston** - Nicky took over the commercial management of the Firm in September 2016, having been a client for nearly 30 years, taking the Firm to market on 8th May 2018 at a valuation of £70m+. In 1992, Nicky acquired the Brands Hatch Leisure Group, which owned and ran a motor racing circuit. She was involved in its subsequent stock market listing in 1996 and sale in 1999. Initially valued at £6 million when she took over, Nicky helped build it into the largest organiser and promoter of motorsport in Europe before it was sold for over \$195

million to Interpublic, the US marketing giant. She was named “Veuve Cliquot Business Woman of the Year in 1997”, and she remains, the award’s youngest ever recipient.

Nicky subsequently ran a private family office with private equity investments in the USA and Europe. In 2014, she was appointed as a board member of the Government’s Industrial Development Advisory Board (IDAB), an advisory non-departmental public body, sponsored by the Department for Business, Energy & Industrial Strategy, to help government boost growth in business and resigned in 2018.

- **Victoria Hull** - Victoria is a former Executive Director and General Counsel of Invensys plc and Telewest Communications plc. Her legal career commenced at Clifford Chance LLP in 1985 where she trained and qualified into the corporate finance discipline. She joined Ftse100 industrial company, Invensys plc, as General Counsel in 2001 and gained global experience across a wide variety of legal matters in diverse industries including M@A , litigation, contracting, IP.

### **Gender balance**

We are proud to have strong female representation on the Board in the CEO, Nicola Foulston, and Non-Executive Director Victoria Hull. We closely monitor gender balance and will continue to strive for balanced representation across the Group.

### **Ongoing personal development**

The Company Secretary is responsible for ensuring that the Directors regularly receive high quality information including financial and operational reports.

The Board considers and reviews the requirement for continued professional development. The Board undertakes to ensure that their awareness of developments in corporate governance and the regulatory framework is current, as well as remaining knowledgeable of any industry specific updates. The Company Secretary, Nomad and specialised external advisers all serve to strengthen this development by providing guidance and updates as required.

### **Chair**

The Chair is responsible for leading the Board effectively and to overseeing the adoption, delivery and communication of the Company’s corporate governance model. The Chair must display clear vision and focus on strategy, capitalising on the skills, experience, characteristics and qualities of the Board and fostering a positive governance culture throughout the Group.

### **Executive Directors**

The Executive Directors are charged with the delivery of the business model within the strategy set by the Board. The Executive Directors work with the Chairman in an open and transparent way, providing updates, both at formal meetings and on an ad-hoc basis, on the operational performance, risks and any other issues.

**Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

The Board has not yet undertaken a board effectiveness review but, in consideration of the time passed since incorporation, the Board believes it will be beneficial to conduct an annual evaluation of its own performance and is committed to undertaking its first evaluation in the twelve months following publication of the Company's interim financial statements.

The Board intends to carry out the initial board effectiveness review by means of a questionnaire requiring written responses from the Directors. To ensure independence and objectivity, the Board intends for the questionnaire to be designed, administered and reviewed on a confidential basis by the Company Secretary. It is intended that the questionnaire be drafted having due regard to the balance of skills, experience, independence and knowledge contributed by members of the Board, as well as the successful operation of the Board as a unit, its diversity and other factors relevant to its effectiveness.

### **Succession planning**

Succession planning is managed through regular management discussions involving not only the Board but also HR and senior managers within the business. This gives us a wide range of opinions on where the Company's future business leaders are and what personal development plans need to be put in place to harness their potential and plan for job growth and career progression.

In practice, the Chairman and CEO lead on the Board nomination and appointment process. They consider the balance of skills, knowledge and experience on the Board and make appropriate recommendations for consideration by the whole board. Each Board member is invited to meet with the candidate. Other senior appointments are made by the CEO in discussion with the Chairman.

### **Principle 8: Promote a culture that is based on ethical values and behaviours**

The Board promotes a dynamic, entrepreneurial and transparent culture. The recruitment of highly skilled, adaptable, driven and experienced Directors and senior management are fundamental to executing the Company's strategy. The Board therefore fosters a forum whereby openness, constructive challenge and innovation are actively encouraged.

Ethical values and behaviours are embedded in the corporate culture which the Board uphold. The Directors foster a forum where transparency, openness, integrity and constructive challenge are actively encouraged and have created an effective corporate governance and compliance framework.

### **Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for overall Group strategy; approval of major investments approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, their annual budgets and their performance in relation to those budgets.

The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The CEO is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company through the Executive Team.

## **Roles of committees:**

- Executive Committee: it is responsible for the daily running of the Group and the execution of approved policies and the business plan.
- Audit Committee: its primary focus is on corporate reporting (from an external perspective) and on monitoring the Company's internal control and risk management systems (from an internal perspective).
- Remuneration Committee: its primary function is to determine, on behalf of the Board, the remuneration packages of the Executive Directors.
- Nomination Committee: its primary function is to review the structure, size and composition of the Board.

All Directors receive regular and timely information on the Group's operational and financial performance.

The business reports monthly on its headline performance against its agreed budget, and the Board reviews the monthly update on the performance, and any significant variances are reviewed at each meeting. Senior managers and heads of department below Board level attend Board meetings where appropriate to present business updates.

The Company's governance framework will evolve over time in line with the Company's size, complexity and objectives. The addition of new committees will be considered by the Board after due evaluation.

## **Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

The Board is always available for communication with shareholders and the Directors frequently engage constructively with current and potential shareholders. The Board stays informed of shareholders' views via regular meetings and other communications its members have with shareholders and through its Nomad.

All shareholders have the opportunity, and are encouraged, to attend and vote at the AGM of the Company during which the Board will be available to discuss issues affecting the Company.

The report of the Directors, independent auditors' report and details of Directors' remuneration will be set out in the Company's Financial Statements.

The Company's website provides all historical annual reports and other governance related documentation such as AGM results.

## **Voting results**

Where a significant proportion of votes (e.g. 20% of independent votes) have been cast against a resolution at any general meeting, the Company will on a timely basis, include an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.