

RBG Holdings plc – QCA Code Disclosures

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 that 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 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.

The Group is made up of the following:

RBG Legal Services Limited ("RBGLS"), which forms the Group's legal services division consisting of Rosenblatt (RB) and Memery Crystal (MC).

Rosenblatt

Rosenblatt is one of the UK's pioneering legal practices and a leader in dispute resolution. Rosenblatt provides a range of legal services to its diversified client base, which includes companies, banks, entrepreneurs and individuals. Complementing this is Rosenblatt's increasingly international footprint, advising on complex cross-jurisdictional disputes.

Memery Crystal

Memery Crystal offers legal services in a range of areas such as corporate (including a market-leading corporate finance offering), real estate, commercial, IP & technology (CIPT), banking & finance, tax & wealth structuring and employment. Memery Crystal is one of the leading legal practices in the UK to advise the emerging cannabis sector on a wide range of business issues. Memery Crystal offers a partner-led service to a broad range of clients, from multinational companies, financial institutions and owner-managed businesses to individual entrepreneurs.

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 its 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://www.rbgholdings.co.uk/investor-relations/>.

Additional Contact Details:

Singer Capital Markets, the Company’s nominated advisor and Broker may be contacted using the following details

Tel: +44(0)207 496 3000

The Company’s 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 the Group’s business, and to enable the Board to understand and consider these issues in decision-making.

Regular briefings and newsletters keep employees aware of the progress of the Group and upcoming events and projects. Employee’s feedback is sought via both informal discussions with management and formally through surveys where appropriate. In addition, department heads can raise issues with the Group’s HR team at biweekly Business Performance Meetings.

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

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 Group's businesses.

- 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. Monthly figures are circulated to the Board.

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 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 can be found in the Report and Financial Statements, on the Group's website.

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 each 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 chair 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 Chair, or in the event that the Chair 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. The Board believes that it has the appropriate mix of experience, expertise, personal qualities and skills to support the business of the Group. The Directors of the Company are as follows:

- Marriane Ismail - Non-Executive, Chair
- Jon Divers - Chief Executive Officer
- Jon Lovitt - Company Secretary
- Kevin McNair - Chief Financial Officer
- Patsy Baker - Non- Executive Director
- David Wilkinson - Non-Executive Director
- Nick Davis - Director
- Tania MacLeod - Director

Their biographies can be found on the Company's website in the "About" section here: <https://www.rbgholdings.co.uk/about/board/>.

Gender balance

The Board closely monitors 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 oversee 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 Chair 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 considers that the evaluation of its performance and that of its Committees and individual Directors is best carried out internally at this stage of the Company's development. The objective of the evaluation process is to identify and address opportunities for improving the performance of the Board and to solicit constructive feedback.

During the year, the Company carried out an annual Board performance review by an open forum discussion in which the overall approach, effectiveness and areas for improvement were led by the Chair and discussed and considered.

No specific failings in effectiveness were identified and the review served to reinforce the Board's focus on the Board's monitoring of risk.

The Board regularly considers the effectiveness and relevance of its contributions, any learning and development needs and the level of scrutiny of the senior management team but at this stage has considered that internal review is sufficient given the size of the Board. This will be kept under continuous review.

Where areas for development are identified these will be dealt with constructively and training and/or mentoring will be offered if and when required.

The performance of the Committees is monitored on an ongoing basis by the Chair, and formally by the Board on a bi-annual basis.

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 the Board 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 to plan for job growth and career progression.

The Nomination Committee, chaired by the Chair, regularly considers the Group's succession plans. The Nomination Committee considers the balance of skills, knowledge and experience on the Board and makes appropriate recommendations for consideration by the whole Board. Each Board member is invited to meet with any candidate being considered for a role. Other senior appointments are made by the CEO in discussion with the Chair.

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 Chair 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:

- 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, the independent auditors' report and details of Directors' remuneration is 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.

THIS STATEMENT WAS LAST REVIEWED AND UPDATED ON 7 DECEMBER 2022