

**CHAMBERLIN PLC**  
**(the “Company” or the “Group”)**

**QUOTED COMPANIES ALLIANCE CORPORATE GOVERNANCE STATEMENT**

**Introduction:**

The Board of directors of the Company fully endorses the importance of good corporate governance and has adopted the Quoted Companies Alliance Corporate Governance Code (2018) (the “QCA Code”), which they believe is the most appropriate recognised governance code for a company of its size with shares admitted to trading on the AIM market of the London Stock Exchange. The QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all its stakeholders.

The QCA Code has ten principles of corporate governance that the Company has committed to apply within the foundations of the business. These principles are:

1. Establish a strategy and business model which promote long-term value for Shareholders;
2. Seek to understand and meet Shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the Board as a well-functioning balanced team led by the Chair;
6. Ensure that between them the directors have the necessary up to date experience, skills and capabilities;
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviours;
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board;
10. Communicate how the Company is governed and is performing by maintaining a dialogue with Shareholders and other relevant stakeholders.

**Website disclosures:**

**The QCA Code requires us to apply the ten principles and publish certain disclosures in our annual report and also on our website. Our website disclosures are as follows:**

- 1. Establish a strategy and business model which promote long-term value for Shareholders**

Chamberlin is a well-established specialist provider of small and large castings and high-quality lighting for hazardous areas and industrial applications. A new strategy has been defined in 2022 to deliver sustainable profitable growth over the medium to long term by diversifying away from reliance on the automotive sector, investing in plant and machinery to increase capacity and investing in new products in markets with strong growth characteristics and opportunities.

Further details are provided in the Chairman's' Statement, Chief Executive's Review and Strategic Report.

## **2. Seek to understand and meet Shareholder needs and expectations**

Chamberlin highly values regular two-way engagement with Shareholders to discuss strategy and performance levels. The Executive Directors aim to ensure that both current and potential future investors have the opportunity to fully understand the business alongside being able to understand the needs of investors and analysts.

We offer to meet with all institutional investors that wish to do so at least twice a year in the results period. These meetings include a presentation of the latest financial performance, a wider business update and discussion on the longer-term plan. These meetings are normally attended by the Group Chief Executive and Group Finance Director. We also welcome engagement with our key Shareholders throughout the year.

We answer and respond to any Shareholder calls or correspondence on an individual and personal basis as they are received and then endeavour to keep in contact with the Shareholder.

The AGM presents the main opportunity for engagement with private Shareholders. This meeting is typically attended by all Board members and several senior operational managers.

## **3. Take into account wider stakeholder and social responsibilities and their implications for long-term success**

Chamberlin aims to ensure that the highest standards of corporate behavior are maintained throughout its business. We do this through monitoring and actively managing our impact on the locations where we operate and our relationships with key stakeholders. The main mechanisms for wider stakeholder engagement and feedback can be summarised as follows:

### **Health and Safety**

Health and safety is a key issue for the Board, management and employees. Our policies require all sites to operate to high standards with the objective of continuous improvement in health and safety performance.

Health and safety management is aligned to the operations of the business. All employees are responsible for ensuring that health and safety policies are implemented and for identifying opportunities for improvement. The business is supported in this by qualified health and safety professionals.

All sites are required to report on health and safety performance on a monthly basis to the Board. The key health and safety performance indicators focus on accident reporting. These indicators are used to monitor the effectiveness the health and safety systems and to drive improvements. Health and safety is the first standard agenda item at the Board meetings that discuss monthly performance.

## **Suppliers**

The third-party supply base can be the key to the success of the Chamberlin business. As such, there are processes in place within each of the business units to actively manage supplier relationships in the normal course of business, taking appropriate feedback and developing actions as necessary.

## **Employees**

The Group's employment policy includes a commitment to the principles of equal opportunity for all, and specifically prohibits discrimination of any type. Our policy is always to ensure that all persons are treated fairly irrespective of their colour, race, sex, sexual orientation, age or youth, religion, political beliefs, trade union membership or non-membership, marital and physical or mental status or any other factors including pregnancy and maternity. Chamberlin aims to involve its employees in the activities of the business.

Employees are informed of business performance via a number of routes including shop floor visual performance charts, management/employee briefings, dialogue with trade union representatives and health and safety meetings.

## **Community**

Chamberlin recognises the role that local communities play in our business, and we aim to be a responsible partner in the localities in which we operate throughout the UK. We encourage all of our businesses to support the needs of their local communities through contributing to local charities and community initiatives.

## **4. Embed effective risk management, considering both opportunities and threats, throughout the organisation**

### **Financial control**

The Group has an established framework of financial controls, the effectiveness of which is reviewed regularly by senior management, the Board and the Audit Committee. Key areas of control are as follows:

- The Board has responsibility for approving all annual budgets, longer-term strategy and plans, dividend policy, financial and funding structure of the Group and any material investments.
- Key performance metrics are reported to the Executive Directors weekly, including invoicing, sales orders, order book and cash.
- Financial performance on a monthly basis is reported to the Board comparing to forecast, budget and prior year.
- There is a comprehensive forecast process in place providing the Board with an updated view of the likely performance for the financial year on a quarterly basis (in the absence of ad hoc material events) including revenue, profit and cash.
- Monthly management meetings are held with each business in the Group, chaired by the Group Chief Executive.
- A robust system of controls exist to cover all types of cost including recruitment, promotions, salary costs and capital expenditure. All payments are approved by senior finance staff.

- Return on investment and payback are tracked for business acquisitions as well as other types of investments. These are reported to the Board on a monthly basis.

### **Other controls**

The Board continually reviews whether the system of controls and risk management in place is appropriate for the size, complexity and risk profile of the Group. The controls currently in place include:

- Monthly management meetings for each business, chaired by the Group Chief Executive and attended by the Group Finance Director, provide the mechanism for reporting identified risks and setting required actions to mitigate. Any risks of a material nature are then reported to the Board through the monthly Board meeting. These meetings incorporate a monthly health and safety review meeting in which each site responsible officer reports on current status against set criteria. A monthly health and safety dashboard is also reported to the Board. These mechanisms facilitate ensuring each site has appropriate roles and processes in place including first aiders, fire wardens, regular fire alarm tests and regular health and safety checks.
- All contracts are approved by the Finance Director or Chief Executive prior to signing.
- Dedicated resource and appropriate tools are in place that proactively monitor the Group's IT infrastructure to ensure high levels of security are maintained, as well as looking to continually improve. This is reviewed at regular intervals with the Group Finance Director.

A summary of the Group's principal risks, potential impact and mitigations are included in the Strategic Report.

### **5. Maintain the Board as a well-functioning balanced team led by the Chair;**

The Board has been led by the Chairman, Keith Butler-Wheelhouse, since 2012 and comprises three Executive Directors and two Non-Executive Directors. Board decisions are made at regular Board meetings following discussions between all five Directors, with the Non-Executive Directors providing the necessary challenge and balance to proposals made by the Executive Directors.

### **6. Ensure that between them the directors have the necessary up to date experience, skills and capabilities**

Details of the Director's careers and experience can be found on page 11 The Board.

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

The Directors consider seriously the effectiveness of the Board, Committees and individual performance.

The Board meets formally weekly with ad hoc Board meetings as the business demands in order to facilitate decision-making. Details of the Directors' attendance at board meetings are set out on page 15. There is a strong flow of communication between the Directors, in particular the relationship between the CEO and Chairman. The agenda is set with the consultation of both the CEO and Chairman, with consideration being given to both standing agenda items and the strategic and operational needs of the business. Papers are circulated in advance of the meetings where possible, giving Directors time to review the documentation and enabling an effective meeting. Resulting actions are tracked and detailed minutes maintained for appropriate delivery and follow up.

In addition to the above, the Directors have a wide knowledge of the business and requirements of director's fiduciary duties. The Directors have access to the Company's NOMAD and auditors.

Review of the functioning of the Board and ensuring that the highest level of governance is maintained whilst being mindful of the size and stage of development of the Company is a continuous process. The Board has not to date adopted a board performance evaluation process, however this is something that the Board may consider in future.

The Board and executives' performance will be judged on the delivery of certain desired outcomes as summarised in the annual report.

## **8. Promote a corporate culture that is based on ethical values and behaviors**

All Directors, managers and employees at Chamberlin plc are required to exercise high standards of ethics and integrity in conducting the Group's business. Specifically they should adhere to both the letter and spirit of relevant laws and regulations. The Group applies these standards to all of its dealings with customers, suppliers, employees and other stakeholders.

The Board has adopted a Whistleblowing Policy and Procedure, to encourage employees to raise concerns about misconduct or malpractice, and to ensure that such concerns can be reviewed and considered fairly and properly. This forms part of the Board's processes for monitoring adherence to the ethical values and behaviors expected from the Group's employees.

The Board has formal anti-bribery policies and procedures to comply with the requirements of the Bribery Act 2010.

The Group values its reputation for ethical behavior and for honesty and transparency. Its aim therefore is to limit its exposure to bribery by:

- Setting out a clear anti-bribery policy;
- Encouraging its employees to be vigilant and to report any suspicion of bribery;
- Rigorously investigating instances of alleged bribery and assisting the police and other appropriate authorities in any resultant prosecution;
- Taking firm and vigorous action against any individual(s) involved in bribery.

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

The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Chairman has the responsibility of ensuring that the Board discharges its responsibilities. No one individual has unfettered powers of decision. The roles of Chairman and CEO are split in accordance with best practice.

The Chairman has the responsibility of ensuring that the Board discharges its responsibilities and is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Group's strategy and overall commercial objectives.

The role of the CEO is to provide the vision for the strategic direction of the Group and to ensure that the Group has sufficient resources to be able to deliver its strategy and goals. The CEO is responsible for the day to day running of the Group, providing leadership to the senior management team and establishing a framework that enables the Group to operate in an efficient manner to achieve its objectives and in line with the strategy. The CEO is also responsible for ensuring that appropriate risk management policies and procedures are implemented to minimise exposure to risk, be they financial, ethical, environmental, health and safety or operational risks.

The Audit Committee, which consists of two Non-Executive Directors, Kevin Nolan (Chairman) and Keith Butler-Wheelhouse, meets at least twice per year with the external auditors in attendance when required. It has formal terms of reference which include reviewing and monitoring internal financial control and risk management systems, consideration of the annual, interim and auditor's reports and making recommendations to the Board in relation to the appointment and remuneration of the auditors. The Audit Committee also assists the Board in ensuring that appropriate accounting policies, financial systems, internal controls and compliance procedures are in place. It also reviews the relationship between the Group and the external auditors in terms of the provision of non-audit services and ensuring that auditor independence and objectivity is maintained.

The auditors have direct access to the Chairman of the Audit Committee and a formal "whistle-blowing" policy is in operation, in relation to any concerns staff may have concerning the propriety of Group operations and activities. No issues or incidents have come to light as a result of this policy. All proposals for the provision of non-audit services by the external auditor are pre-approved by the Audit Committee or its delegated member, the overriding consideration being to ensure that the provision of non-audit services does not impact the external auditor's independence and objectivity.

The Remuneration Committee comprises two Non-Executive Directors: Kevin Nolan (Chairman) and Keith Butler-Wheelhouse. The committee meets when necessary, usually at least twice per year, and is responsible for determining the remuneration packages of the Executive Directors and of the Chairman.

The Board retains full and effective control over the Company and holds regular Board meetings at which financial, operational and other reports are considered and where appropriate voted upon. The Board is responsible for the Group's strategy and key financial and compliance issues, including reserved matters such as acquisitions and disposals, the raising of finance, entry or exit to and from key markets and all commercial and legal matters impacting the Group.

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

Details of the Company's Governance structure is contained within this report and our compliance with the QCA code is also published on our website.

The performance of the business is communicated to shareholders through the Annual Report, which together with the notice of AGM, interim report and regulatory announcements released throughout the year are available to all shareholders and can be downloaded from the investors section of our website. The website also includes interim and annual reports issued for at least the last five years.

We update shareholders via notifications to the market through a regulatory news service ("RNS") on matters of a material substance and regulatory nature.

The primary contact for shareholders in the first instance is the Chairman of the Board, who can be contacted via the contact details on the corporate website.

## Summary of attendance at meetings

	Board meetings	Nominations Committee	Remuneration Committee	Audit Committee
Number of meetings in the period	48	-	1	2
Trevor Brown	47	n/a	n/a	n/a
Keith Butler-Wheelhouse	47	-	1	2
Kevin Nolan	45	-	1	2
Kevin Price	48	n/a	n/a	n/a
Alan Tomlinson	48	n/a	n/a	n/a

n/a – indicates that a Director was not a member of a particular committee.

By order of the Board



**ALAN TOMLINSON**  
COMPANY SECRETARY

4 November 2022

## Annual report disclosures:

The table below provides details of our annual report disclosures as required under the QCA Code

QCA Code Principle	Disclosure	
1	Establish a strategy and business model which promotes long term value for shareholders.	2022 Annual Report: p2-8
2	Seek to understand and meet shareholder needs and expectations.	2022 Annual Report: p12 Corporate Governance Report – section 2
3	Take into account wider stakeholder and social responsibilities and their implications for long term success.	2022 Annual Report: p20 Directors' Report
4	Embed effective risk management, considering both opportunities and threats, throughout the organisation.	2022 Annual Report: p9 Principal Risks and Uncertainties
5	Maintain the Board as a well-functioning balanced team led by the Chair.	2022 Annual Report: p11 The Board p12 -15 Corporate Governance Report

6	Ensure that between them the directors have the necessary up to date experience, skills and capabilities.	2022 Annual Report: p11 The Board p12 -15 Corporate Governance Report
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.	The Board has not to date adopted a board performance evaluation process however this is something that the Board may consider in future.
8	Promote a corporate culture that is based on ethical values and behaviours.	<a href="https://www.chamberlin.co.uk/about-chamberlin/social-responsibility/business-ethics">Chamberlin.co.uk/about-chamberlin/social-responsibility/business-ethics</a>
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.	2022 Annual Report: p11 The Board p12-15 Corporate Governance Report
10	Communicate how the Company is governed and is performing by maintaining a dialogue with Shareholders and other stakeholders.	2022 Annual Report p11 The Board p12-15 Corporate Governance Report

18<sup>th</sup> November 2022