

HOW THE BOARD OPERATES

CONTINUED

CORPORATE GOVERNANCE CODE

The Board recognises the corporate responsibility in the way that INSPECS operates around the globe. The Board has adopted the Quoted Companies' Alliance Corporate Governance Code for small and mid-sized quoted companies, known as the QCA Code.

The Board is accountable to a wide range of stakeholders and to ensuring its primary goal of long-term sustained growth whilst acting in a sustainable manner. Examples of our continued work on sustainability are covered on pages 42 to 54 of this report.

The Board has ultimate responsibility for internal control and how we manage this process is shown on page 78.

Our gender diversity is shown on page 51 of this report. Our compliance with the QCA Corporate Governance Code principles is reported on below:

THE QCA CORPORATE GOVERNANCE CODE

DELIVER GROWTH

Governance principles	Compliant	Application of the principle	Further information
1. Establish a strategy and business model which promotes long-term value for shareholders.	✓	The Board is responsible for Group strategy and its implementation. This strategy is debated and tracked by the Board who monitors its progress.	↗ See pages 13 to 16 to learn more about our strategy and business model.
2. Seek to understand and meet shareholder needs and expectations.	✓	Meetings are held with investors and analysts after the release of interim and final results. The AGM provides a forum for all shareholders to meet and hear from the Directors. Shareholder comments and suggestions are welcomed by the Board.	↗ See pages 37 to 41 to see how we communicate. Further information is available on our website www.INSPECS.com .

Governance principles	Compliant	Application of the principle	Further information
3. Take into account wider stakeholders and social responsibilities, and their implications for long-term success.	✓	The Board has identified the key stakeholders in the business and discusses the impact of the long-term growth strategy and how our business model may affect these stakeholders. We acknowledge our social and environmental responsibilities, and consider the impact upon these in all that we do.	↗ See pages 37 to 41 to see how we communicate and deal with our stakeholders. In addition, see pages 42 to 54 of our ESG Report.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.	✓	Risk Management Committees are held at the division and Group level, considering both internal and external risks, and reporting into the Audit and Risk Committee. During the period, the role of Head of Internal Controls has been established, to ensure robust and consistent internal controls across the Group.	↗ See pages 63 to 65 for further detailed information on risk management, and pages 76 to 78 for the Audit and Risk Committee's Report considering auditor independence.
5. Maintain the Board as a well-functioning, balanced team led by the Chair.	✓	The Board consists of four independent Non-Executive Directors with diverse and relevant experiences and perspectives, the Executive Chair, the CEO and CFO. The Board has a wealth of experience on strategy, operations and financial matters. The Executive Chair engages in open debate and proposed strategies are challenged.	↗ See Board Director information on page 75 for further details.

HOW THE BOARD OPERATES

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MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

Governance principles	Compliant	Application of the principle	Further information
6. Ensure that between them, the Directors have the necessary up-to-date experience, skills and capabilities.	✓	The Board believes that it has the required skills and a strong balance of capabilities to manage the Group. Members of the Board keep their skillset up-to-date in a variety of ways throughout the year. The Board are also supported by Committees, and use external advisors where relevant, to ensure sufficient resource and expertise are available.	↗ See Board Director information on page 75 for further details.
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	✓	The Board and Board Committees internally review their performance on an annual basis, with an external review every three years.	↗ Details of the Board and Board Committees effectiveness reviews are included on page 83.
8. Promote a corporate culture that is based on ethical values and behaviours.	✓	The Board and Senior Management promote and encourage the core values of the Group. The aim is to deliver continual improvement in both the economic performance of the Group and in its ability to meet its social responsibility to the wider community.	↗ See pages 67 and 68 of the Corporate Governance Report, along with pages 49 to 52 for the Social section of our ESG report.

Governance principles	Compliant	Application of the principle	Further information
9. Maintain a governance structure and processes that are fit for purpose and support good decision-making by the Board.	✓	The Board's governance model is widely known as the unitary system. The Board is aided by three subcommittees to undertake specific work. The Board has regular information flows and has regular meetings to ensure it has the ability to review, debate and make well-informed decisions.	↗ See more information on the Committee Reports on pages 76 to 86.

BUILD TRUST

Governance principles	Compliant	Application of the principle	Further information
10. Communicate how the company is governed and is performing by maintaining dialogue with shareholders and other relevant stakeholders.	✓	INSPECS has open communication with a wide range of stakeholders. This includes regular updates with investors, yearly and half-yearly reports and regulatory news service releases on key corporate matters.	↗ See pages 37 to 41 of the Strategic Report.